

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

THE CONTRIBUTION OF TOURISM TO POVERTY ALLEVIATION

ESCAP TOURISM REVIEW
NO. 25



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**ESCAP WORKS TOWARDS REDUCING POVERTY
AND MANAGING GLOBALIZATION**

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INTRODUCTION

Over the past few decades, the tourism industry has experienced phenomenal growth. There were 702.6 million international tourism arrivals in 2002. Tourism contributed about 10 per cent of global gross domestic product (GDP) and represented 8 per cent of total global employment. In the Asia-Pacific region, tourism arrivals grew at an average of 7.1 per cent per year over the past decade. Tourism revenue more than doubled and created 115 million jobs in 2002.

The process of globalization would continue to create enormous opportunities for the expansion of tourism, with the expectation that it would make a significant contribution to socio-economic development, especially in developing countries. Tourism could help diversify a country's economic base, as well as spread development to regions that may not have benefited from other types of economic development.

Tourism could contribute to poverty alleviation through job creation and productive employment by offering labour-intensive jobs and small-scale business opportunities that generally employ a high proportion of women and unskilled youth. Tax revenue from tourism could be used to improve education, health and infrastructure development, all of which are important for poverty alleviation. Culture and tradition could be revitalized and the natural environment could be preserved through appropriate and sustainable tourism development. In the long run, tourism promotes understanding among people of different nations, thus contributing to world peace.

In order for tourism to be a catalyst for socio-economic development, it is essential that Governments pursue the sustainable development of tourism in a comprehensive and planned manner. Appropriate policies must be formulated by the government to ensure that the benefits are widely shared; adverse impacts are minimized, especially on fragile natural environments; and necessary support is given to foster the sound development of the industry. Effective strategies and policies need to be implemented in order to spread the benefits of tourism to poor communities. There is also a need to strengthen the capacity of government tourism agencies, provincial governments, local communities, NGOs, tourism education and training institutes and the private sector. All of these stakeholders must be capable of designing and implementing effective measures to foster sustainable tourism development and enhance the contribution of tourism to socio-economic development.

Tourism will be sustainable if the benefits available to current generations do not place at risk the longer-term prosperity and quality of life of future generations. Ecosystems and biological diversity should be maintained and the use of natural resources should be based on the principle of optimal sustainable yield. It is

important to recognize that the government and all stakeholders in the tourism sector are directly responsible for ensuring that tourism contributes to long-term prosperity and the quality of life of future generations.

Many stakeholders with divergent interests must be brought together to reach a common understanding about the balance between present and future benefits, possible negative impacts and how to minimize them and the interrelationship between human activities and the natural environment. Multi-stakeholder participation in open and transparent processes is therefore critical for achieving sustainable development.

All stakeholders must see to it that local cultures and ways of life are safeguarded and the environment protected. Active participation of local communities in making, planning, managing and monitoring tourism policy could help ensure support at the local level, provide for appropriate distribution of socio-economic benefits and guarantee that negative impacts are monitored and minimized.

ESCAP has been undertaking a number of activities to promote sustainable tourism development based on recognition of the important role that tourism has in the socio-economic development of developing countries in Asia and the Pacific.

ESCAP organized a Seminar on Poverty Alleviation Through Sustainable Tourism Development, which was held in Kathmandu from 26 to 28 August 2003. Country representatives attending this seminar had presented an overview of tourism development and the economic impact of tourism in their respective countries. They reported on how tourism development helped in poverty alleviation and made useful recommendations regarding the development, management, and promotion of tourism for this purpose. Case studies of poverty alleviation through sustainable tourism development were also presented.

This *Tourism Review* summarizes the papers presented by country representatives and two concept papers prepared by experts on the topic of tourism development and poverty alleviation. The tourism development models which are presented place great importance on sustainable tourism and pro-poor tourism. While the most desirable goals focus on the benefits of tourism and its positive impact, it is also clear that any negative impact from tourism must be prevented.

I. TOURISM DEVELOPMENT AND POVERTY ALLEVIATION: MAJOR ISSUES AND CHALLENGES

A. Poverty alleviation through sustainable tourism development¹

1. Introduction

In the wake of globalization and economic restructuring, many countries and communities are struggling to redefine and rebuild their economies. Many governments and international aid agencies have recognized the positive impact of tourism development in helping to reduce poverty and encourage economic and social development. It is acknowledged that tourism development could create economic opportunities and contribute to the general quality of life.

Evidence has demonstrated the successes as well as failures of tourism as an entry point to social and economic development. However, careful planning; positive partnerships between the private and public sectors; concern for social, economic, and environmental impacts; and a clear view of responsible tourism are key factors that countries could use in order that tourism strategies serve as an important development tool. There has also been a growing awareness that many countries and their communities have not achieved desired social and economic objectives due to environmental degradation, social disruption, unanticipated costs to local governments and rising costs to residents. More seriously, the poor people in developing countries often do not receive the benefits of tourism development for a number of reasons which must be explored.

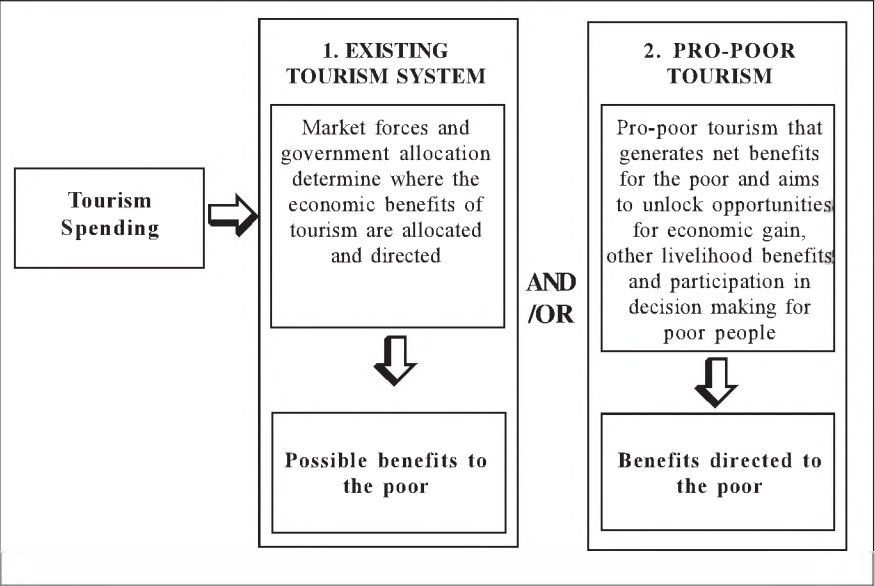
Many of the positive approaches to tourism have now been subsumed under the concept of sustainable tourism, based in part on international agreements that resulted from the Brundtland Commission, among others. Many international organizations and global events, including the World Summit on Sustainable Development (WSSD) in Johannesburg in 2002, the World Tourism Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) in charters, declarations and publications clearly highlight worldwide recognition of the essential role that tourism can play in reducing poverty. The challenge is how to make this occur, especially in developing economies.

There has been increased understanding about evaluating the role of tourism in reducing rural poverty. However, the role of tourism development in reducing poverty in larger urban areas is more complex and requires a different set of tools for analysis and management. Figure I-1 identifies two models of tourism

¹ Based on a background paper by Walter Jamieson entitled "Poverty alleviation through sustainable tourism development".

development. One model represents the situation where market and overall public sector decisions determine what happens to tourism revenues, with the possibility that money would trickle down to the poor. The other model represents a pro-poor approach that identifies the need to direct all efforts towards poverty reduction.

Figure I-1. Two tourism development models



The notion of sustainable pro-poor tourism development is based on the premise that the strategy would best be implemented on the basis of the planning and management principles and processes of sustainable tourism development.

2. Sustainable tourism

This paper is based on a sustainable tourism model where all systems on earth and involving humans are clearly understood as interrelated. No human action ever occurs in total isolation from other natural systems. There is growing awareness of the reality that humans are dependent on the limited and finite resources of this planet. These propositions were clearly identified at the World Summit on Sustainable Development.

There is a set of principles and imperatives that promote and enhance the vision of sustainable futures. The following points derive from the set of principles and imperatives. Use of the earth’s resources within the limits of the planet’s carrying capacity must be prudent. Devolution of top-down decision-making responsibilities must devolve to a broader range of stakeholders at a tourist destination. Poverty

must be alleviated and gender inequalities ended in line with respect for fundamental human rights. The quality of life can be enhanced through improved health care, shelter, nutrition and access to education and income-generating skills. Biodiversity and life support systems for all natural habitats must be preserved. The indigenous knowledge, ways of life, and respect for the spiritual and cultural traditions of different peoples must be preserved.

The principles have been discussed in a number of statements and declarations of the World Tourism Organization (WTO). The WTO has defined sustainable tourism development as follows:

Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged 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 system.²

While tourism is welcomed almost universally for the benefits and opportunities it creates, there is a growing recognition of the need to see tourism in its environmental context, acknowledge that tourism and the environment are interdependent and work towards reinforcing the positive relationship between tourism, the environment and poverty reduction.

Destinations in many countries have continued to pursue strategies that aim to ensure a sensitive approach when dealing with tourism. Many of these strategies are based on a formal expression of the principles for sustainable tourism development. A list of guidelines, techniques and principles is presented below for national governments, destinations and organizations who wish to be guided by the ethics of sustainable and responsible tourism. These guidelines and principles include a number of specific actions: ensure the participation of all stakeholders; establish local business linkages; ensure the viability of the resource base; encourage cooperation; respect carrying capacity; put into place monitoring and evaluation processes and structures; demand accountability; and provide capacity-building opportunities.

3. Poverty and its relationship to tourism development

Reducing poverty has been an on-going challenge for governments, non-governmental organizations (NGOs) and large sections of the population around the world. International development goals outlined at the Millennium Summit in 2000 targeted areas suggested by development and aid agencies: (a) reduce the

² WTO, WTTC and Earth Council, 1996. *Agenda 21 for the travel and tourism industry* (London: WTO, WTTC and Earth Council).

number of people living in extreme poverty; (b) invest in social development, especially education, primary health and population control; (c) facilitate public participation in political and economic life, especially by women; (d) reduce social inequalities; (e) pursue sustainable development to ensure environmental resource loss is reversed; (f) facilitate stable economies and good conditions for an active private sector; (g) promote properly functioning governments and bureaucrats, including democratic control, respect for human rights and rule of law; and (h) protect and conserve cultural and natural resources.

A number of poverty reduction tools need to be developed and applied in order to help achieve these goals and reduce poverty. There is a growing body of evidence that tourism is one tool which could effectively help reduce poverty.

(a) Understanding poverty

Since the 1950s, there have been attempts to understand poverty at different levels. The Asian Development Bank (ADB) defined poverty as the deprivation of essential assets and opportunities to which every human is entitled. The ADB argued that everyone should have access to basic education and primary health services. Poor households have the right to sustain themselves by their labour, be reasonably rewarded and have some protection from external shocks. Beyond income and basic services, individuals and societies are poor and tend to remain so, if they are not empowered to participate in making the decisions that shape their lives.³

The World Bank described poverty in a similar holistic manner while specifying its various dimensions: levels of income and consumption, social factors, vulnerability to risks and access to sound socio-political conditions. However, poverty has been most commonly understood in terms of income levels and has usually been measured against a poverty line, such as the one set by the World Bank at US\$ 1 per day.⁴ There is a general consensus among people and organizations in the development community that to effectively carry out the mission against poverty it should be understood in all of its forms and dimensions.

ESCAP has focused on the various dimensions of poverty and has stated:

Poverty essentially has three closely interrelated aspects: poverty of money, poverty of access and poverty of power. These make the working, living and social environments of the poor extremely insecure and severely limit the options available to them to improve their lives. Without choices and security, breaking the cycle of poverty becomes virtually impossible and

³ Asian Development Bank, 1999. *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy* (Manila: ADB).

⁴ World Bank, 2001. *World Development Report 2000: attacking poverty* (New York: Oxford University Press).

leads to the marginalization and alienation of the poor from society.⁵

(b) Dimensions and causes of poverty

According to the World Bank, the broad causes of poverty cover three general dimensions.⁶ First, there is the lack of income and assets to obtain basic necessities (such as, food, shelter, clothing and acceptable levels of health and education). Assets can be described as good health, the skills necessary for achieving employment, access to basic infrastructure, money in savings or access to credit. In addition, there are social assets, such as a network of contacts and reciprocal obligations which can be called on in a time of need. Social assets can be essential in moving from poverty to a state of well-being.

Second, poverty involves a sense of being powerless and unheard in various social institutions. This includes unfair sociological conditions where the poor are faced with inhumane treatment, lack of protection against violence, intimidation and lack of civility and unpredictability in their interactions with public officials.

Third, poverty includes a vulnerability to adverse shocks linked to an inability to cope with them. The poor are susceptible to various risks of health, natural or human-made hazards and often are incapable of economically, socially, physically and emotionally recovering from these shocks.

While these are the broad and immediate causes of poverty, there are also global causes of poverty, encompassing issues such as national and regional economic growth, the impact of globalization, inequality of income distribution and instability in governance. At the local level, poverty is manifested in the form of poor health and lack of access to good medical facilities, illiteracy, irregular income, informal employment, lack of land tenure for housing, lack of basic infrastructure, and so forth. At the national level, it is usually measured in relation to the GDP of the country.

(c) Understanding the difference between urban and rural poverty

The usual estimate of a poverty line set at US\$ 1 per person per day is often too low when considering that the urban poor have other non food-related costs, such as transportation, education, housing, water, sanitation, health care and medicines. The complexities of urban systems, the higher cost of living in urban areas and a variety of factors such as tenure insecurity, unfavourable urban

⁵ United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), Poverty and Development Division, 2005. "Tackling poverty"
www.unescap.org/pdd/prs/PovertyIssues/tackling.asp accessed on 13 April 2005.

⁶ World Bank, 2001. *World Development Report 2000*.

governance and policies, means that urban poverty measures and strategies for poverty reduction have to be different from those in rural areas.

In rural areas, most livelihoods depend on access to land and/or water for raising crops and livestock or access to forests and fisheries. In urban areas, poor people depend more on income to satisfy their basic needs. Poor people in rural areas have access to various assets to satisfy their basic needs such as production of food and exchange of goods for other necessary goods.

(d) Role of tourism in poverty reduction

As a tool for poverty reduction, the challenge for tourism is how and where to intervene in order to provide better opportunities, empowerment and security to poor people at the local level, in addition to stimulating economic growth at national and regional levels. Pro-poor tourism can be introduced simultaneously in rural and urban areas and thus open various opportunities and increase access not only for tourists but for local residents. Tourism can increase opportunities for the rural poor in their own communities. It has the potential to help reduce rural out-migration to urban areas, increase employment opportunities for the urban poor due to tourism, and give people additional income to provide for their families in rural areas.

Tourism is thus an appropriate mechanism for poverty reduction. It contributes to economic growth and can also have social, environmental and cultural benefits and costs. Tourism provides employment opportunities by diversifying and increasing income, which reduces the vulnerability of poor people. As a result of increased national income (foreign exchange earnings and taxation), additional funds can be diverted to poverty reduction programmes.

Tourism directly responds to poverty reduction objectives, because the WTO has argued that it:

- Unlocks opportunities for pro-poor economic growth by providing formal and informal employment
- Creates profit and collective income from locally-owned enterprises
- Facilitates social development by increasing access to infrastructure, providing local people with the opportunity to access tourism infrastructure.
- Helps increase participation of the local communities in decision-making as tourism products are often assets owned by the poor
- Reduces vulnerability by helping to diversify income opportunities
- Promotes environmental protection as the natural and human environment are the life lines of tourism development.⁷

⁷ World Tourism Organization, 2002. *Tourism and poverty alleviation* (Madrid: WTO).

There are disadvantages of tourism development that might come along with the advantages. For example, tourism can create high levels of foreign ownership of businesses, which can lead to high levels of economic leakage and thus minimize local economic benefits. Tourism could impose high non-economic costs on poor people, such as loss of access to resources, displacement from agricultural and housing land. Tourism could be vulnerable to economic and political changes at the originating market as well as social and political changes at the destination.

The causes and characteristics of poverty also create certain barriers to pro-poor tourism development. Some of these barriers have been identified:

- Lack of education and training
- Lack of access to credit to finance tourism development
- Lack of organizations to coordinate activities
- Relatively poor access to tourism infrastructure and assets
- Lack of tourism market knowledge
- Regulations and red tape
- Inadequate access to available, as well as potential tourism markets
- Lack of government programmes targeted to the tourism-related informal sector.⁸

4. An approach to pro-poor tourism growth

Pro-poor tourism interventions require that approaches are developed that reduce the negative impacts or costs of tourism development and enhance the positive impacts of tourism on the local community and for the national economy as a whole.

Several conditions need to be met for a successful pro-poor tourism approach. First, strategies must be supported by national level plans. Second, these strategies must be adapted to local conditions, target markets and interests of the poor. Third, involvement of stakeholders must be based on the recognition of poor people as legitimate stakeholders. Fourth, holistic development and poverty reduction efforts should be adopted. Fifth, pro-poor tourism product development must be linked with mainstream tourism products.

(a) Role of local urban authorities in promoting pro-poor tourism

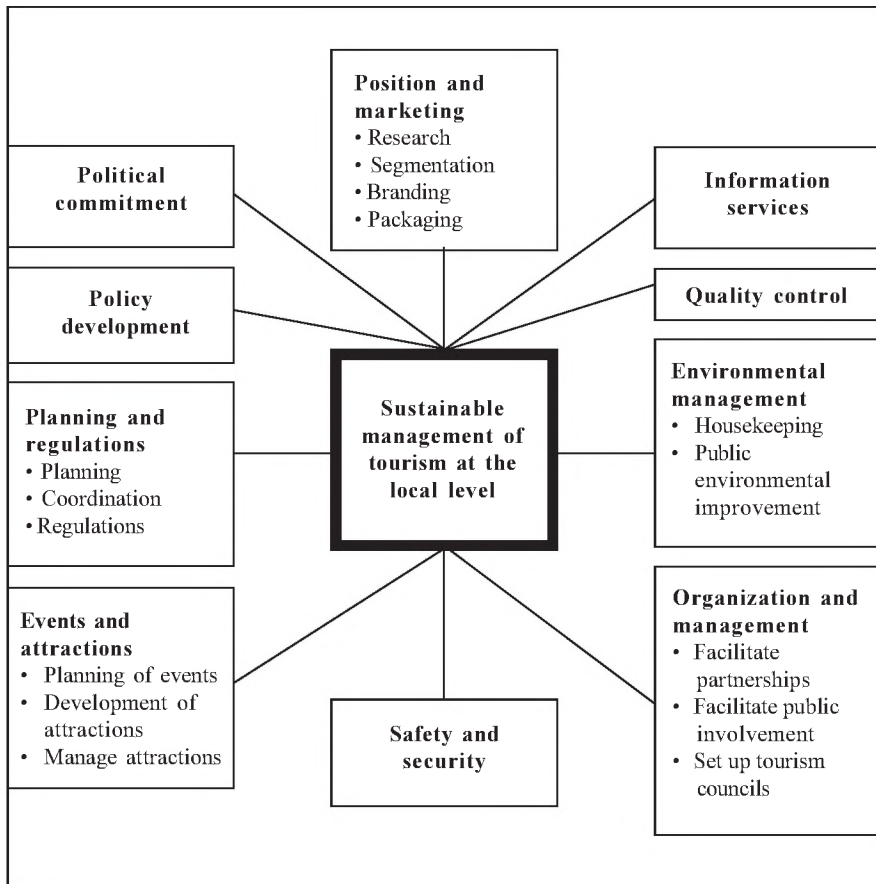
To meet the challenge of pro-poor tourism, it is important that local governments

⁸ Walter Jamieson and Mandke Pallavi, 2002. "Exploration of the National Policy Issues Related to the Use of Tourism Development in Poverty Reduction in Southeast Asia", paper presented at a Conference on Tourism in Asia, Hong Kong Polytechnic University, Hong Kong.

view tourism as an essential component of the overall management and planning process. It is important that local authorities adopt tourism planning practices and processes that support sustainable and pro-poor tourism.

Equally important is the need for local officials to work effectively with both the public and private sector in the planning, management and creation of visitor experiences and attractions. Officials must monitor and assess the impact of tourism in order to guide the process of making policy and plans. Some of the overall planning and management roles they can perform are shown in figure I-2.

Figure I-2. Local level involvement in tourism planning and management



(b) National level pro-poor tourism development

Tourism has only recently been recognized as an important catalyst for social and economic development. It is essential that national policy-makers recognize tourism as a legitimate and effective tool for poverty reduction, because without such recognition it is very difficult for pro-poor tourism to take place at the destination level.

The essential elements of a national level pro-poor tourism development policy must include a number of factors:

- Responsive and effective legislation in place to encourage and support pro-poor tourism development
- National poverty reduction strategies developed with recognition that tourism plays an essential role in improving the conditions of poorer segments of society
- Improved administrative structures developed that are not obstacles to the adoption of the integrated approaches necessary to achieve pro-poor tourism
- A comprehensive statistical database to guide decision-makers at various levels in development of tourism that is pro-poor
- Reliable tourism market data at both the national and destination level
- Training of policy-makers and destination managers in a wide range of skills and knowledge about pro-poor tourism development
- Incentive plans to facilitate and support pro-poor tourism
- Pro-poor tourism infrastructure planning and development
- Cooperation with the tourism industry to support pro-poor tourism development strategies
- Development of attractions and tourism products
- All parts of Ministries of Tourism support and recognize the essential role of tourism in reducing poverty
- Tourism information technology to provide the necessary information as well as ensure the promotion of pro-poor development strategies
- Investment in environmental conservation to help in pro-poor development strategies
- Policies and actions to reduce leakages of tourism income
- Integrated destination management among national, as well as provincial ministries and departments

- Understanding the impact of tourism on the environment and local communities
- Ensure tourist security by working effectively with the police as well as other government agencies
- Work with regional development banks and other agencies to ensure that plans and policies take donor agency priorities into consideration
- Information systems to facilitate tourism development and support pro-poor strategies

These recommendations have been designed to develop a policy structure that ensures various government plans and strategies are aimed at reducing poverty and overcoming any significant obstacles when using tourism development as a poverty reduction strategy.

5. Concluding points

The effective development, execution and management of a successful pro-poor tourism strategy could have effects far beyond local communities. It could enhance the international profile of a country and open the door to new investment as well as create new business opportunities. In addition, economic growth would be stimulated, living standards could be raised and additional funds could be provided for education and training. A successful pro-poor tourism development strategy creates the possibility of developing new groups of innovative entrepreneurs along with the incentives to bring about environmental reforms.

B. Development of tourism products for alleviating poverty⁹

1. Introduction

Tourism, particularly international tourism, has become an important economic activity in many countries of Asia and the Pacific. One fact of life is that tourism tends to take place only in those parts of a country that are attractive and relatively easily accessible to travelers. As a result, cities are the most visited tourism sites while rural or peripheral areas of countries may miss out on the benefits that tourism can generate.

This presentation provides a background to the issues of pro-poor tourism and looks at issues concerning the development of sustainable tourism products that can assist in alleviating poverty. There is an annex that presents nine cases from Asia, the Pacific, South America and Europe to highlight some of the benefits and problems associated with this type of tourism development.¹⁰ It should be clearly understood that the social, economic, political, cultural and climatic situations in the countries of Asia and the Pacific vary greatly, which means that some observations may not apply to all countries.

2. Concept and issues of poverty

In order to address the issues, there is a basic set of questions to ask: (a) What is poverty? (b) What are its causes? (c) What are its consequences? (d) What can be done to alleviate, mitigate or abolish poverty?

A first contention is that while poverty may be defined as the absence of wealth, there are in fact many different types of poverty ranging from the cash poor rural communities to the millions of urban poor that still await attention in the context of tourism.

Many so-called poor people in rural areas of the developing world are poor in the sense that they may not have much ready cash and may not possess electricity, electrical appliances, motorized modes of transport or comfortable houses. Assuming that they have access to land, however, it could be argued that they are not the poorest people in many countries. At least most people in rural areas have a way of growing enough food to sustain their lives. Real poverty is more likely to be found in the slums of large Asian cities where people have often ended up after leaving their homes in the countryside with the hope of finding gainful employment and

⁹ Based on a presentation by Thomas G. Bauer and Paul Leung, "Development of tourism products contributing to poverty alleviation".

¹⁰ See the annex.

the opportunity for a better life. If jobs do not materialize and money runs out, people in urban areas are forced to live wherever they can find shelter.

This migration from the countryside to the urban centres has been going on since the start of the Industrial Revolution. In more developed countries, the trend is now being reversed due to opportunities for tele-commuting made possible by the advances in communication technology via the Internet.

There are many causes of poverty ranging from where a person is born to unequal distribution of wealth throughout a society, corruption, exploitation and so forth. The consequences of poverty are widely known and include low levels of education, poor nutrition, lack of access to clean drinking water, poor hygienic conditions leading to poor health and premature death due to the absence of adequate health care facilities.

In the literature and tourist brochures, poverty is sometimes romanticized along the lines used by Captain Cook when he commented that the Aboriginal people he found when setting foot in the area that became Australia soil may have been poor, but they were much happier than his fellow Europeans at the time. In the South Pacific, this particular image of the poor but happy local is still promoted. Of course, there is nothing pretty or romantic about being poor and it is unlikely that a poor and unhealthy person could be found who would not be prepared to swap his or her lot with that of a wealthy and healthy person. The moral of this point is that when one considers using tourism as a vehicle to reduce rural poverty levels, it is important not to fall into the trap of appearing to be little what it means to be poor. Instead, ways need to be identified for overcoming poverty in all its forms.

3. Pro-poor tourism

Pro-poor tourism is designed and developed for the poor and the alleviation of poverty. It can benefit the poor by creating immediate employment opportunities; improving the local economy and thus benefiting the poor; and by providing training opportunities. People can thus be empowered to participate more successfully in future development.

One problem that poor people might face is a high level of exploitation by foreign investors and also the local elite in ways that hinder pro-poor development. The Gandhian model of development suggests that revival of the village is the only way to ensure full employment, minimize marginalization and exploitation. Village-based industrialization also faces various limitations, however. Village industries are generally small in scale and face various problems, such as shortage of finance; scarcity of raw materials; lack of control over quantity; marketing and communication difficulties; and lack of research facilities.¹¹

¹¹ K. S. Bharathi, 1994. *Gandhian approach to rural development* (New Delhi: Omsons Publications), p. 21.

It often seems that village-based industries are feasible only when under government promotion or protection, but this runs counter to the rules and norms of the global economy. Table I-1 shows some of the special advantages of village-based industries.

Table I-1. Special advantages in developing village industries

• labour-intensive;
• require only simple techniques;
• facilitate decentralization;
• located near raw materials;
• help supply local needs;
• help in recycling waste to produce wealth; and
• help in solving unemployment and under-employment in villages.

Source: K. S. Bharathi, *Gandhian approach to rural development*, p. 19.

Tourism is considered as a new form of the service economy, but it has become more prominent due to its ability in quickly generating revenue in foreign exchange, low initial investment requirements, good multiplier effects and its scale and growth potential. Many least developed countries (LDCs) have natural and historical attractions, which can be utilized for developing tourism. As a result, tourism has become a prime hope for many nations to accomplish social rehabilitation and development.

Furthermore, it is easier to organize local communities and raise finance to participate in small-scale tourism operations. Small-scale operations can ensure a more equitable sharing of opportunities and economic benefits. However, it is sometimes difficult to solicit funds and other assistance for small-scale investments. The government might have to step in and facilitate initial financial and technical assistance.

(a) Challenges

Most LDCs lack credentials that attract financing and investment, besides facing some immense obstacles and challenges in development. The list of shortfalls includes: inadequate technology, limited human resources, absence of public finance, lack of local capital and infrastructure, lack of a coordinated plan for efficient implementation, unreliable laws and enforcement capability, ineffective governance, and lack of social security. Challenges include pollution, cultural degradation, corruption, marginalization, discrimination, poverty and unwanted external intervention.

A holistic approach that addresses all of these issues together is needed to address the shortfalls and overcome the barriers. Local community involvement is critical, but obstacles such as the lack of information, knowledge and skills hinder local participation. The situation can only be corrected by proper empowerment and governmental support. The government has to actively participate in transitional arrangements designed to decentralize planning and implementation of the programme at the local level. The extent to which local communities participate in development is often very limited. The government and the private sector would have to fill some of the gaps in order to ensure community participation and involvement.

(b) Pro-poor tourism strategies/development

“The terrible poverty can only be removed if the local skill can be revised”

-Mahatma Gandhi

Pro-poor tourism requires a more practical framework in order to be functional, as shown in table I-2. The website Pro-Poor Tourism in the United Kingdom has defined pro-poor tourism as the kind of tourism that generates net benefits for the poor.¹² It requires a holistic and integrated approach, structural changes and concerted efforts. Pro-poor is a new concept in the existing literature. The traditional wisdom holds that poverty would be alleviated as the economy grows. By their nature, economic strategies would automatically deal with poverty. Experience demonstrates that the contrary has been the case, because economic growth alone might not alleviate poverty. A set of pro-poor strategies is thus needed. Table I-2 provides an example from Cambodia.

Table I-2. Pro-poor tourism development directions and recommendations in Cambodia for 2001-2005

• Establish a Cambodian Poverty Reduction Tourism Working Group
• Identify a pro-poverty development zone
• Set up a pro-poor SME partnership
• Reinvest in poverty reduction projects
• Develop demonstration projects
• Create new pro-poor markets

Source: Cambodian National Tourism Development Plan 2001-2005.

¹² Pro-Poor Tourism was created by the Pro-Poor Tourism Partnership, a collaborative research initiative between the International Centre for Responsible Tourism (ICRT), the International Institute for Environment and Development (IIED), and the Overseas Development Institute (ODI). <www.propoortourism.org.uk/index.html>

The major difference between a market-led and a pro-poor tourism development agenda is that the latter should be designed to counter the problem of poverty, inequality and marginality. Its major objective is to use tourism development as a catalyst to promote development, which should be interpreted as advancing the quality of life and alleviating poverty. This objective is of critical importance for tourism development since tourism might have adverse impacts on poverty reduction.

For example, income inequality and inequitable sharing of wealth contributes to the frustration of the poor and worsens their livelihood opportunities. In addition, tourism development is normally restricted to certain geographical areas and when employment is created those outside the development zone are likely to be marginalized. If tax concessions are given for tourism development, the revenue stream of the government would also be eroded. Such erosion and reductions could have serious consequences for the poor in non-urban areas. There could be shortfalls in budgets available to fund social benefits, development and public goods and services.

There is no standard model for a community to follow when planning and implementing sustainable tourism practices.¹³ The complexity of the context, the desirable mode of development and the historical background of the community would help determine the effectiveness and efficiency of a tourism development plan. A pro-poor strategy thus has to be target specific.

A review of various cases by Hoff revealed some essential elements, including leadership, vision, financial support and an understanding that plans for economic improvement must be integrated with plans for the development of people and environmental protection.¹⁴ Another researcher observed that it is unlikely that private markets will satisfy a country's tourism policy objectives to produce a balance of facilities that meet the needs of the visitor, benefit the host community and are compatible with the wishes of that same community.¹⁵

Strong governmental intervention and participation is thus necessary. The extent and scope of governmental participation would derive from the nature of the business, the contextual environment, and the wishes of the community. In order to ensure sustainability and maximize benefits, poor people must be represented in the governance system. The dilemma arises from the basic tension in the political environment and the likely lack of sufficient resources and finances. One major task is to ensure effective planning and efficient integration and cooperation among the various components of the operating system.

¹³ Marie D. Hoff, 1998. *Sustainable community development: studies in economic, environmental, and cultural revitalization* (Boca Raton, FL: Lewis Publishers), p. 229.

¹⁴ Ibid.

¹⁵ Stephen Wanhill, 1999. "The economic aspects of location marketing", in Thomas Baum and Ram Mudambi, eds. *Economic and management methods for tourism and hospitality research* (Indianapolis, IN: Wiley), p. 193.

The research initiative based in the United Kingdom, Pro-Poor Tourism, suggests that pro-poor tourism is neither a specific sector nor a product but an overall approach for unlocking opportunities for the poor. A list of underlying principles for pro-poor tourism is in table I-3.

Table I-3. Underlying principles for pro-poor tourism

<ul style="list-style-type: none"> • Pro-poor strategies need to be complemented by development of a wider tourism infrastructure. A balanced approach is critical. If competitive products, transport systems or marketing do not exist, the industry will decline along with any pro-poor strategy.
<ul style="list-style-type: none"> • Pro-poor principles apply to any tourism segment, though specific strategies will vary between, for example, mass tourism and wildlife tourism.
<ul style="list-style-type: none"> • Focus on expanding benefits, not just minimizing costs to the poor. Draw on lessons from other sectors (such as SMEs, good governance and poverty analysis) and apply these to tourism.
<ul style="list-style-type: none"> • Involve business in development initiatives and be commercially realistic.
<ul style="list-style-type: none"> • Do not expect all the poor to benefit equally, particularly the poorest 20 per cent. Some will lose.
<ul style="list-style-type: none"> • Learn by doing, because the effectiveness of pro-poor strategies is not proven. It is not known what can be done to reduce poverty through tourism until more concerted efforts are made.

Source: Pro-Poor Tourism (PPT). www.propoortourism.org.uk/ppt_principles.html

Based on these principles and the nature of pro-poor tourism as mentioned above, four major suggestions can be identified: a holistic approach to development, capacity development, sustainability, and poverty alleviation as targets. Poverty should be the main concern, with a focus on its nature, specific characteristics and causes, all of which should be clearly and carefully defined in any development plan. This does not suggest that poverty alleviation is the only objective and should prevail over all other objectives. However, failure to overcome poverty will have an adverse impact on tourism, development and local communities.

The holistic approach refers to the conceptual competence of the plan and its ability to define the position of tourism among various economic and social development priorities, to determine the share of attention and consideration to be given to tourism, to coordinate tourism with other activities and components, to determine and balance the benefits and costs among various social groups. Despite the argument of Gandhi that real development lies in the development of villages (rural communities), the Gandhian model is more than simply going back to the

villages. It suggests that development has three dimensions: social, political and economic. These dimensions are interrelated and intertwined. As Bharathi noted, development is the total accomplishment of economic progress, social advancement and political consciousness of the people.¹⁶ This means that all three dimensions have to be promoted as one.

While development should take a holistic approach, the alleviation of poverty has to be focused. The problems of poverty and the various types of poverty cannot be rectified at the same time with the same treatment. The strategic development plan in China was based on segmenting the nation into smaller clusters and to alleviate their poverty one at a time. The new rich, therefore, could serve as the role model and catalyse the next round of development. This approach focuses on resources to nourish sectional growth and is practical from a logistical point of view. The planner, however, must recognize the potential risk of causing further marginalization and inequality. The poorest 20 per cent of the population might have to endure a longer period of poverty. This means that a social safety net is critical to prevent more serious social problems.

Development in the modern world is a race by the talented for the prizes at the expense of the poor, which means that competition is never fair. So-called fair trade practices might be promoting marginalization rather than equity. Competitiveness is a matter of capacity when it is the ruling factor. Therefore, capacity development is essential to nourish development. The capacity of a destination and its communities affects their ability to cultivate opportunities.

A series of non-tourism strategies are critical to effectively achieving the objective of poverty alleviation. The strategies include the redistribution of wealth through empowering and mobilizing local communities; the establishment of a social safety net; and a detailed agenda for the transformation of the economy.

(c) Redistribution of wealth and social safety net

Five courses for action to redistribute wealth are: (1) redistribution through taxation and the provision of social goods and protection; (2) provision of infrastructure for public consumption; (3) creation of opportunities; (4) empowerment and development of local capacities; and (5) the prevention of exploitation and social marginalization by means of legislation. Implementation, however, is subject to resource constraints. An interim remedy and a fundamental protection for the poor that could be introduced is a social safety net.

A social safety net has not generally been incorporated as part of tourism development programmes. It is essential to indigenous communities, however, especially in LDCs. Cambodia provides an example where tourism development

¹⁶ K. S. Bharathi, *Gandhian approach to rural development*.

and tourism infrastructure has been at the expense of social welfare. Development has driven local peasants away from their farmland and they became landless, economically impoverished and jobless. At the same time, they have had to face rapid urbanization and inflation. Ironically, development has enhanced rural poverty rather than alleviated it.

Although many government officials and NGOs consider this phenomenon as transient, the community faces greater vulnerability. Where the level of social stability and civil cohesiveness is already fragile, prolonged suffering can provoke permanent damage and might trigger a social crisis. Without appropriate capacities, the lowest segments of society find no place in the new wave of economic development. Local elites become better off in the development process while the majority who are poor are easily exploited. In order to correct the development-induced polarization, a social safety net should be installed to protect the most disadvantaged in the society in order to preserve and protect the long-term stability.

It has been recognized that such a social safety net is costly and that many countries might not be able to afford it for some time. In order to directly address the issue of consumption poverty, a food subsidy programme should be implemented to remedy the insecure food supply. Educational subsidies, free mandatory basic education and vocational training could help address capacity issues. The disadvantaged groups in the population could be better prepared for future opportunities, and the provision of free health and medical services could help.

At the same time, community involvement and empowerment programmes for tourism are essential to enable poor people to be the beneficiaries of tourism development. Given resource constraints, the initial design of a social safety net might have to rely on foreign aid, but it should not be aid directed. The programme should seek local participation, maintain a balance between competing interests, avoid further deprivation, solicit political support while preventing elites from dictating the programme.

(d) Village-based development and small scale industry

Village-based tourism is being encouraged in Cambodia because of its potential to benefit rural communities. Some successful cases of village-based tourism have been reported from northern Thailand and northwest Yunnan Province in China. However, many rural areas across Asia suffer from a lack of hygiene, lack of infrastructure, inaccessibility and problems of security. Such adverse conditions are significant barriers to any community's ability to become a desirable tourism destination. Without significant improvement in infrastructure, tourism in remote areas would continue to be extremely difficult.

(e) Governing capacity

Government failure refers to situations when government intervention leads to worse outcomes and could lead to disastrous consequences. Enhancing governing capacity is a critical element to successful pro-poor tourism development. Governing capacity includes the following elements. First is technical capacity, which refers to government capability to plan and implement the plan and involves legal capacity, legislative knowledge, administrative tactics, planning skills, communication techniques, fiscal and monetary skills. Second is conceptual capacity, which is the competence to see the nation and its administration as a whole and to coordinate various aspects involving the arena within and beyond the nation to accomplish the grand mission. Coordinating different functional areas and gauging international assistance to support the overall benefits of the nation are examples of conceptual duties. Enhancing conceptual competence requires information and intelligence that is critical and timely; sound logistic design and an appropriate administrative mentality. Third is financial capacity, which refers to the financial strength in terms of adequate funding sources for implementing designated policies and programmes and reducing dependence on international assistance.

Tourism-specific techniques and planning skills are critical to tourism management, but other governing capacities, such as those related to legislation and law enforcement, human resource development, fiscal and monetary skills are also important for tourism, especially in LDCs. Development of these various skills requires planned and coordinated programmes that incorporate training for techniques and mental ability; an effective information system to collect, maintain and disseminate vital information to users; and most importantly, creation of the rule of law, which reduces threats of corruption and political clientelism.

(f) Corruption, favouritism and political clientelism

Corruption, favouritism and political clientelism are detrimental features of politics for all countries. Where they occur together or are separate features, they can lead to common problems, such as weakened governance, marginalization of minorities and undermined development. Pro-poor tourism can be effective only when these problems are dealt with. Curbing corruption is usually easier said than done. Corruption should be seen as having a snowball effect that can taint a community until it becomes acceptable behaviour that no one dares to oppose. A government needs to have the strength and will to eliminate such negative features.

(g) A consolidated social development plan

Recommendations for pro-poor tourism development would require a consolidated plan that puts all elements into place to create meaningful results.

Given that tourism is promoted for a social mission, its development must have a place in the overall social development agenda.

Involvement of the local community is crucial since they are the principals and owners of tourism development. However, there is no guarantee that people will work for tourism development rather than against it. Initiatives to encourage involvement could enhance people's sense of belonging when it is scarce. The feeling of ownership over the assets and the development process is essential to solicit community support for development programmes. The advantages of capacity development and the distribution of economic benefits to people at the grassroots makes community involvement a critical accomplishment.

(h) Tourism product development

Tourism is an amalgam of many different components, including transport, accommodation, food, attractions, activities and services. The challenge is to find ways to develop products that meet the needs of tourists while contributing to poverty alleviation for local residents at the same time. Products that are man-made as well as natural attractions, tours, packages, services for travelers such as shopping, entertainment, information provision and meetings and activity venues could be developed. Two perspectives can be used in tourism product development: (1) involving poor people in the development and management of the products and (2) developing products based on the assets of poor people, such as culture and way of life.

Local people could also be encouraged to become suppliers to the tourism industry by cultivating market gardens and orchards that provide fresh vegetables and fruits to established restaurants and places of accommodation. Depending on the local situation, home stays, guided walks, sampling of local foods and participation in local lifestyle activities (festivals, fishing, hunting, etc.) as well as the design and manufacture of handicrafts can all be considered. Each tourism product has its own advantages and disadvantages which have to be weighed before products are put into the market place for tourist consumption.

Some issues that have to be addressed are (1) whether local people genuinely want tourists to visit, and if so, at what level of intensity; (2) what do poor people need to know before they can participate in tourism and its development; and (3) what assistance do poor people need in terms of community consultation, government funds, and education to enable them to participate in one form or another in tourism.

Several potential basic problems have been identified as major concerns in pro-poor tourism development. These include the unequal distribution of benefits from tourism and the unequal distribution of problems created by tourism. In addition, there could be problems related to in-fighting between local groups about who gets the benefits from tourism. Other considerations are: the distance from main tourist

source markets; the distance from well-known tourist attractions within the country; the lack of transport infrastructure; the lack of tourism and hospitality-related skills, training and knowledge of local people; the lack of understanding about tourists' expectations; the lack of attractive areas where poor people live; competition from similar areas in the country or in other regions. Additional problems might relate to the time constraints of tourists. Tour operators who control large-scale tourism can affect tourism development through their concerns about providing a tourism product that they would be interested in promoting.

(i) Distribution of tourism products

Developing a tourism product is only one required step. Another vital step is how the product will find its way to the consumer in terms of how the product will be marketed and distributed. International tourism marketing can be a very expensive undertaking and it is likely to be outside the reach of small, locally-owned and operated pro-poor tourism enterprises. One way to overcome this problem is to encourage governments to dedicate their regular tourism marketing efforts to pro-poor tourism products and showcase those products when attending international travel fairs.

Technology can also assist in marketing and promoting tourism products. Providing rural people with access to the Internet would enable them to seek relevant information and provide the opportunity to market their products inexpensively directly to a global audience. Dealing directly with consumers can yield maximum returns. It might be fair to assume that people who are interested and sympathetic to pro-poor tourism would inquire about it. As a consequence, there is minimal disruption to the life-style of local people.

4. Concluding remarks

Poverty alleviation through sustainable tourism must be part of an overall tourism development plan for a country rather than an afterthought. Government funding and support is required and so is technical assistance with the planning, development and marketing of products. Most of all, there has to be a genuine interest among local people to embrace tourism as a development option. Being part of a tourism experience is not for everyone and unless people are truly happy about being part of it there is no point in trying to develop product.

ANNEX

CASE STUDIES FROM ASIA, THE PACIFIC, SOUTH AMERICA AND EUROPE

Case 1

Nusa Island Retreat, Kavieng Township, New Ireland, Papua New Guinea

The Nusa Island Retreat is an example of how sustainable tourism practices can significantly contribute to poverty alleviation in remote local communities. The retreat also highlights that such ventures require close collaboration involving non-local residents (the owner/manager of the Retreat), the local community and the visiting tourists. Nusa Islands Retreat is a small grass roots business which co-exists with the local island communities. Cutting copra and fishing had been the mainstays of the local economy. The children of today should be able to enjoy the benefits of tourism and hospitality opportunities in the years to come. Truancy has been reduced considerably in the schools and the general health and standard of living has improved. A low impact and environmentally sensitive accommodation facility has aimed at providing sustainable tourism practices to the benefit of both local people and visitors.

Accommodation at Nusa Island Retreat is simple, high quality traditional island style bungalows catering up to five people. Most of the bungalows are at the water's edge and have great views. There is a central kitchen, restaurant and activities building. The food is innovative, featuring plenty of fresh local seafood and vegetables. There are centrally located communal amenities.

Nusa Island has a naturally sensitive environment, which required installation and use of dry composting toilets. These systems are used extensively in Australian National Parks and are among the first to be used in Papua New Guinea. The Retreat offers unlimited fresh rainwater for drinking and utilizes ground water for showers and washing. Many activities are available including surfing, diving swimming, snorkeling, sailing, canoeing, sea kayaking, fishing, etc. There are nature walks with durations from 30 minutes to a few hours. There are island and mainland trips for the day or overnight.

Local people are peaceful, friendly and relaxed. People in the northern islands of Papua New Guinea are generally warm and friendly Melanesian people, many of whom have a fairly religious orientation. English is widely spoken and understood, particularly by young and middle-aged people.

Nusa Island Retreat is committed to developing a harmonious community environment with a philosophy to help develop and integrate an appropriate

sustainable enterprise within its natural environment. Each guest must pay a small charge collected as a community fee.

The policy of the resort owners is to employ as many Nusa Island local people as possible. This provides benefits to the community such as, training, employment and income and is part of the long term plan to help improve the standard of living on the island, and encourage children to continue with their education.

Nusa Island Retreat operates a school boat that transports the children to and from school. Since the introduction of this service, the number of children attending school has increased by about 45 per cent. The resort has also been successful in raising money from Australia to pay the school fees of the local children for 2000/2001. This has enabled many older children to continue for an extra year.

A range of projects have already been undertaken and more are in various stages of planning in connection with community development. One project is designed to improve the sanitary conditions and provide sufficient rain water supplies. Since the community relies on ground water, it was important to protect this resource and provided sanitary toilet options. Four composting toilet facilities have been installed around the island with a 2,000 gallon water tank attached to each.

The next stage will include building a new school and providing shower and washing facilities for the community. Emphasis will be placed on treating the grey water to protect the quality of the ground water. Pumps and holding tanks will be installed to make washing easier. Funds from Nusa Island Retreat and donations from guests have helped to start building a new community centre. There are plans to address waste management on the whole island in order to keep the place clean and dispose of rubbish in an appropriate manner.

In a future stage of community integration, the scope of work will include other areas, such as purchasing community boats for fishing, developing new small initiatives such as mosquito net manufacturing, bread baking, better gardening, permaculture education, chicken coops and continued community development.

A donation from Australia has enabled work to start on the new community building. Due to a shortage of funds, however, work has stalled on this project. The building will be used for community meetings, church services, women's groups, fellowship meetings, sewing mosquito nets and many more purposes.

Aid from the Australian government has funded an anti-malaria programme. Several bomb craters on the island have been filled to get rid of water that encouraged mosquito breeding. This has assisted in malaria control along with teaching local women to sew mosquito nets to protect against malaria-carrying mosquitoes.

Plans are underway to train local land owners in permaculture techniques. The use of compost bins at the Retreat has helped many local people understand the benefits of composting. This will enable farmers to increase their yields of fruits

and vegetables for their own consumption, as well as grow extra produce to sell to the Retreat or in the local market.

Funding is being sought to purchase chicken wire to build chicken coops. Local families could pen in chickens at night and thus ensure access to the eggs. This will help to increase protein levels in local diets, and any surplus eggs can be sold to the Retreat or in the local market.

A plan to develop small business is in place for the local women to sew and sell mosquito nets to the residents of New Ireland and New Britain. Funding is being sought for an initial purchase of netting, after which the women will be able to continue the business themselves. This provides a revenue-earning activity for the women and helps reduce the incidence of malaria in Papua New Guinea. Nusa Island Retreat is providing assistance to the women to continue this project.

A new surfing club is being set up as part of the PNG Surfing Association in order to give more local children the opportunity to get involved with new recreational opportunities.

In an e-mail communication received 12 August 2003, the resort owner provided an update. After Nusa Island Retreat hosted 12 guests from Sydney for a surfing holiday, they decided to finance the construction of a new building for the local church and contributed \$A 6,000 (Australian dollars).

Each of the two Nusa islands now has an association, which represents stakeholder groups, including people principally with land ties as well as all village areas on the two islands. Community bank accounts have been opened under each association, with a requirement for multiple signatures to withdraw funds. The community fee charged by Nusa Island Retreat for each adult visitor is allocated to each of the associations. Once sufficient funds are available, some community investment can be made, such as a rainwater tank for a community area.

Source: www.nusaislandretreat.com.pg

Case 2

Bouma National Heritage Park, Taveuni, Fiji

Located on the “Garden Island” of Taveuni, Bouma National Heritage Park consists of approximately 15,000 hectares of pristine rainforest in Fiji. The Park exists due to the shared vision of four local villages, the Fiji and New Zealand Governments and other conservation organizations. The Park features untracked rainforest, waterfalls, as well as forest and coastal walks ranging from 15 minutes to full day adventures.

Although the area is called a park, it is actually private land belonging to the four villages of Vanua Bouma-Waitabu, Vidawa, Korovou and Lavena.

Refreshments, food and information are available at the Bouma Visitor Centre situated at the entrance to the waterfalls. The Bouma villagers lead a conservative lifestyle and visitors should keep their shirts on when not swimming and wear modest shorts or a wrap-around *sulu*.

Source: www.bulafiji.com/activity/listing/bouma.htm, visited 8 August 2003.

Case 3

Blue Lagoon Cruises, Yasawas, Fiji Islands

Since 1966, Blue Lagoon Cruises have been a major tourism product of Fiji. This up-market cruise takes visitors through the island group known as the Yasawas, which is to the west of the main island, Viti Levu. The Yasawas are very picturesque, but the local people depend on fishing and subsistent agriculture for their livelihood. Cash is needed for schooling, kerosene and some tinned food products that have to be shipped from the mainland.

Under the land tenure system, native Fijians own most of the land in the country. Local communities are organized under a collective structure known as a *Mataqali*. If non-native Fijians want to obtain leases for land they will have to work through the Native Land Trust Board, which in turn will deal with the respective *Mataqali*.

The Blue Lagoon Cruises is an interesting case, because a cruise requires no land-based accommodation infrastructure. Instead, passengers go ashore at several island locations and have the opportunity to buy locally made souvenirs, to participate in a *lovo* feast (food prepared in an earthen oven in the traditional style of the Pacific) and to enjoy Fijian songs and dances. In exchange, the cruise company will pay the local *Mataqali* an annual amount for landing fees as well as for various cultural performances, thereby contributing to poverty alleviation. The company sums up their involvement in the local community in the following way:

Blue Lagoon Cruises supports the Yasawa Islands community financially and assists with the education of the island children and development projects. This includes the construction of schools around the islands, school fees and the necessary books, school uniforms and medical clinics. Blue Lagoon Cruises is an important factor in the Yasawa Islands' cash economy by providing an opportunity for the people of the islands to earn revenue through payments to gain access to beaches and to visit villages, for performances of traditional Fijian entertainment and for the sale of shells and artifacts. Further assistance in times of hurricanes and medical emergencies is also given.

Source: www.bluelagooncruises.com/story today.htm, visited 10 August 2003.

Case 4

Nawaca village, Fiji

Nawaca is located in the Northern District of Ra on the main island of Fiji, Viti Levu. Nawaca consists of about 25 traditional Fijian *bures* and other more modern dwellings. The population is less than one hundred people.

One unique feature of the village is that it is owned and occupied by just one extended family group. The setting is picturesque because it is surrounded by about 1,000 ha of rainforest that is also owned collectively by the clan.

Until recently, the village had no running water. Electricity is provided by two generators, but only one is used by the wider community. The other generator is in private hands. The generator frequently remains idle, due to a shortage of funds to buy petrol. Signs of modernity include a dirt road leading to the village from the main road (Kings Road) and one flush toilet connected to a septic tank. All school age children attend Nabau District School. The local people engage in subsistence farming and generate some income from the sale of *yangona* (kava) and staples such as cassava (manioc).

A small scale tourism operation would generate cash for the community. Guided walks through the rainforest, a swim below the impressive waterfall, preparation of food available in the forest, such as fresh water prawns and ferns, would be of interest to visitors seeking adventure tourism in Fiji. The success of such a venture requires consultation with the local chief, community education about the expectations of tourism and training of guides. Perhaps the most important factor is to have a system under which the duties and benefits of a tourism venture could be shared equitably among all members of the clan. A steady stream of tourists would certainly generate revenue but it could also disturb, disrupt and potentially destroy a unique lifestyle. Only the local community could make the decision about whether extra cash income is worth such a disruption.

Case 5

Puri Lumbung Cottages, Munduk, Singaraja Province, Bali, Indonesia

The project is located at Munduk in the northern part of Bali and approximately two hours from Ngura Rai Airport. Cottages are a unique tourism project that combines the efforts of the people in Munduk Village with Bali Tourism School in order to assist in community development as well as environmental and cultural preservation with the aid of sensitive tourism. The project is the brain child of a Munduk resident who was the former head of the Bali Tourism School, which was set up many years ago by ILO. A teacher brought a group of tourism students from Melbourne to Bali and they became the first group of visitors to occupy the facilities.

The Puri Lumbung Cottages offer guests a number of facilities.

- There are 12 twin or double cottages with spacious bathrooms (for those on homestay, hot water for bathing is available from the kitchen on request). There are also two family cottages and one deluxe cottage.
- Warung Kopi Bali Restaurant has 50 seats and serves traditional Balinese and Indonesian cuisine as well as Western food with breathtaking views of Bali's central mountain.
- Wantilan Victoria is an open-air building designed for social activities. The building was made possible by the generosity of the University of Victoria in Australia.
- On special occasions, traditional Bali dance is performed by professional dancers.
- There is a large meditation centre with a yoga teacher and traditional massage and healing.
- Workshop programmes are provided for guests wishing to learn traditional skills, such as dancing, cooking, painting, playing Balinese bamboo musical instruments and wood carving. There is instruction for making and playing musical instruments as well as quick courses to learn the Indonesian language. An extensive trekking programme is also available.

Munduk village was a favourite retreat for the Dutch when they had colonial control of Indonesia, because of its altitude at about 800 metres above sea level and its pleasant climate. The Dutch built villas and several have been renovated in order to provide homestay that caters to the overflow of guests from Puri Lumbung Cottages.

A similar lodging development in the same style as Puri Lumbung has recently opened in the village and a local arts shop has also opened its doors. Such new developments have been welcomed, because this shows what can happen when someone takes the initiative to establish the first facility.

Case 6

Ratanakiri, Cambodia

Ratanakiri Province is located in the far north-eastern corner of Cambodia. There has been an increase in visitor numbers recently, but overall numbers are still very small. Cambodia's national poverty reduction strategy states that the strategies being put forward are designed to allow Cambodia to use tourism as a strategy in its overall goal of relieving poverty. In addition, a pro-poor tourism policy implies a change in direction to one that stresses forms of tourism that are of benefit to the poor.

Several organizations have been assisting the province in the development of its tourism potential. According to Mr. Graeme Brown, Advisor to Ratanakiri

Provincial Rural Development Committee and Project Manager, Developing Indigenous Village Education (DRIVE) project, several problems have arisen. Most of the income generated from tourism still goes to a very small number of people; alienation of land from communities remains a problem; literacy rates in most communities are low and most people only speak their local dialect. As a consequence, communities rarely get income from tourism. Another problem reported in some communities is that guides bring tourists to communities without the consent or consultation with local people. This is considered a disruption of their traditional ways of life and their culture.

Case 7

Lisu Lodge and Lahu Outpost: The ultimate hill tribe experience

Lisu Lodge is an outstanding example of how sustainable tourism can contribute to poverty alleviation. It is a project initiated in Thailand by the Bangkok-based company East-West Siam.

The hill tribes of northern Thailand have preserved their culture for many centuries, but environmental pressures are now creating great strains. The company has aimed to provide guests with a unique experience and help the mountain people at the same time. Indelibly integrated into the local community, the Lisu Lodge actively contributes to village life and actively supports various aid projects. Designed in the traditional hill style, it is staffed mostly by villagers and has been modified for western tastes with en-suite European-style toilets, comfortable beds and the highest standards of hygiene. The Lisu Lodge team operates a range of soft adventure products including mountain biking, white water rafting, elephant safaris, ox cart rides and trekking. Over the past years, Lisu Lodge has won five international awards for being a role model for sustainable tourism. Six rooms with double beds are equipped with fans and mosquito nets (beds can be set up as either double or twin, with two separate mattresses on one sleeping platform). There are en-suite private bathrooms with mirrors, electricity and hot water. The standards are simple but hygienic throughout. Safety equipment is provided for outdoor activities and for children over seven years old.

The much more rustic Lahu Outpost is a half day trek from Lisu Lodge and located in a Lahu village atop a 1,600 metre mountain. The house, which accommodates up to eight people, was built in traditional Lahu style by the villagers. Basic facilities for western guests have been provided.

Source: <http://www.east-west.com/>, visited on 8 August 2003.

Case 8

Taquile Island, Lake Titicaca, Peru

When the boat arrives, tourists who want to spend the night on the island are handed over to the care of a head of household. There is an equal distribution of visitors across the island, which ensures that all local families benefit from tourism. The island is well known for handicrafts and all works are displayed in a cooperative shop with proceeds being given to the original artist.

One guidebook describes the island as a fascinating and stunningly beautiful island about 4 hours from Puno. Taquile Island is only one kilometre wide and about 6 km. long. It rises to a high point of 264 m and the hillsides are laced with Inca stone agricultural terraces. Taquile has Inca and pre-Inca stone ruins and has been inhabited for 10,000 years. Life remains traditional; with no electricity and no vehicles. The islanders, who number slightly more than 1,000, quietly go about their business.

Local people in Taquile allow tourists to stay at private houses (in primitive but not uncomfortable conditions), and there are a number of simple restaurants near the central plaza. The Quechua-speaking islanders are friendly to outsiders, but remain reserved and part of an insular community. Taquile textiles are some of the finest in Peru, and they are much sought-after for their hand-woven quality. Along with agriculture, textiles are the island's main source of income. There is a cooperative shop on the main plaza, and stalls are set up during festivals and the high season of tourist travel (June-August).

If there is a festival on the island, visitors will be treated to a festive and traditional pageant of colour, with picturesque dances and woman twirling in circles, revealing as many as 16 layered, multicoloured skirts. Any time on the island is a splendid, unique experience.

Access to the island from the boat dock is by a long path that winds around the island or by a 533-step stone staircase to the top, with two stone arches and astonishing views of the lake. Independent travelers sign in and pay a nominal fee. Those who stay the night can arrange to be put up in a family house. Many islanders do not speak Spanish or English, which means that the only feasible way to visit Taquile is by an organized tour, which is both inexpensive and convenient.

Source: Frommer's Peru, 1st Edition (<http://www.frommers.com/destinations/punoandlaketiticaca/2880027670.html>, visited 8 August 2003).

Case 9

Plazera, Austria

Plazera is a tiny mountain village in the Austrian Alps with a population of less than 50. One of the writers says that his parents selected Plazera as the destination

for the first family holiday in the late 1960s for a simple reason. It provided affordable accommodation for a family of four children. The visitors stayed with a farming family and their pride and joy were a few milk cows and a few acres of land. The land was extremely steep, however, and could not be cultivated. No machines could be used to work the land.

The visitors helped by cutting the long grass by hand and piling it up to dry as fodder for the cows. The first holiday visit was in the summer, and because the weather was warm, the accommodation was very basic – a few upstairs rooms in a century-old farmhouse. When the family returned for a visit the following winter for a ski holiday, the situation was different. The only heating was in the kitchen in the form of a wood fired stove. The bedrooms were unheated and the inside temperature was only slightly above zero degrees Celsius.

Even by the modest standards of the visiting family, the people they stayed with were poor. Cash was obtained only through the sale of milk. The number of cows they were able to keep was very limited due to a very limited amount of land available, plus the long winters. There is no information about how much the family paid per stay. However, it provided the farmers with cash that allowed them to support their children's education, and one of their sons became a lawyer.

This case is an example of how poverty alleviation through tourism is not just relevant in the context of developing countries in Asia and the Pacific. It is also relevant for rural areas in developed countries such as Austria.

II. EXPERIENCES AND CHALLENGES FOR TOURISM DEVELOPMENT AND POVERTY ALLEVIATION IN SELECTED ASIAN COUNTRIES

A. Azerbaijan¹

1. Overview of tourism development and the economic impact of tourism

Azerbaijan enjoys a good geographic position for tourism, given its location at the intersection of Europe and Asia. However, the country plays an insignificant role in the world tourism market. This is indicated by the foreign visitor arrivals shown in table II-1, as well as the number of people from Azerbaijan traveling overseas.

Table II-1. Azerbaijan: Foreign visitor arrivals and domestic visits overseas, 2000-2002

	Number of foreign visitor arrivals	Number of Azerbaijan people travelling overseas
2000	681 000	1 326 000
2001	766 900	1 130 000
2002	793 300	1 141 000

The revenue gained from tourism was \$US 63,060 million in 2000, \$US 42,589 million in 2001 and \$US 51,063 million in 2002.

Azerbaijan possesses a strong potential to transform tourism into a major sector of the economy that can generate strong revenues. The base of Azerbaijan tourism is built on several factors: (1) the wide range of natural resources and favourable climate conditions; (2) rare historic monuments; (3) a significant scientific, technical and cultural potential; and (4) a new socio-economic environment conducive to private sector foreign investors and entrepreneurs.

2. Tourism development and poverty alleviation

Some progress has been made in tourism development over the past few years. The capital city of Baku and Azerbaijan have developed into a major business centre with active participation by foreign investors. A number of important

¹ Based on a country report prepared by the Department of Science and Education, Ministry of Youth, Sport and Tourism, Government of Azerbaijan.

conferences and exhibitions were organized. The objectives set forth in 2002 were made for the State Programme on Tourism Development in Azerbaijan for the period of 2003-2005. The objectives are to (1) create a conducive environment for national tourism development, (2) expand and strengthen relations among nations, (3) help the country integrate into the international tourism market, (4) increase the competitiveness as part of national tourism potential and (5) upgrade the level of the tourism services to the international level.

The objectives of the State Programme for Poverty Reduction and Economic Development (SPPRED) for the period 2003-2005 are to (1) create a favourable investment environment for developing SMEs specialized in tourism by simplifying licensing procedures and introducing more attractive visa procedures for tourists; (2) train specialists in the area of tourism and diversify the various tourism industry specialties; and (3) invest in tourism infrastructure development for tourism zones.

3. Recommendations

International tourism could create significant employment opportunities for the population capable to work, particularly women. Sustainable development of domestic tourism may become a significant factor in reducing poverty. There needs to be a focus on creating the relevant tourism infrastructure along attractive tourist routes. Facilities offering food need rehabilitation and new ones need to be established as well.

In order to transform tourism into a key tool that provides more opportunities for alleviating poverty and creating employment, the support of the government is crucial.

B. Bangladesh²

1. Overview of tourism development and the economic impact of tourism

Tourism has become one of the largest and fastest growing commercial activities in recent years due to economic globalization worldwide. Tourism in Bangladesh hit an all time high in 2002, when foreign exchange earned from tourism amounted to Taka 23.31 billion. There was a total of 207,246 visitor arrivals, which exceeded the revised annual target of 193,000 by 7.35 per cent. Positive trends can be observed in the figures for international tourist arrivals to Bangladesh as shown in table II-2.

² Based on a country report prepared by the Planning, Training and Statistics Division, Bangladesh Parjatan Corporation.

Table II-2. Bangladesh: Foreign visitor arrivals, 2000-2002

	Number of foreign visitors	Change over the previous year (percentage)
2000	199 211	15.30
2001	207 199	4.01
2002	207 246	0.02

Direct employment in the tourism sector was more than 100,000 and indirect employment may be more than 200,000. It has been calculated that tourism made a contribution to GDP of nearly 1 per cent.

Bangladesh has developed tourist facilities, improved road communication and upgraded railway and inland waterway transportation for tourism development.

2. Tourism development and poverty alleviation

Bangladesh possesses tremendous tourism potential which has yet to be exploited. Tourism products include natural attractions, cultural and historical places, riverine beauty, village and tribal life. The National Policy of 1992 showed that the contribution of tourism to poverty alleviation has been recognized by the Government, leading to a major emphasis on the extensive promotion of tourism through public and private partnerships. The Government has also been implementing various plans and programmes to encourage private sector investment in tourism and thus reduce unemployment and minimize poverty.

In the context of National Tourism and Industrial Policy, the government encourages foreign investment in the tourism sector, which can be in the form of joint ventures or 100 per cent foreign ownership. Incentives are allowed by the government in the form of a tax exemption on royalties and on capital gains from the transfer of shares by the investing company. Incentives for foreign investors allow them to avoid double taxation, receive income tax exemption on salaries for up to three years, remit up to 50 per cent of salaries and use facilities to repatriate savings, retirement benefits and personal assets at the time of return to their home country; as well as use facilities for repatriation of invested capital, profits and dividends.

Foreign investors are guaranteed against expropriation and nationalization of their foreign private investment. They can transfer shares to local partners with permission from the Board of Investment and the Foreign Exchange Control Department of Bangladesh Bank. Reinvestment of dividends that could be repatriated is treated as new foreign investment.

However, the tourism industry of Bangladesh faces multiple constraints and problems. The problems include an image problem where Bangladesh is being projected in the international media as a country of floods and cyclones; the absence of adequate publicity and publications due to a lack of funds; infrastructure facilities such as roads, rail, air and riverine communications remain insufficient; there is a lack of easy frontier formalities, especially for visas and customs; and private sector investment is lacking, although the national tourism policy, industrial policy and the current Five-Year Plan encourage private investment in the tourism sector. In addition, there is a lack of proper human resources, because the National Hotel and Tourism Training Institute of Bangladesh Parjatan Corporation has been the only institute of its kind in the country.

3. Recommendations

Poverty dominates discussions about development all over the world, especially in Asia. In view of the priority for poverty alleviation, the government may take a number of initiatives. One initiative aims to strengthen bilateral and multilateral cooperative arrangements involving tourism and encourage community awareness and their active participation in the tourism planning, programme design and implementation. Another initiative is to seek technical and financial assistance to upgrade the existing Master Plan, to conduct a feasibility study and to prepare a Master Plan for the establishment of a special tourist zone.

Undertaking a survey regarding tourist generating markets for Bangladesh and recommending product promotion plans is another initiative, along with expanding professional training capacity at the National Hotel and Tourism Training Institute. There are also plans to conduct on-the-job training and familiarization tours for tourism professionals in countries with a developed tourism industry and to organize investment by international chain hotel companies to develop tourist resorts in Bangladesh.

Other initiatives include relaxing frontier formalities, especially visa formalities; inviting foreign travel writers to visit Bangladesh, conducting joint training for different stakeholders in the tourism industry; and undertaking joint marketing ventures and promotional activities. These initiatives would require allocation of more funds for the tourism sector, especially in the Annual Development Plan and the Annual Budget.

Programmes for tourism must emphasize economic opportunities and employment generation; greater participation by more local communities and local government institutions. Special seminars and workshops should be organized for senior level government officials and policy makers. Training is also needed for unemployed people who have enough education for skilled tourism jobs and careers.

C. Bhutan³

1. Overview of tourism development and the economic impact of tourism

Bhutan remained closed to the outside world until the late 1950s, and tourism activities were initiated only about 28 years ago. Tourist arrivals have increased from a very modest 287 visitors in 1974 to 7,559 in 2000, but the numbers decreased in 2001 and 2002, as shown in table II-3. Gross earnings and government revenue was \$US 10.5 million in 2000, \$US 9.2 million in 2001 and \$US 8 million in 2002. Tourism is thus one of the major sources of hard currency earnings for Bhutan and among the top ten generators of revenue.

Table II-3. Bhutan: Foreign visitor arrivals, 2000-2002

	Number of foreign visitors	Change over the previous year (Percentage)
2000	7 559	6.00
2001	6 393	-15.00
2002	5 599	-12.00

Direct employment in the tourism industry in 2003 was 756 persons, and the contribution of tourism to GNP was about \$US 2,775,613.

2. Tourism development and poverty alleviation

Bhutan has been very cautious in its approach to the development of tourism due to the potential impact on the culture and environment of the country. Tourism in Bhutan is presently restricted to cultural tours and trekking. However, the government has recognized that the tourism sector could play an important part in the economy of the country as well as generate employment for the people.

The government thus aims to achieve a target of 15,000 tourists by the end of the Ninth Plan in 2007. Moreover, initiatives are being taken to encourage tourism in rural areas in order to give benefits to people in rural communities. The Department of Tourism is also working to prepare a tourism resource inventory for the country.

3. Recommendations

To overcome many problems and constraints in tourism development and poverty alleviation, various strategies have been suggested for Bhutan. These

³ Based on a country report prepared by the Department of Tourism, Ministry of Trade and Industry, Government of Bhutan.

include greater use of information technology. Financial resources are limited for the use of expensive advertising and marketing methods, which means that the internet should be used to the maximum advantage. Another problem facing tourism in Bhutan is the diversification of products. Other products should be introduced besides cultural festivals and trekking to address the seasonality issue and to increase the length of stay by visitors.

There is a need to increase community participation through business and employment opportunities. At the same time, there should be greater accessibility by air involving more than one airline. It is also important to identify alternative routes through India and improve road access in Bhutan. Accommodation and hospitality services should be improved by building hotels in all parts of the country and training educated persons in all aspects of guiding tourists.

D. India⁴

1. Overview of tourism development and the economic impact of tourism

India is a country of continental dimensions with a fascinating kaleidoscope of races, languages, religious, customs and traditions. The tourist attractions of India include historical monuments, places of religious importance, mountain resorts and beach resorts, wildlife and interesting ecosystems, places with facilities for adventure, water and winter sports and so forth.

India started late in opening its industry to international tourism. However, the Tenth Five-Year Plan (2002-2007) has placed greater emphasis on tourism for employment generation and poverty alleviation, and 29,000 million rupees will be allocated to funds for tourism.

In the last ten years, visits by the domestic tourists have grown by more than 100 million, from 63 million in 1990 to 272 million in 2002. Foreign visitor arrivals are shown in table II-4.

Table II-4. India: Foreign visitor arrivals, 2000-2002

	Number of foreign visitors	Change over the previous year (Percentage)
2000	2 649 378	+6.7
2001	2 537 282	-4.2
2002	2 361 587	-6.9

⁴ Based on a country report prepared by Ministry of Tourism, Indiatourism.

Tourism has generated employment in the form of 18.5 million direct jobs and 25.19 million indirect jobs in India. Foreign exchange earnings from tourism were \$US 3,036 million in 2000, \$US 3,168 million in 2001 and \$US 2,910 million in 2002.

2. Tourism development and poverty alleviation

The National Tourism Policy announced in 2002 recognized the current role and future prospects for tourism in India. It also sought to enhance employment potential within the tourism sector as well as to foster economic integration by developing linkages with other sectors. The primary objective of tourism development in India is to accelerate economic growth and contribute to nation building.

In economic terms, tourism aims to maximize the productivity of the enormous natural, human and technological assets and resources in the country. Tourism would aim to stimulate most economic sectors across the entire retail trade spectrum, particularly cottage industries, handicrafts, arts and agriculture. In socio-economic terms, tourism would provide increased revenues and incomes required for improving human well-being and the quality of life of all people. Tourism development should contribute to the equitable development of the country and help remove disparities, whether they are economic, social, regional or gender-based.

Tourism would enhance the country's international image and prestige. It also could promote national understanding and unity and a greater sense of national identity and national pride. Therefore, incentives are provided for conservation, preservation and restoration. Tourism is also the ideal medium to showcase India's global leadership in information technology.

In terms of rural development, tourism generates widely dispersed economic activities, entrepreneurship, local employment, increased personal incomes and purchasing power in rural areas; thus helping to prevent rural to urban migration. Coordination and synergy could be created across a wide range of agencies by forming partnerships among local communities, government and industry. Tourism supports the stated national objective of decentralization of government down to the *panchayat* level.

In fiscal terms, tourism provides valuable hard currency to pay for imports and helps reduce imbalances in trade and payments. There are labour benefits since tourism promotes new employment that can support a higher quality of life. It also stimulates widespread direct private sector investment, both domestic and foreign. Tourism can also make more productive use of the country's vast continental landmass.

With respect to human resource development, the Department of Tourism has several institutions under its umbrella: (a) Indian Institute of Tourism and Travel Management; (b) National Council for Hotel Management and Catering Technology

and the institutes under its control; (c) National Institute of Water Sports; and (d) Indian Institute of Skiing and Mountaineering.

Several institutes of hotel management have been established in the private sector. They contribute to capacity building for service providers in the sector which is unorganized, consisting of small hotels, restaurants and eating kiosks/joints, as well as immigration and customs staff, police personnel, tourist guides, car and coach drivers and so forth.

3. Recommendations

Several measures have been suggested to create employment through tourism in rural and remote areas and enhancing the contribution that tourism makes to poverty alleviation. One measure is strengthening tourist infrastructure and improve connections between tourist sites in rural, hilly and remote areas of the country. Another measure involves promoting local arts and crafts and local entertainment forms. Involving local communities in preserving and upgrading the environment is another measure. Efforts are needed to create partnerships between major stakeholders (hotels, transport operators and travel agents) and local communities, as well as training local communities to enhance their skills in order to take advantage of tourism for employment and income generation.

E. Indonesia⁵

1. Overview of tourism development and the economic impact of tourism

Since the 1990s, tourism in Indonesia has shown significant growth as indicated by the increased number of both domestic and international tourists. In 2000, the total expenditure of domestic travelers amounted to 77.6 trillion Indonesian rupiahs (Rp), compared to Rp 55.5 trillion spent by international visitors. Investment related to tourism amounts to Rp 16.4 trillion with government expenditure of Rp 1.13 trillion. Tourism has had an impact on goods and services, employment, wages and salaries and the total national wages and GDP. In 2000, tourism created 7.78 million jobs. Tourism was the third largest foreign exchange earner for Indonesia from 1999 to 2001. However, due to the impact of 11 September 2001 and the Bali tragedy in 2002, the number of international arrivals dropped to 5.033 million and the average length of stay began to decrease. As a result, foreign exchange earnings dropped to only \$US 4.5 billion.

⁵ Based on the country report prepared by Tourism Product Development Division, Ministry of Culture and Tourism, Government of Indonesia.

2. Tourism development and poverty alleviation

Several initiatives for poverty alleviation through tourism development are possible. Under government initiatives, a scheme for processing organic waste from hotels and restaurants into fertiliser and/or other products was planned to start in 2003. NGOs support such a project where local people are empowered and trained to produce handicrafts and host tourists. Local business people are concerned about local problems of poverty in Bali.

Issues pertaining to development of tourism for poverty alleviation consists of (a) decision-making about the location, the living culture and the opportunities; (b) availability of local/community managers for handling tourism programmes; (c) building positive attitudes toward tourism; (d) promoting economies of scale for the tourism business; and (e) integrating local tourism into the wider national tourism system. Other issues concern the need for support from international organizations; the institutional framework for product development as well as promotion and training; and how to encourage people to become good hosts and to become tourists themselves. In effect, tourism should be seen as a means for communication and demonstrating social and political integrity.

3. Recommendations

Tourism should be seen as a multi-dimensional phenomenon, with each dimension having its own potential to improve the well-being of a community through the creation of jobs and business by the locals, where host communities are the beneficiaries. Tourism could play a role as a prime development mover for small/mini islands and regions where primary and secondary industries are lacking. Efforts should start by empowering the community. Domestic tourists also need to be encouraged. Tourism should be considered as a tool for improving the non-economic dimension of welfare as well.

F. Lao People's Democratic Republic⁶

1. Overview of tourism development and the economic impact of tourism

Tourism growth in Lao People's Democratic Republic over the past decade has been impressive. The overall number of international arrivals increased from 37,613 in 1991 to 735,662 by 2002. An overview of foreign visitor arrivals for the period 2000-2002 is shown in table II-5.

⁶ Based on the country report prepared by the Statistics, Planning and Cooperation Division, Lao National Tourism Authority, Government of the Lao People's Democratic Republic.

**Table II-5. Lao People's Democratic Republic: Foreign visitor arrivals,
2000-2002**

	Number of foreign visitors	Change over the previous year (Percentage)
2000	737 208	20.0
2001	637 823	-8.6
2002	735 662	9.1

Since 2000, tourism has been the country's number one foreign exchange earner, generating over \$US 113 million in that year as well as in 2003. The main factors supporting the national tourism industry are the country's natural and cultural heritage, a strong interest to participate in forest treks, river excursions, caving, bird watching, and viewing wildlife; all of which are classic ecotourism activities. Other activities include shopping and sightseeing. With the rapid increase in tourist arrivals, the country has also experienced a robust growth in tourism-related services and businesses, such as growing numbers of hotels, lodging facilities, including guesthouses and resorts.

In 2001, the tourism industry provided direct employment for about 15,000 people. Tourism earnings were \$US 103.7 million in 2001, accounting for 7 per cent of GDP.

2. Tourism development and poverty alleviation

Tourism provides widespread economic benefits and jobs in both rural and urban areas and creates markets and demand for value-added indigenous products. Ecotourism activities that involve ethnic minorities and rural populations provide financial benefits to some of the most remote communities in the country. There are a number of initiatives to link tourism development and poverty alleviation. The UNESCO-NTA Lao Nam Ha Ecotourism Project was implemented from 1999 to 2002 and produced significant poverty reduction and conservation results. The Netherlands Development Organization, the European Union, UNESCO, GTZ, WWF and WCS support community-based ecotourism projects with Lao partners. The Asian Development Bank is supporting expansion and strengthening of tourism activities through the Mekong Tourism Development Project.

Major issues that are facing Lao People's Democratic Republic with regard to the development, management and promotion of tourism are: (a) inadequate human resources in all sectors; (b) lack of investment and funding; (c) a weak regulatory framework and lack of enforcement; (d) weak marketing efforts by the public and private sector; and (e) constraints related to infrastructure and site accessibility.

3. Recommendations

Strengthening ecotourism should be prioritized along with the following related recommendations. Ecotourism training programmes should be established for tourism operators. The public and private sector should work towards constructing and maintaining infrastructure, as well as marketing and branding the country as an ecotourism destination. Favourable tax treatment and incentives should be given to tourism operations. Land-use planning should consider ecotourism development projects. Ecotourism courses should be included in the National University of Laos (NUOL) forestry school curriculum along with establishing certification programmes. Conservation planning should be included in a National Tourism Strategy and an ecotourism sub-component. Education and awareness-raising is needed for tourists and hosts about best practices. Ecotourism should be used as a tool to help protect areas of high conservation significance. National and local ecotourism stakeholder committees and multi-sectoral planning bodies should be created.

The recommendations are clearly weighted heavily towards conservation and ecotourism development activities.

G. Malaysia⁷

1. Overview of tourism development and the economic impact of tourism

Tourism was virtually unknown in Malaysia until the late 1960s. Since then it has developed into a major sector of the economy in terms of generating foreign exchange, increasing employment, fostering regional/rural development and diversifying the country's economic base. Equally important, tourism has been promoting a greater understanding of the various cultures and lifestyles of the multi-ethnic population in Malaysia.

Tourist arrivals to Malaysia recorded double-digit growth from 1999 with a growth of 42.9 per cent, followed by growth of 28.9 per cent in 2000 and 25.0 per cent in 2001. This positive trend continued until 2002, when there were 13,292,010 arrivals, representing an increase of 4 per cent over 2001, as shown in Table II-6.

⁷ Based on the country report prepared by the Tourism Division, Ministry of Culture, Arts and Tourism, Government of Malaysia.

Table II-6. Malaysia: Foreign tourist arrivals, 2000-2002

	Number of foreign tourists	Change over the previous year (Percentage)
2000	10 221 582	28.9
2001	12 775 073	25.0
2002	13 292 010	4.0

The tourism industry remains the second most important sector for the national economy with an estimated total of \$US11.2 billion contributed to the GDP, an increase of 8.9 per cent compared to \$US 10.3 billion in 2001. In terms of foreign exchange earnings, the tourism industry contributed approximately \$US 6.8 billion in 2002, recording an increase of about 6.4 per cent compared to the \$US 6.4 billion registered in 2001.

The outbreak of severe acute respiratory syndrome (SARS) and the Iraq war had direct effects, resulting in a sharp decline in the number of tourist arrivals and a slow down in demand for domestic travel. All sectors of tourism and related industries were affected, including transportation.

2. Tourism development and poverty alleviation

During the Eighth Malaysia Plan (2001-2005), the thrust of poverty eradication has aimed at reducing the incidence of absolute poverty to 0.5 per cent by 2005. To meet the objectives of balanced development among different regions and states, the government has taken measures to increase the growth rates of less-developed states through the promotion of the manufacturing, tourism and modern agriculture. Tourism development in the form of rural tourism includes activities such as the homestay programme. In terms of participation in tourism activities, the Ministry of Culture, Arts and Tourism Malaysia (MOCAT) works closely with other ministries.

Opportunities for tourism activities include (a) promotion of “One District One Product” and local handicrafts as souvenir items; (b) promotion of heritage and cultural villages; (c) provision of the necessary tourism infrastructure to facilitate easy accessibility for tourists; (d) provision of training programmes to educate poor people about the importance of customer care, maintenance of standards and quality of products and services; and (e) training of local guides and activists to run homestay programmes within their villages.

The successful implementation of the Homestay Programme has depended on several factors, such as the attractiveness of the villages; location of the villages with major tourist products; the existence of local activists to lead village participants; and the support of everyone in the village.

3. Recommendations

The government needs to play a major role in the development of tourism activities to help alleviate poverty by providing the necessary support in terms of financial support, know-how and training as well as guidance and promotional support for goods and services. The following tourism activities should be promoted: producing local handicrafts items such as traditional herbs; participating in farm stay and homestay programmes; providing transportation services to the local hotels/resorts and having local guides for tourists; motivating villagers to participate in tourism activities; promoting youth tourism, student tourism and domestic tourism in villages.

H. Maldives⁸

1. Overview of tourism development and the economic impact of tourism

The Republic of Maldives is an archipelagic State located south of the Indian sub-continent and consists of 1,190 islands clustered into 26 geographic atolls with each atoll encircling a calm lagoon. The islands consist of white sandy beaches surrounding with clear water, and within the lagoons there are patches of coral colonies. It is these landscapes and the tropical climate that attract tourists to the Maldives.

The country has a small population of about 260,000 people living on 200 islands. The two most important sectors of the economy are tourism and fisheries. Tourism started in 1972, when Maldives was as an extension of the Sri Lankan holiday package. After the development of an international airport in 1982, tourism started to expand rapidly. There are a wide range of resorts, such as boutique resorts of international standards, luxury resorts and beach resorts.

The number of arrivals to Maldives has also been increasing. In 1972, there were 1,097 tourist arrivals. In 2002, arrivals increased to 484,000 tourists. Table II-7 shows the foreign visitor arrivals and percentage change from the previous year from 2000 to 2002.

Table II-7. Maldives: Foreign tourist arrivals, 2000-2002

	Number of foreign visitors	Change over the previous year (Percentage)
2000	467 154	8.7
2001	460 984	-1.3
2002	484 680	5.1

⁸ Based on the country report prepared by Planning and Development Division, Ministry of Tourism, Government of Maldives.

Tourism contributed over 33 per cent of GDP in 2000. However, in 2001 and 2002, its share declined slightly to 31 per cent. Tourism provides direct benefits as part of government revenue and receipts to the private sector. It has been estimated that over 70 per cent of all foreign exchange earnings are from tourism. From 1997 to 2000, about \$US 170 million were spent on construction and upgrading of resorts. It was estimated that over 85 per cent of the finances were raised from foreign sources. Through taxation, lease of land and provision of tourism support services, the government collects revenue that has become the source of finance for national development.

2. Tourism development and poverty alleviation

There is no absolute poverty in Maldives, but there is marked inequality between the people living in Malé and other islands. The revenue from tourism enables provision of subsidies to people in the atolls, thus reducing disparities. It is the priority of the government to develop human resources to enable people to work in the tourism industry. Tourism generated direct employment of 14,919 jobs in 2000, 14,182 jobs in 2001 and 15,126 jobs in 2002. The Government plans to expand tourism to all areas of the archipelago.

Sectoral policies are geared towards using tourism for the benefit of Maldivians. One main elements of the policies asserts that tourism should be led by the private sector, where the role of the public sector is to regulate and provide a supportive environment. Another policy element stresses that tourism activities should produce not only short-term financial returns but adequate long-term financial and economic benefits to firms and the population at large, where beneficiaries should be all Maldivians regardless of their location. Tourism should be developed with dignity such that religion, culture and traditions should not be compromised for short-term economic objectives. The Maldivian culture, traditions and way of life is an asset, not an impediment for tourism.

Environmental resources for tourism should be used in a way that is sustainable and protects ecological systems. Capacity should be planned and expansion controlled in order to maximize attainment of economic, environmental, and social objectives. Efforts should be made to ensure that the islands are being used for the purpose that is most appropriate.

The most difficult task for tourism planners is how to optimize real economic benefits while reducing social costs. Therefore, encounters with tourists are kept at a minimum in Maldives. Consequently, a large expatriate labour force is employed in the industry. To contain this situation, there are many restrictions imposed to limit foreign employment or to hire local people by providing more attractive incentive packages and training.

3. Recommendations

Many actions can be taken to increase the contribution of tourism to poverty alleviation. Actions could include training and improving the skills of the community to make employment in professional or socially acceptable jobs and to manufacture tourism products such as handicrafts. Community groups and institutions should be established to work collectively towards providing tourism support services. Development of tourist facilities should encourage and promote use of locally-made available construction materials.

Other actions could focus on rejuvenating and developing cultural artifacts and revitalizing traditional non-religious ceremonies and festivities to become national attractions. Local cuisine should be developed and promoted. Target markets should be chosen selectively.

Another important action is to develop and foster the growth of community associations and pressure groups that would monitor and stop unethical exploitation of the weaker segments of the community.

I. Nepal⁹

1. Overview of tourism development and the economic impact of tourism

There are 24 million people in Nepal whose language and custom are as diverse as the terrain. Nepal is the world's staircase to the frozen heights of the roof of the world. Its spectacular mountain scenery, ancient religious culture, great climate diversity and very warm and hospitable people are distinguishing characteristics of the Himalayan Kingdom of Nepal.

Until the early 1950s, Nepal was considered as a forbidden kingdom that was remote and virtually unexplored. It was only in 1955 that the road linking Kathmandu with India was completed and the airport at Kathmandu had been extended so that Thomas Cook could organize the first conducted tour to Nepal in 1955.

The Tourism Development Board was set up in 1957. Tourism legislation was brought into force in 1962 and the first Master Plan for Tourism was drafted in 1972. The Nepal Academy of Tourism and Hotel Management (NATHM) was also established. A separate Ministry of Tourism was formed in February 1977.

The Tourism Policy of 1995 identified the objectives as: developing tourism as an important sector; spreading tourism into the rural areas; maintaining the virtuous image of the country in the international market; and promoting Nepal as an attractive tourist destination.

⁹ Based on the country report prepared by Ministry of Culture, Tourism and Civil Aviation, Government of Nepal.

The Ninth Plan (1997-2002) stressed the increased participation of the private sector in the management of the tourism industry. During this plan period, Visit Nepal Year 1998 was commemorated.

In 1962, Nepal recorded 6,179 tourist arrivals, and these have grown steadily to reach 491,504 in 1999. Since 2000, however, the country has been facing a downward trend in tourist arrivals as shown in table II-8.

Table II-8. Nepal: Tourist arrivals, 1999-2002

	Total	Percentage change over previous year
1999	491 504	6.0
2000	463 646	-5.7
2001	361 237	-22.1
2002	275 468	-23.7
2003 ^{a/}	127 057	11

Source: MOCTCA, 2003.

Note: ^{a/} By air only for the period up to July 2003.

Tourism plays an important role in the economy of Nepal, particularly in terms of foreign exchange earnings and employment creation. There were about 492,000 people directly employed in the service sector and about 562,000 people in crafts and related work. The gross foreign exchange earnings from tourism had increased significantly up to 1999 when the amount was \$US 152.50 million. However, by 2002 tourism earnings decreased by 36.7 per cent compared to 2001 and the amount totaled \$US 106.82 million.

2. Tourism development and poverty alleviation

Poverty is widespread in Nepal and is indicated by a high rate of population growth, migration from rural areas to urban centres, security issues and a shortage of capable human resources in rural areas. Urban areas are overcrowded and characterized by socio-cultural and economic problems, such as crime, theft, unemployment and public corruption; problems of pollution; and inadequate municipal services and other public services.

The *Nepal Human Development Report* of 2001 by UNDP and other United Nations agencies working in Nepal showed that poverty was greater and more pervasive in rural areas (41.4 per cent) compared to urban areas (23.9 per cent). The global *Human Development Report 2003* estimated that the human poverty index (HPI) for Nepal was 41.9, with a rank of 70 out of 94 developing countries.

In order to address problems of poverty, the Tourism for Rural Poverty Alleviation Programme (TRPAP) has been designed to support His Majesty's Government of Nepal to formulate policies for sustainable tourism development and to create an enabling environment for poverty alleviation in rural areas through pro-poor tourism. TRPAP has focused primarily on the disadvantaged and discriminated sections of Nepal's rural population, especially women, lower caste groups and ethnic minorities who live below the poverty line.

The tourism policy of the government is based on the twin objectives of improving the quality of Nepal's tourism and repositioning the country's image in the international tourism market, in partnership with the private sector. The Tenth Plan (2002-2007) charts a new direction in which the problems of endemic poverty, unemployment, regional imbalances and economic and social deprivation would be approached with a long-term perspective and twenty-year growth targets.

The overall poverty rate would be reduced through the creation of income and employment generating activities in key sectors, together with a substantial improvement in the tourism industry. If planned well, tourism could create further demand for locally-produced goods and services and raise the living standards of rural people by creating off-farm employment and income-generating opportunities in remote areas. The tourism sector could increase employment opportunities directly and indirectly in urban as well as rural areas.

Despite considerable tourism growth, exploring the full tourism potential of Nepal is still a challenging task. Several critical factors have been noted as constraints for the progress of pro-poor tourism: (a) limited access of the poor to the market; (b) lack of commercial viability for their products in terms of quality and price; (c) weak marketing capability, (d) lack of a suitable policy framework and (e) inadequate knowledge about managing and implementing programmes at local level.

3. Recommendations

The government, the private sector, NGOs, community organizations and poor people have critical and very different roles to play in sustainable tourism development. Strategies can be broadly grouped into three types: (a) expanding economic benefits for the poor; (b) addressing non-economic impacts; and (c) developing pro-poor policies, processes and partnerships.

Sustainable rural tourism strategies require diverse actions, from the micro to the macro level, including product development, marketing, promotion, planning, policy, and investment. Pro-poor tourism is a long-term investment. A number of policy issues should be addressed for effective implementation of the programmes aimed at alleviating poverty.

J. Philippines¹⁰

1. Overview of tourism development and the economic impact of tourism

The Philippines has more than 7,100 islands spread over the archipelago. It is endowed with a diverse range of attractions including the people and their culture, fine sandy white beaches, scenic seascapes, impressive sunsets, gorges, waterfalls, outstanding coral reef formations, volcanoes, limestone caverns, ancient terraces, panoramic vistas, as well as shopping, eating out and the nightlife in the major cities. There is also a growing number of beach resort facilities, sightseeing tours focusing on culture, history, and nature, and special interest tourism products such as conventions, scuba diving, sport fishing, golfing, trekking, bird watching and festivals.

Tourism is considered as one of the major growth engines for the Philippines. In 1997, the World Travel and Tourism Council (WTTC) estimated that tourism contributed 8.7 per cent to the gross domestic product (GDP) and created 1.3 million jobs throughout the economy. By 2007, the contribution of tourism to GDP is expected to increase to 10.9 per cent and generate 1.4 million additional jobs.

Tourism in the Philippines has suffered some negative effects from local and international events linked to terrorism. Outbound travel from the Philippines has slowed down and the image as a safe destination in Asia has been tarnished. In 2000 and 2001, visitor arrivals to the Philippines decreased by 8.2 and 9.8 per cent, respectively, as indicated in table II-9.

Tourism recovered in 2002, however, because of continuous efforts by the government to address the problems faced by the industry. The WOW Philippines campaign, which means Wealth of Wonders, Wonderfully Original Waterways, Warm Over Winter, Wander Over Wrecks, Walk Our Walls, Women of Wonder, Wonder of Weddings, and so forth, led to a dramatic increase of 7.6 per cent in visitor arrivals in 2002.

Table II-9. Philippines: Visitor arrivals, 2000-2002

	Number of visitors	Percentage change
2000	1 992 169	-8.2
2001	1 796 893	-9.8
2002	1 932 677	7.6

¹⁰ Based on a country report prepared by Department of Tourism, Government of the Philippines.

On the other hand, visitor receipts from tourism continued to decline from 2000 to 2001. However, in 2002, foreign exchange receipts generated by tourism increased by 1.0 per cent. A downturn for employment in the industry was one of the drawbacks for Philippine tourism, but there was a recovery in 2002, when positive growth in employment was estimated to reach 3.87 million.

2. Tourism development and poverty alleviation

In 1991, the Philippines Department of Tourism (DOT) and the United Nations Development Programme (UNDP) worked together to formulate the Philippine Tourism Master Plan (TMP) which aims to develop tourism on an environmentally sustainable basis. The TMP has provided direct jobs and created indirect jobs in related industries and institutionalized social programmes for labour, students, people who are disabled, elderly people and poor people.

The TMP recommended strategies that could be applied in the national context to reverse the negative impact of tourism in affected communities. One strategy involves development in stages, starting with a stage that is small scale to allow maximum participation by the local population. Other strategies include the provision of social infrastructure and maintenance of adequate social services; undertaking community education programmes for women and children; providing just compensation schemes and support facilities or services for fisherfolk and farmers who may be relocated from sites of their livelihood.

The DOT completed the formulation of the National Ecotourism Strategy in a way that was consistent with the TMP and with the assistance of the New Zealand Agency for International Development (NZAID). Ecotourism in the Philippines rests on four pillars: (a) sustainable management of natural and cultural resources, (b) environmental education and conservation awareness, (c) empowerment of local communities and (d) visitor satisfaction. The strategy aims to promote and mobilize support for ecotourism; develop a culture of tourism among the local people; institutionalize community participation in planning, development, implementation and monitoring of ecotourism projects; promote environmental education and ethics; develop the capability of local government; facilitate domestic and foreign investment; develop globally competitive ecotourism; and ensure that benefits return to the local community.

In order to develop a model for ecotourism, the National Ecotourism Steering Committee receives assistance from the government of New Zealand to pilot an ecotourism product in Pamilacan Island, a small island offshore Bacayon town at Bohol in the Visayas. The National Steering Committee developed a marine life ecotourism programme to demonstrate how this could serve as a vehicle for preserving marine life, such as whales and dolphins, while generating economic benefits for local communities and satisfying the visitors at the same time. The marine life tour

is also envisioned to provide communities with an alternative livelihood. The revenue generated from tour guiding is not meant to replace traditional sources of livelihood, but to complement income from fishing.

Other programmes that the Philippine Department of Tourism has developed to generate improved livelihoods in the countryside include agritourism, community-based tourism, and entrepreneurial development for rural tourism (EDRT).

3. Recommendations

In order for tourism to be truly sustainable, there is a need to ensure that tourism resources are properly planned and managed in a way that host communities benefit and tourists are satisfied. International cooperation must also be underscored to carefully consider strategies and plans to advance or strengthen the contribution of tourism in a more sustainable manner.

K. Sri Lanka¹¹

1. Overview of tourism development and the economic impact of tourism

Sri Lanka is a tropical island destination located in the Indian Ocean adjacent to the southern tip of the Indian sub-continent. The government of Sri Lanka officially recognized tourism as a potential industry in 1966 by establishing the Tourist Board. Tourism maintained a gradual upward trend until 1982, but experienced the worst decline in 1983 due to internal disturbances that affected the security situation in Colombo and in suburban areas due to action by the Liberation Tigers of Tamil Elam (LTTE) movement. However, tourism experienced sporadic improvements since 1990, especially when a new government assumed office in the latter part of 2001. The government started with a strong peace initiative to come to an agreement with the groups fighting in the North.

Several airlines had withdrawn from Sri Lanka during the conflict, but they have resumed operations. Sri Lankan Airlines embarked on a vigorous promotion programme with the Ministry of Tourism and the Sri Lanka Tourist Board. As shown in table II-10, 2002 was better in terms of tourist arrivals compared to 2001.

¹¹ Based on a country report prepared by the Department of Tourism, Government of Sri Lanka.

Table II-10. Sri Lanka: Foreign visitor arrivals, 2000-2002

	Number of foreign visitors	Percentage change over the previous year
2000	400 414	-8.3
2001	336 794	-15.9
2002	393 171	16.7

Tourism remains a major source for generating foreign exchange earnings. In 2000, the amount of foreign exchange was \$US 19.1 billion, in 2001 it was \$US 18.8 billion and in 2002 it was \$US 24.2 billion. Employment in the tourism industry was estimated to average about 90,000 people in various direct and indirect jobs.

2. Tourism development and poverty alleviation

The factor that constrains the sustainability of Sri Lanka's tourism industry during the past several years has been the sudden fluctuations in tourist arrivals and the seasonality in terms of market characteristics. Western Europe has the most potential as a market in terms of tourist arrivals, but it is highly volatile and sensitive to global factors related to conflict and disaster.

After recognizing this problem, the government was instrumental in developing a non-traditional region market base comprised of China; Hong Kong, China; India; Japan; Malaysia; Maldives; Singapore; Thailand and countries in the Middle East. The issue of seasonality has been addressed by promoting sporting, cultural and religious events that take place throughout the year.

Diversifying tourism products in order to create more trickle down benefits to the local community through increased job opportunities has been another approach adopted by Sri Lanka. As part of rural poverty reduction, the approach introduces niche products such as ecotourism, adventure tourism, ayurvedic tourism, water-based recreational activities, archeological tourism, Buddhist circuit tourism, etc. The domestic tourist market appears to be emerging as a potential tourism segment and this has encouraged local entrepreneurs to set up small-scale eating houses, restaurants and guesthouses. The Hotel School has been geared up to train 1,000 unemployed youths from remote areas who would then take tourism-related jobs. Local families living in the most popular tourist resorts could enjoy several benefits from tourists who prefer direct contacts with the local community. However, competition among youths for work as tour guides, vendors, souvenir sellers, etc. has exceeded actual demand and created resentment among tourists. Conflicting interests between certain hoteliers and area guides, craft producers and vendors creates a constraint when trying to promote tourism in certain resort areas.

3. Recommendations

Among the recommendations for the tourism industry in Sri Lanka, one important point is that the government shows greater acceptance of the potential for the tourism industry to serve as a vehicle for poverty alleviation. There is also a need to promote tourism products that could generate substantial economic benefits for the local community, such as ecotourism, adventure tourism, ayurvedic tourism, Buddhist circuit tourism and so forth.

One important recommendation is to make every effort to get local community involvement in tourism product planning and to create awareness in the local community. At the same time, it is crucial to create maximum opportunities and encourage poor rural youth to get training in the tourism industry for jobs that are in demand, such as house keeping, cookery, receptionists, restaurant managers, bartenders, etc.

It is also recommended to promote tourism for free independent travelers (FIT) as against travelers who have all inclusive tourism packages. Tour operators and the hoteliers should be urged to employ the local workforce. Tourism projects also need to be developed that encourage tourists to extend their length of stay in the country.

L. Tajikistan¹²

1. Overview of tourism development and the economic impact of tourism

The Republic of Tajikistan became a sovereign State after the Union of Soviet Socialist Republics was dissolved. Unfortunately, at that time civil war broke out in Tajikistan, and as a result, the economy, socio-cultural environment and tourism suffered great losses.

In 2003, the Government of Tajikistan created the National Tourism Administration to promote and coordinate tourism as one important sector to accelerate economic growth and help eradicate poverty. During the previous period until 1996, tourism in Tajikistan had been developing in a chaotic way. Tajikistan has achieved some successes only recently in promoting national tourism products, such as mountain climbing; trekking; ecotourism; touring by car; horse tours and biking; rafting; historical and cultural tours; and medical treatment at spa resorts.

In a short time, Tajikistan managed to increase the number of foreign tourists arrivals as shown in table II-11.

¹² Based on a country report prepared by the State Unitary Tourism Enterprise of Tajikistan.

Table II-11. Tajikistan: Tourist arrivals, 1996-2002

	1996	1997	1998	1999	2000	2001	2002
Number of tourists	700	2 100	3 190	4 500	7 673	5 200	6 314

Foreign exchange earnings have increased, as well as the number of people employed in the tourism industry, which was 120 people in 1996 and increased to 2,295 by 2003.

2. Tourism development and poverty alleviation

In order to improve living standards of the population and deal with socioeconomic problems, the President of the Republic of Tajikistan initiated a poverty reduction strategy paper (PRSP). Key sectors that were identified from the perspective of poverty alleviation included: education, health, social protection, agriculture, environmental protection and tourism.

Despite the significant growth potential for tourism, there have been few tourists visiting the country due to lack of public awareness about the actual situation, inadequate infrastructure, and lack of competition. The existing tourism infrastructure and specific segments such as sanatorium and spa resort establishments do not meet required standards and there are no modern tourist facilities. Tourism is not financed from the government budget, because the role of the government is limited to creating the right climate for private investment in the tourism sector.

3. Recommendations

A number of measures have been proposed to implement a poverty reduction strategy in the tourism sector. First, the role of the government in tourism development is to be a facilitator that creates a favourable climate for the development of tourism. Second, Tajikistan's image abroad should be improved. Third, developing tourism infrastructure, such as hotels and entertainment facilities, should be left to the private sector.

The government should promote private sector development by liberalizing the market for services, introducing zoning regulations for recreation, ensuring transparency in the issue of licenses for tourist businesses and other measures aimed at increasing competition. The government should also promote training in appropriate skills.

M. Thailand¹³

1. Overview of tourism development and the economic impact of tourism

Tourism has played a significant role in the economic development of Thailand, particularly in terms of earning foreign exchange, generating employment, distributing income, as well as encouraging more investment. Since Thailand launched “Visit Thailand Year” in 1987, the number of foreign tourists has increased dramatically, and the period 1987-1996 could be called the golden decade of Thai tourism. In addition, unprecedented national economic growth also stimulated domestic tourism.

The “Amazing Thailand” campaign was launched in 1998-1999 in order to continue the growth of Thai tourism. By 2002, inbound tourism grew to a total of 10.79 million tourists, with a growth rate of 7 per cent from the previous year. This generated about \$US 7.5 billion in foreign exchange, which was estimated to be 5.96 per cent of GDP. Direct and indirect employment created by tourism in 2000 was 2,503,356 people, which was 7.62 per cent of total employment. Tourism receipts contributed 6.06 per cent to GNP in 2002, which was an increase of 2.02 per cent over the previous year.

2. Tourism development and poverty alleviation

The tourism industry in Thailand has prospered continuously since it was initially promoted in the Fourth National Economic and Social Development Plan (1997-2001). The success of the tourism industry is shown by the fact that it generated revenue of \$US 4,326 million in 1991 and US\$ 7,530 million in 2002. Nevertheless, there has been conflict between the goals of conserving the country’s natural and social environment, and promoting tourism development.

Ecotourism is an alternative concept for tourism and refers to ecologically sustainable tourism. Officials in Thailand have recognized the importance of this concept and understand the problems of uncontrolled mass tourism development. When mass tourism development is not controlled, it exceeds the carrying capacity of an area and often ends by destroying the very resources that attracted tourists in the first place.

Apart from ecotourism, the Tourism Authority of Thailand (TAT) has initiated support for various projects aimed at community involvement in tourism. This is mainly through home stays, which can serve as a tool for more equitable income distribution and poverty alleviation. A number of projects were initiated with support from various government agencies and NGOs. These include a community

¹³ Based on a country report prepared by Planning Division, Tourism Authority of Thailand.

project in Nakhon Ratchasima Province that is supported by TAT and aims at developing archaeological sites, handicraft production and home stays.

Another project is at Doi Tung in northern Thailand, which aims at poverty alleviation involving seven communities in a comprehensive development project that includes agricultural processing, handicraft and clothing production and development of tourist accommodation facilities attached to local villages. There is also a hill tribe community project supported by a local NGO aimed at developing a trekking route where local communities provide food, guiding and accommodation. Another example is a community development project at Huai Sai in Phetchaburi Province, where the community provides demonstrations of agricultural techniques and produces and sells local handicrafts and food.

N. Turkmenistan¹⁴

1. Overview of tourism development and the economic impact of tourism

In 1991, Turkmenistan became an independent country from the former Union of Soviet Socialist Republics. Turkmenistan is the only country in Central Asia which has access to the Caspian Sea. Its landscape of mountains, foothills, steppes, deserts, seaside and forests, as well as fauna that includes rare animals, serves as an interesting tourist attraction. The tourist activity in Turkmenistan is carried out in accordance with the government programme for development of tourism and the law of Turkmenistan entitled “About Tourism”.

Foreign visitor arrivals in Turkmenistan have been increasing rapidly, as illustrated in table II-12.

Table II-12. Turkmenistan: Foreign visitor arrivals, 2000-2002

	Number of foreign visitors	Percentage change over the previous year
2000	3 256	80
2001	5 244	80
2002	10 791	102

Tourism generated foreign exchange earnings of \$US 16 million in 2001 and in 2002. Direct employment in the tourist industry was about 775,720 people during the period 2000-2002.

¹⁴ Based on a country report prepared by International Relations Department, State Committee of Turkmenistan for Tourism and Sport, Government of Turkmenistan.

2. Tourism development and poverty alleviation

The number of foreign tourists traveling to Turkmenistan has increased as a result of an “open door” policy and the implementation of socio-economic reforms. The Governmental Program on Tourism Development up to 2010 has recognized tourism as a priority industry in the economy of Turkmenistan. The basic principles of the programme include the creation of an effective, competitive structure, a favourable social environment, and the protection of natural resources and cultural heritage of the country. The State Committee of Turkmenistan for Tourism and Sport proposed six areas of activity: (1) developing and reinforcing tourist infrastructure in Turkmenistan; (2) developing the quality of tourism services (formalities, liberalization of exchanges, protection of health and security, completion of legal system); (3) training and re-training tourism personnel; (4) planning and protecting environment resources and historical-archaeological memorials; (5) provide statistics and market analysis, advertising and tourism information; and (6) developing cooperation, communication and documentation.

In 1995, the Decree of State Licensing for Gaming Business in Turkmenistan laid the foundation for a State regulation system on working in a gaming business.

3. Recommendations

Among the recommendations for the tourism industry is the development of new tourist routes that emphasize the exotic environment, ecological uniqueness and possibilities for hunting tourism. There is a need for constructing new hotels at a world class level in the bigger cities of Turkmenistan, in addition to setting up tourist centres and camping in rural areas. It is also recommended to explore the possibilities of developing a national resort-tourist zone along the marine coast of the Caspian Sea.

The city of Ashkhabad could be established as a regional centre of specialized tourism as an extension of industry that involves entertainment and the gambling business in the largest cities.

O. Viet Nam¹⁵

1. Overview of tourism development and the economic impact of tourism

Tourism has remained at a low level of development due to the prolonged wars and the low starting point of the economy in terms of facilities, personnel expertise as well as achievements. It has been only since the 1990s and as part of

¹⁵ Based on a country report prepared by the International Cooperation Department, Vietnam National Administration of Tourism, Government of Viet Nam.

the renovation process, that tourism in Viet Nam has begun to boom. The initial outcomes have made a considerable contribution to the countries' industrialization process as well as poverty alleviation and reduction.

From 1990 to 2002, the number of international arrivals increased by 10 times, while the number of domestic tourists increased thirteen-fold. By 2002, there were 2.63 million foreign arrivals to Viet Nam and 13 million domestic tourists, as shown in table II-13. During the last decade, income from tourism increased considerably, at a rate of 25 per cent per year on average, with foreign currency revenue of \$US 1.36 billion in 2001 and \$US 1.53 billion in 2002.

Up to 2004, the tourism industry has employed more than 220,000 direct workers and about 450,000 workers in indirect jobs.

Table II-13. Viet Nam: Foreign visitor arrivals, 2000-2002

	Number of foreign visitors	Percentage change over previous year
2000	2 140 000	20.2
2001	2 330 050	8.9
2002	2 627 988	12.8

2. Tourism development and poverty alleviation

The mountainous regions of Viet Nam have been defined as remote areas that still have several socio-economic difficulties and poor infrastructure. However, in some upland areas, the climate, landscape and cultural identities have been ideal for tourist activities such as at Dalat, Bach Ma, Tam Dao and Sapa. A significant proportion of Vietnamese minority people in some remote areas have benefited from tourism. Tourism activities create more direct jobs for youth and women who have leisure time and live in different parts of the country.

Viet Nam actually has strong potential for tourism development. It is a littoral country with many beaches favourable for recreation, sea bathing and related entertainment activities. There is a very diverse ecosystem as well as a wide variety of fauna and flora in Viet Nam. In addition to cultural, historic and revolutionary relics, there is a wide range of traditional handicrafts, plentiful festivals, folk literature and arts that can be developed to contribute to cultural-historical tourism. In general, tourism resources are evenly located throughout the country.

The viewpoint of the government about tourism development covers two main points. First is to develop tourism into a spearhead economic sector. Second is to make use of possible resources and tourism potential for fast and efficient tourism development in a sustainable manner.

The strategy for tourism development from now until 2010 is to designate 21 tourism focal areas throughout the country. More funds would be needed from the government for infrastructure development. There has been tourism infrastructure development along the Mekong River with a loan from the Asian Development Bank (ADB), which is aimed at promoting community-based tourism. This would help encourage local people to participate in tourism development and thus improve incomes and provide job creation in rural areas of the Mekong Delta. NGOs and international organizations have also been helping Viet Nam in development pilot projects such as in Sapa-Lao Cai Province.

However, many issues and constraints still need to be considered. For example, lack of experience and expertise in tourism could lead to environmental degradation and social diseases. In order to address the problem of unequal income distribution, there should be more local involvement in planning, operations and management of tourism activities. There is much need for investment in infrastructure, including transportation, water, electricity supplies, as well as investment in hotels and recreational facilities in remote areas.

3. Recommendations

Good tourism planning could clearly help in poverty alleviation when it is done in a sustainable way. Viet Nam seeks help and support from relevant international organizations to develop pilot projects and organize workshops in Viet Nam. More investment in infrastructure, such as transportation, water and electricity supply is a top priority. Another priority is raising awareness among visitors and local people about tourist sites.

III. SELECTED CASE STUDIES OF POVERTY ALLEVIATION THROUGH SUSTAINABLE TOURISM DEVELOPMENT

A. Development of the Pink City of Jaipur, India ¹

The city of Jaipur in Rajasthan state was founded in 1727. Its municipal corporation has jurisdiction over 64.75 sq.km, with a population of 2.5 million and a poverty level estimated at 36 per cent. Jaipur is acclaimed by tourists as one of the most picturesque cities in the world with immense tourism potential. The Tourism Development Corporation (RTDC) claims that 60 per cent of all international tourists to India visit the city each year. Over 775,000 domestic tourists also visit the city. The revenue earned from tourism-related activities in 2001 was about \$US 408 million.

The tourism potential of Jaipur is based largely on its heritage sites, buildings, traditional crafts and handicrafts. The city is famous for its gems and exquisite hand made jewelry, carvings of wood, ivory and marble statues and colourful textiles.

The major tourism objective of the state is aimed at the optimum utilization of tourism resources as a major factor for economic growth. Three organizations at the state level have responsibility for tourism development and management. The Department of Tourism, Art and Culture is responsible for policy guidelines and the formulation of policy milestones. Tourism is facilitated at the local level through Tourism Reception Centres. The Rajasthan Tourist Development Corporation (RTDC) looks after tourism infrastructure. One major stumbling block in tourism development in Jaipur has been the lack of coordination and absence of an apex body providing directions.

The Jaipur Development Authority (JDA) is the principal agency responsible for planning, coordinating and supervising overall development of Jaipur city and certain contiguous areas. JDA includes tourism as part of its activities and takes up development programmes that have a direct impact on tourism.

There are three approaches for poverty reduction with regard to tourism development in Jaipur. First is the non-intervention approach that allows local people to peddle handicrafts, do street performances and vend food in an indiscriminate manner, without being subject to regulations or standards. While this allows local people to have access to employment, it also has negative impacts. The second approach is to facilitate direct participation of low-income communities by showcasing their handicrafts and performances at local and international exhibitions.

¹ Based on the country report of India.

The third approach is tourism projects aimed at benefiting the poor. Two examples related to this approach are described here.

1. Hati Gaon (Village of Elephants)

The Mahuds (elephant drivers) who provide rides that start near the Amer fort travel long distances from outside the city, thus adding to traffic congestion as well as endangering and causing hardship to their animals. The elephants have now been resettled in a village adjacent to Amer Palace known as Hati Gaon (Village of Elephants) which occupies an area of 25 hectares and can house 100 elephants. This project allows for daily activities related to caring for the elephants, as well as areas for viewing by tourists, and elephant shows for entertainment. The project has also brought together a number of different stakeholders.

2. The Jai Mahal Recreation Park

The Jaipur Development Authority (JDA) has begun restoration of a historical lake known as Mansagar Lake. The project includes three components: first is the hydrological restoration of the lake itself; second is the restoration of the dam that controls water flow into the lake; and third is the development of a 100-acre land parcel adjacent to the restored lake as a tourist complex with recreational facilities. The project has been designed to improve conditions for poor people employed in handicrafts and other traditional crafts.

The main challenges with regard to tourism have been the lack of information on employment patterns and income levels; lack of skilled and trained personnel for tourism destination management; lack of coordination among different agencies and actors; lack of capacity-building programmes for public and private sector personnel involved with tourism activities; requirements for better facilities in terms of banks, shopping, transportation etc.; and improving access to credit and market information for handicraft businesses.

B. Development of Khajuraho Village, Chattarpur, India²

Khajuraho is a village in Chattarpur District in Central India. Outside visitors hardly know about Khajuraho, despite its historical and archaeological wealth. Agriculture has been the only economic activity in the region. There was a complete lack of industry, metalled roads, electricity, hospitals or schools in the village, and unemployment was at a high level.

² Based on the country report of India.

Some pioneers of the tourism industry in India discovered several groups of medieval temples around the village and they have become one of India's unique gifts to the world. The temples testify to the craftsmen's artistry as well as the extraordinary breadth of vision of the Chandela kings.

In order to realise the potential of these temples for both domestic and foreign tourists, tireless efforts were made to put Khajuraho on the tourist map. This was a major task due to the poor connectivity and complete lack of infrastructure. An airport and a few hotels of moderate scale were built. This proved to be a turning point in the development of Khajuraho as a tourist destination.

Over 150,000 tourists visit Khajuraho each year and it has been declared a World Heritage Site. Khajuraho now has metalled roads, electricity, a water supply system, one hospital and two schools. Over 3,000 people are employed in the tourism industry. Levels of education, health care and income have gone up. Tourism has revived the handicrafts industry and stone carving. There is also an institute to train the new generation of crafts persons in Khajuraho.

The growth of tourism has created large scale indirect employment in producing, milk, vegetables, fruits, etc. The need for both skilled and unskilled labour in the travel and tourism industry has provided employment to the local community, which has created demand for better education and health care and changed the quality of life for the people of Khajuraho. In this way, tourism at Khajuraho has thus paved the way for employment generation and poverty alleviation in the entire region.

C. Development of ecotourism in Mount Halimun National Park, Indonesia³

Mount Halimun National Park was chosen as a location for an ecotourism project in the early 1990s for several reasons. First was the availability of infrastructure in the surrounding area. Second was the sympathetic attitude of the national park management at Mount Halimun. Third was the extensive biodiversity at the park. The park was also close to several national universities and a research centre. It was also located on an alternative route for a very crowded tourism corridor between the capital city of Jakarta and Bandung, the capital of the West Java province.

In order to achieve the objective of improving community welfare, three guest houses were constructed in three villages. Ownership of the guesthouses was opened for local communities, with each guesthouse managed by a local field manager.

Promotional activities are done collectively by a staff based in Bogor, which is the closest city. Training has been undertaken for guesthouse management as well

³ Based on the country report of Indonesia.

as local guides. A project director develops tour packages. Benefits from the project thus far have been mainly in job creation for local communities, with approximately 25 positions for each guesthouse, including a cook, guards, housekeepers, guides.

Support is still needed to further develop awareness among local people, to train more local people and especially to help people develop skills for monitoring and general management skills and accounting.

D. Natural resource management for local community empowerment, Indonesia ⁴

The project is a joint venture between the local government and the Patra Pala Foundation, with support from Japan International Cooperation Agency (JICA). The objectives of the project are to provide an alternative income for villagers who live in the area surrounding the Borobudur World Heritage site by developing environmentally-friendly agro-forestry activities; developing community-based ecotourism; build the capacity of communities by providing a training centre in the village; improve awareness about the importance of resource management in the community; and establish a community forum as a means of communication for networking and monitoring.

The project coverage area is the Menoreh hillside that surrounds the Borobudur temple and functions as a water catchment area. It is thus given the status as a buffer zone. Environmental disturbances in the buffer zone would have an impact on the zone of the World Heritage site.

The project has had a positive impact on the communities through improved awareness about the importance of protecting their own environment. Although the impact on community welfare has not been estimated in quantitative terms, indications show that a positive direction has emerged. Communities discussed the planned programme for their village and began to take an interest in the new activities. People also seemed to be interested to join the target groups for training to be ecotourism-guides or for social activities and for handicraft production. People are also interested in organic farming and the production of material for mats made from pandan leaves.

The organizers of the project have succeeded in getting sympathy from the community, international donor institutions, universities, research centres, government agencies at the local and national level and other NGOs. Some community homes have turned into homestays, and the socio-cultural activities in the villages have been directed toward the ecotourism scheme.

⁴ Ibid.

E. The Nam Ha Ecotourism Project, Luang Namtha District, Lao People's Democratic Republic⁵

Reports about the Nam Ha Ecotourism Project in Luang Namtha District have been assessed and they show how the ecotourism project contributes to poverty alleviation and heritage conservation.

Three forest treks and one river excursion are offered in Luang Namtha District. One-day and overnight treks are conducted in the buffer zone surrounding the Nam Ha National Protected Area. Three-day treks journey deep into the PA. The one-day river excursion takes place on the Nam Tha River. In neighbouring Sing District, there are seven village-based treks available.

The Nam Ha Project aims to minimize negative impacts and avoid the consumption of non-renewable resources. Nam Ha treks use only existing forest trails and require that tourists consume only local food and products. Non-indigenous food and consumer goods are specifically not available on the treks and boat trips, based on a strict pack-in, pack-out “take only pictures, leave only footprints” policy.

One primary objective of the Nam Ha Project is to ensure that tourism contributes to the conservation of the natural and cultural heritage of Lao People's Democratic Republic. Prior to departing on trips, all tourists are required to attend a mandatory pre-departure orientation that includes a cultural and environmental component. The project builds environmental awareness in local communities by conducting village-based ecotourism awareness seminars. Guides have received training in monitoring threats to biodiversity, laws and regulations, natural history interpretation, ecotourism theory and practice and low-impact guiding techniques. There are regulations prohibiting tourists and guides from consuming wildlife or engaging in wildlife trade. Stiff fines and sanctions are actively enforced support these regulations.

Ecotourism activities in Luang Namtha produce direct financial benefits for conservation mainly through Protected Area entry permit fees. Each tourist entering the Nam Ha is charged a user fee of \$US 1 per day. For the one-year period covering August 2001 to July 2002, entry permits raised \$US 2,830 for the Nam Ha National Protected Area Management Unit for use in supporting conservation activities and trail maintenance.

Local people receive substantial financial benefits from tours developed by the Nam Ha Project Team. Total revenue since the ecotours became operational in October 2000 through July 2002 totaled over \$US 100,000. All financial benefits are retained locally with participating villages receiving substantial income from the

⁵ Based on the country report of the Lao People's Democratic Republic.

provision of food, guiding services, accommodation and handicraft sales. The percentage of benefits that participating villages receive had been set to increase in 2002-2003. Prices for the overnight and one-day trek have been raised.

Each overnight trek is restricted to two departures per week and the group is limited to eight tourists. Three guides accompany each overnight trip. One-day treks and river excursions depart daily, but are also limited to eight tourists. All ecotourism activities are small scale Lao-owned and operated ventures that employ local people and use local goods and services to the greatest extent possible.

Participatory meetings were held continuously with target communities during the stage when the treks and river trips were formulated in order to establish and follow-up on cultural guidelines suggested by villagers, project staff, and tourists. If tourists commit any cultural infractions in the village, countermeasures such as refinement of the pre-trip orientation or slight changes to the trekking programme would be introduced. Treks and river tours initially developed by the project team have been turned over to the Nam Ha Guides Association, which is the first operational non-profit ecoguide service in the country that employs only local guides and managers.

Good ecotourism should conserve, protect and enhance the biodiversity and cultural heritage underpinning it. Nam Ha Project worked with the village to establish a 100-hectare forested nature preserve that the village has placed off-limits to any type of resource extraction. As part of a three-day trek, each group of tourists is led through the reserve to see a variety of non-timber forest products, birds and small animals. Since this area has been placed off limits to hunting, it has become a breeding refuge for birds and small mammals while still producing immediate financial benefits for the village.

In Luang Namtha, government agencies have taken the lead in monitoring ecotourism operations. A tax is imposed on provincial tourism operators, including the Nam Ha Ecoguide Service, in order to finance monitoring activities under its jurisdiction. This tax funds regular biodiversity threat and cultural impact monitoring carried out by the guides. Tourism and Protected Area staff receive training to analyse the data. Local guides and provincial staff have attended the project's five-day workshop that includes classroom and field-based training in monitoring based on the principles and practices of monitoring for community-based ecotourism.

However, difficulties have been encountered when implementing the Nam Ha Ecotourism Project. First, capacity to implement and manage the project was critically low at the provincial and district level in the absence of international advisors and national counterparts. This was exacerbated by the fact that low salaries for provincial counterparts reduced the functional capacity of even the most dedicated local civil servants. This would fuel a vicious cycle leading to lax enforcement or lack of regulatory oversight.

At the onset of the Nam Ha Project there was also little local understanding of the human resources and skills that are needed to support an ecotourism industry. Some time was need for local stakeholders to understand that good ecotourism is not based on large-scale infrastructure investment or continued cultural shows.

Some of the most relevant lessons learned were that in order to develop sound ecotourism that alleviates poverty, local implementing partners and participating communities require careful guidance initially, strong political will, substantial capacity-building investments and theoretical concepts that are best grasped when people are allowed to have direct hands-on experience.

F. Home stay programme in Kampung Wangtok Redung, Langkawai, Malaysia⁶

Kampung Wang Tok Redung, Kuah, Langkawi is a resettlement area for 995 people with low educational background. Most of the people are fishermen, traders, carpenters, small scale entrepreneurs, factory workers, workers in the hotel industry, operators of tourist boats and ferries, mechanics, general labour and government officials.

Thirty participants have registered with the Ministry of Culture, Arts and Tourism (MOCAT) to participate in the Home stay Programme in this village. This village was considered as suitable for home stay tourism because it has the necessary basic tourism infrastructure and amenities. These have been provided by various government agencies and authorities in charge of poverty alleviation. In addition, the village is located on the island of Langkawi which is a popular international tourist destination. This village receives many daily tourists who visit its small-scale factory producing and selling a special kind of medicinal oil made from sea-cucumber to interested tourists. Day visitors would also buy food and drinks from various stalls run by the villagers. It is estimated that each day one visitor can spend about \$US 3 to \$US 10 in the village.

Tourists who participate in the home stay are charged about \$US 50 for a stay of three days and two nights for a full board stay. Most of the 30 village participants have only one extra room for guests to stay under this programme. Activities organized by the participants for their guests include taking them to interesting places in the islands, taking them out fishing and organizing a Kampung night for them with traditional cultural performances. Tourists are also served popular local dishes, shown how to wear traditional clothing, such as the sarong,

⁶ Based on the country report of Malaysia.

and helped to marry according to the traditional Malay style, if they wish, at no extra charge. By the time of departure, most villagers would feel sad as the guests who have stayed with them are now no longer treated as guests but as part of the family.

Participating in the home stay programme has helped enhance participants' income and improve their livelihood and standard of living. It is estimated that their extra income earned each month is about \$US 52 to \$US 132. Villagers have also become more committed to keeping their village clean and have carried out their own landscaping activities to beautify their surroundings to make it even more attractive and welcoming to their guests.

The home stay participants also receive support from various government agencies when they are asked to host motivational courses for youth at their camp sites. When hosting a big group, the home stay participants also get the help from other villages where they form groups to carry out specific tasks.

However, there are problems encountered in other home stay programmes that are less successful. For example, it becomes less economical and viable when less than 20 people visit; promotional efforts are lacking; standards of cleanliness and hygiene need to be enhanced; language problems occur; more training is required for participants to enhance customer care and safety; local travel agents are not interested to promote home stays; and there are not enough interesting things for tourists to see and do.

G. Tourism for rural poverty alleviation programme, Nepal⁷

The Tourism for Rural Poverty Alleviation Programme (TRPAP) for the period from 2001 to 2005 was initiated by the Ministry of Culture, Tourism and Civil Aviation (MoCTCA) Nepal to develop six districts: Dolpha, Chitwan, Rasuwa, Rupandehi, Dolukhumba and Taplejung. The main goal of the programme is to contribute to poverty alleviation, which is an objective of the government. TRPAP involves a through review and formulation of policy and strategic planning for sustainable tourism development that is pro-poor, pro-environment, pro-rural communities and pro-women.

The immediate objectives are to demonstrate sustainable tourism development models, institutional mechanisms, policies and strategies for sustainable tourism development. TRPAP was designed to bring together three major concerns of the government of Nepal: poverty alleviation, decentralization and tourism development. The new part of this programme is the emphasis on the policy and strategic planning for rural-based tourism development.

⁷ Based on the country report of Nepal.

Social empowerment of rural communities to manage their own tourism development is a key component of TRPAP. Tourism is utilized as a vehicle to help alleviate poverty and allow villagers to contribute and share in the development of their villages. The “Development Wheel” is a key indicator that villagers can apply to village life and integrate personal and societal growth with material (economic) growth.

Tourism development involves many stakeholders providing various products, services and facilities. Coordination and cooperation at different levels and between these levels is extremely important. Joining forces at the community and district levels would increase the opportunities for functional groups to become leading partners in sustainable tourism development. Sustainable tourism development committees (STDCs) would be promoted to strengthen linkages between functional groups and the private sector.

Backward linkages are strengthened through the social mobilization process (including local level business-planning and training for skill development). Forward linkages are strengthened by supporting STDCs to develop and conduct marketing activities for the (national-level) private sector and support the Nepal Tourism Board in research, product development and marketing.

TRPAP is a community-based tourism programme where tourism is used as a vehicle to alleviate poverty and improve the quality of life for rural people. In order to help reduce poverty through tourism development at the village and district level, TRPAP would establish Sustainable Tourism Village Funds (STVF) and Sustainable Tourism Development Funds (STDF). TRPAP would follow this operational modality at the micro-level, the meso-level and the macro-level. The Nepal Tourism Board (NTB) is also playing a pivotal role in the programme.

The focus group of beneficiaries for TRPAP are poor, discriminated and disadvantaged women and men at tourism development sites. Gender issues would be addressed by assessing gender patterns in the workload, access and control over resources, services, markets and basic amenities, as well as decision making power and participation in community development. Gender includes (actual and ideal) roles and relations of both men and women in the development of tourism.

Tourism is a complex, dynamic and multi-dimensional industry which requires the participation and support of various stakeholders, including the government (at national, district and village levels); the private sector; NGOs; participating communities and the tourists. It would thus be necessary for TRPAP to develop a close working relationship with three key governmental institutions.

In terms of the lessons learned thus far, some areas covered by TRPAP faced obstacles to implementation of activities due to security reasons. In some cases there was insufficient time to engage in planning, monitoring and other management aspects by the programme staff. In addition, implementation of TRPAP activities

in all districts has been affected by the absence of elected authorities.

It was found that different development organizations in the TRPAP areas had their own organizational structure which differed from the organizational structure of TRPAP community organizations. However, all development organizations have their own working modalities and they are providing assistance to the communities in their own way.

All districts covered by TRPAP would have to prepare their plans of action in view of the state of affairs in their areas. It was found that prioritizing the activities of TRPAP was essential for the proper implementation of the programme. A sound management information system was considered as essential to launch the programme effectively. Effective management skills were needed to ensure better expected results of the programme. Sharing of ideas and experiences with the donors, partner organizations and the stakeholders would also help the programme to obtain better results.

When the TRPAP ends, it is expected that it would have made a significant contribution to the alleviation of poverty through the development of rural-based sustainable tourism, stronger institutional mechanisms and more effective policy formulation.

H. Development of the historical city of Bhaktapur, Nepal⁸

Bhaktapur is a town of historical significance and the home of medieval art and architecture and is one of three major towns of Nepal. Hindus and Buddhists have coexisted in Bhaktapur in harmony and drawn inspiration from each other through the ages. Painting, carving, masonry, bronze casting, jewelry, pottery and agro-products are traditional enterprises that exist today in Bhaktapur. Monuments and artistic carvings on wood, stone and metal can be seen throughout the historical centre of the city. The cultural and living heritage date back to the fourteen and fifteenth centuries and have remained relatively well preserved. The economy of Bhaktapur is based on agriculture and the city is ringed with farmlands.

As a historical city in the Kathmandu valley, Bhaktapur attracts a great number of tourists. The growing tourism industry has also contributed to growth in the service industry.

The Bhaktapur Tourism Development Committee (BTDC) was established in 1997 with the objective of improving the tourism potential of Bhaktapur. The BTDC is also involved with training programmes, advocacy and information dissemination through its publication, *Bhaktapur Tourism Information Bulletin*. The municipality

⁸ Based on the country report of Nepal.

has given highest priority to heritage conservation and environmental improvement. A ban on polluting industries and heavy vehicles in the city centre has been implemented.

Bhaktapur municipality has tried to mobilize locally available resources for tourism development. Several tourism-related taxes are levied, such as a service fee of \$US 1 for visiting the central area of the city and increased entrance fees for monument conservation and urban environmental improvement. Bhaktapur municipality has spent funds for city cleaning, information dissemination and managing a tourist service centre. The municipality received the 1998 UNESCO Peace Prize for its endeavours to safeguard the cultural heritage of Bhaktapur.

The number of tourists visiting Bhaktapur ranges from 500 to 600 persons daily. In 2000, more than 200,000 tourists visited Bhaktapur.

Important steps to achieve Bhaktapur's tourism potential include improving basic tourism amenities, proposals to improve street lighting, daily cleaning activities for beautification and improvements in solid waste management. There are plans to make the city centre into a completely pedestrian area. Heritage walks would be established and training of guides would be included in conjunction with a comprehensive guide manual. More tourism information and maps would be provided.

Other activities involve promoting bicycling tours around Bhaktapur Municipality area, encouraging culture shows and musical concerts and promoting the quality handicrafts and souvenirs of Bhaktapur. There is a need to establish standards for accommodations and maintain facilities as well as improve local lifestyles and promoting opportunities for residents of Bhaktapur to become more involved in tourism-related activities. New products can also be fostered as well as encouraging partners in the tourism industry to use the Internet and other electronic media. The organization of international meetings, conventions, forums, symposiums, carnivals, conferences, incentives and exhibitions in Bhaktapur would also be encouraged.

Bhaktapur municipality has launched overall programmes to encourage tourism through active and transparent community participation. Heritage conservation would require some financial and technical support to the homeowners.

I. Development of historical city of Butwal, Nepal⁹

Butwal municipality lies in the central part of Nepal, about 28 kms from the India-Nepal border. The city is of historical and archeological importance and has a pleasant climate.

⁹ Based on the country report of Nepal.

Some of the tourism potential for Butwal includes its location and proximity to the Indian border; access to the historical town of Lumpini; the presence of Jitgadhi Fort; access to two major highways and proximity to the airport; and varying climatic conditions.

Key initiatives for tourism development have included a multi-stakeholder workshop held in 1999. This workshop initiated a study regarding tourism development in the region through slum relocation and resettlement from disaster prone and historical areas. These efforts have involved local communities. development of an entertainment park has been developed to attract tourists and there has been infrastructure development at heritage sites.

J. Development of the city of Baguio, the Philippines¹⁰

The city of Baguio was once a vast grassland and pasture to cattle. However, by 1913, Baguio already enjoyed the amenities of a typical twentieth century American city. During the Second World War, Japanese forces occupied Baguio and in the subsequent bombing between Japanese and American forces the city was destroyed. It took tremendous effort and great will to rebuild the ravaged city. In July 1990, an earthquake measuring 7.4 on the Richter scale once again devastated the city.

In 1992, the city authorities lost no time and effort in re-engineering Baguio to its present form. Baguio's modern skyline today attests to the vast infrastructure development that took place from 1992 to 2002. Baguio's tourism appeal is based on the presence of historical and cultural sites, and natural resources. The cool climate and other natural resources has led to a steady growth of the tourism industry with almost 1 million tourist arrivals in the year 2000. The city government of Baguio anchors its vision for tourism as a centre of quality education and wholesome tourism.

The City Tourism Office has the intention to provide directions for growth and maximizing resources to provide optimum results for constituents, thereby improving their well-being and standard of living. The local government seeks to build partnerships with the private sector and develop a commitment of support from the various stakeholders, including the community who would be the beneficiaries of tourism development. City tourism authorities also must realize that an advocacy component is a prerequisite and plan to continuously inform and gain support and participation from all sectors.

The city has a total of 7,267 poor families and has advocated a pro-poor agenda. However, a growing population has necessitated measures for socio-economic improvements. This resulted in setting up cooperatives and micro finance

¹⁰ Based on the country report of the Philippines.

networks with the assistance of agencies such as the Cooperative Development Agency (CDA), the Department of Trade and Industry (DTI), and the local City Social Welfare and Development Office (OCSWADO). The city government has provided capacity building for these initiatives.

The city council has been in the process of approving the Baguio Tourism Code in order to address the need to standardize all facilities relating to tourism and to establish people's participation. The passage of the tourism code also necessitated the creation of the Baguio Tourism Council (BTC). The city government and BTC have worked together to rehabilitate and restore the city's tourism booths. They also promote holding various festivals and competitions.

Challenges for the future include standardizing facilities, reducing environmental degradation in the city, building capacity for the tourism industry and encouraging continued community and local participation.

K. Kalutara resort beach facilitators project, Sri Lanka¹¹

Kalutara is a fairly stable popular beach resort located in the south-western coastal belt of the country, about 30 km from the city of Colombo. Topographically, it is just above mean sea level with tropical weather conditions prevailing throughout the year. The population is multiethnic and multi-religious and comprised of Singhalese, Tamils, Muslims, Indian Tamils and others.

In the absence of other potential industries generating unskilled jobs in the resort area, the unemployed youth and women have taken up tourism-related informal jobs to earn a living for themselves and their poor families. During periods with a low number of tourist arrivals, the competition among tour guides, vendors, souvenir sellers, craftsman, etc. to cater to the needs of the tourists transforms into an intense rivalry. After some time, area political leaders came forward to defend their constituents who were arrested by the police. When the police were helpless in such situations, they acted promptly to release those who were arrested.

Hoteliers have resorted to blocking tourists from leaving their hotels to go to living areas in the community. People from the community were blocked from entering hotel premises by fencing hotel beach fronts in an effort to minimize the involvement of the tourists with the local community. Tourists complained about the harassment when they tried to shop, enjoy the beach or walk in the town.

Faced with this scenario, the Ministry of Tourism and the Tourist Board had to find solutions to tackle the problem of beach boys, vendors, drivers of three-

¹¹ Based on the country report of Sri Lanka.

wheelers, taxi drivers, guides etc. competing among themselves to serve the tourists. When the problem was examined in a correct perspective it could be ascertained that the problem was employment related.

It was concluded that there was a need to regularize activities of the local community with regard to tourism and an urgent need to create better awareness through an education programme to guide them to play their role in the local tourism industry in a decent manner. The solution was to develop a tailor-made training programme to create awareness among the area guides, site guides, vendors, taxi drivers, souvenir sellers etc. in order to regularize their behaviour.

The training programme enrolled more than 300 participants for a period of ten days. The programme covered the subjects: Sri Lankan tourism industry; historical background of the country; geographical conditions; tourism products in the country; potential tourism products in the resort area; various tourism-related employment opportunities available in the resort; local culture; dance; songs; etc. The aim was to minimize the negative effects arising from the behaviour of beach facilitators.

After the training there was a written test and an evaluation. Those who had attended more than 65 per cent of the classes were selected to receive a certificate and an official identity card to practice as a beach facilitator. Without the identity card issued by the Sri Lanka Tourist Board, any person acting as a beach facilitator would be arrested.

L. Development of Ban Prasat archeological site, Nakhon Ratchasima, Thailand¹²

Ban Prasat or Ban Prasat Tai is a village in Than Prasat subdistrict, Non Sung district, Nakhon Ratchasima province. It is a medium-sized village surrounded by paddy fields, vegetable plantations, and palm trees. Lam Than Prasat or Than Prasat stream provides water for the villagers all year long. Artificial reservoirs were also constructed to supply water for people living far from the stream. The archeological site is located within the seventh community of Prasat Tai village.

Discoveries from the excavation at Ban Than Prasat included 60 skeletons of adults and children buried at overlapping levels from a depth of 1 metre to more than 5 metres. Burial attributes such as red-slipped wares, black polished pottery, painted pottery, bronze, shell, and marble bracelets, bronze rings and earrings, glass beads, polished stone and bronze axes, earthen spindle whirls, iron tools, etc. were also unearthed. Traces of human activities, such as fired earth or ashes, were found in the habitation layers. According to the analysis of the artifacts, it was assumed that about 3,000 years ago, there was an ancient settlement in this area. The settlement at Ban Than Prasat can be dated back 2,500 to 3,000 years.

¹² Based on the country report of Thailand.

The main occupation of Ban Prasat villagers is rice farming, in addition to raising animals and growing vegetables. When it is not the rice growing season, they weave mats from reed plants and turn them into bags and covers. They make hats from palm leaves and chairs from palm stalks.

Since Ban Prasat has become an archaeological attraction of high potential, the Tourism Authority of Thailand (TAT) has intended to promote the village to be a major stop on the tourism route of the North-East. The Village Development Project was thus launched by focusing on handicraft promotion in a bid to produce local souvenirs to meet visitors' demand. This means long-term jobs and occupation creation as well as income creation for the villagers.

Occupational training has been organized by the Northeastern Industrial Promotion Centre to promote handicrafts. Additional occupational training was provided by Bang Sai Royal Folk Arts and Crafts Center under the Royal Patronage of Her Majesty the Queen through cooperation with the Armed Forces Academy Preparatory School.

In 1997, home stays were organized in the village with the willingness of the community to accommodate Thai and foreign visitors. The activities included studying the way of life, studying the archaeological site, visiting village activities, such as local handicrafts, weaving, cooking, etc.

To prepare the site to welcome visitors and create benefits for villagers, a budget was allotted by TAT to improve the landscape and basic infrastructure to better the villager's quality of life through a healthy environment. Perennials, flowering, and decorative plants were grown along the road to the village and throughout the area under the design and supervision of a professor from the Faculty of Decorative Arts, Silpakorn University. Village Development Day was scheduled for 16 August 1992. Ban Prasat's landscape was improved through genuine cooperation. The natural environment was conserved and the people's quality of life was improved.

TAT had continuously launched campaigns to create good understanding and consciousness among the people to let them know how important the site would be to their village and to urge them to keep Ban Prasat clean and green to attract visitors.

TAT submitted Ban Prasat Archaeological Site Development Project as an entry for international awards and the project brought great success and pride to the tourism industry of Thailand. It received the PATA Gold Award 1994 in the category of "PATA Heritage and Culture" at the Annual Conference of the Pacific Asia Travel Association (PATA). It received the ASEANTA Award for Excellence in Tourism in 1996 for the category of "The Best ASEAN Cultural Preservation Effort" at the Conference of the ASEAN Tourism Associations (ASEANTA).

M. Development of Ho Chi Minh City, Viet Nam¹³

The central location and favourable natural conditions have helped Ho Chi Minh City develop its tourism industry extensively over the past ten years. In 1991, there were only 300,000 foreign travelers to the city and in 2001 there were 1,226,000. The tourism industry in Ho Chi Minh City has also generated more than 22,000 jobs.

However, rapid tourism development has led to a large inflow of migrant workers from other provinces into the city. The income differences between the inhabitants in urban areas and those in suburban areas and among different groups within the city have increased. For more than ten years, the hunger elimination and poverty reduction (HEPR) programme of Ho Chi Minh City has received active involvement and strong support from a large number of organizations and individuals. It has contributed extensively to improving the quality of life of households and living conditions in low income localities.

The programme has provided direct assistance to more than 100,000 poor households, of which more than 12,000 households have had their nutrition needs addressed and more than 6,000 households have moved above the poverty line. The number of poor households has been reduced from 20 per cent in early 1990 to 6 per cent at the end of 2001. There were still 55,000 poor households and thus a need to continue this programme.

The objectives of the city's policies are to create a favourable socio-economic environment for the poor, strengthen the effectiveness of counseling services, share technical knowledge and production experiences and generate jobs as well as create business opportunities. These objectives are addressed by several measures. First, appropriate measures are adopted for each sector and locality taking into account the living and working conditions of the poor. Second, the service sector is developed by mapping out its commercial areas by bearing in mind that all street vendors and small local service providers should be brought into the planned areas. Third, handicraft production clusters have been set up, for example, the Tan Tien handicraft village in Tan Xuan ward, Hoc Mon district. Fourth, income generating activities have been established by helping locals grow clean vegetables in specialized areas. Fifth, efforts have focused on protecting the city's unique ecological system and develop its tourism potential in a sustainable manner that creates work for people as guides to tourists visiting this area.

Policies and programmes have aimed at raising awareness, enhancing knowledge and sharing experiences with the poor in urban areas. This includes providing the poor with vocational training through programmes that encourage handicraft production and restoration of traditional crafts. Programmes that help

¹³ Based on the country report of Viet Nam.

improve the quality of their products and encourage the recruitment of skilled workers need to be established.

The awareness of local authorities needs to be raised in order to mobilize all available resources. Local authorities and other stakeholders must understand the objectives and missions of the HEPR programme. Local people need to undergo effective training and education programmes to derive benefits from the tourism industry.

N. The Hue festival initiative, Viet Nam¹⁴

Hue City is the capital of Thua Thien Hue Province and located in central Viet Nam. Hue City covers an area of 67.7 km² and has a population of almost 300,000 people. In 1558, the location was chosen as the royal capital of the Nguyen Dynasty. The complex of the Citadel, mausoleums and pagodas was built mainly between 1803 and 1932. Hue played an important role as the cultural and commercial centre of the nation.

During the French occupation from 1885 to 1945, a modern urban centre was developed along the south side of the Huong River, opposite the Citadel. The urban design followed the traditional French patterns of that period. Development on the north bank continued to follow the traditional oriental architecture and layout.

The old royal complex is listed by UNESCO as a World Heritage site and is a main tourist attraction today. This complex consists of a wide range of monuments such as palaces, royal tombs, temples and mansions. Hue and its vicinity also boasts the country's richest resource of natural landscapes and biodiversity. The terrain includes coastal lagoons with diverse fishing and aquaculture activities as well as folk festivals unique to this area. The western mountains present forests, great waterfalls and access to the daily life styles of several ethnic minorities.

The annual number of tourists to the city in recent years has been over 400,000, half of which are from foreign countries. Tourism contributes about one fourth of the income for the city of Hue. Tourism has been growing rapidly at an annual average of about 20 per cent, which contributes substantially to the economic development of the city.

However, there are still challenges to be addressed in order for tourism to achieve its maximum potential in a sustainable manner. These challenges include inadequate tourism management and development in the city; the small number of tourists and the short length of their stay; and lack of diverse tourism products.

¹⁴ Based on the country report of Viet Nam.

Other tourism potential has not been well developed for various reasons. There is a lack of good coordination and management on the part of the government. This results in unhealthy competition, price dumping and inadequate services, which in turn intimidates tourists and prevents them from returning to the city.

Although tourism has helped to increase revenues for the city residents, poor and vulnerable communities are especially excluded due to lack of access to information and resources. Poor communities are frequently considered an annoyance, as obstructing the development of a tourism industry market and as intruders at tourist sites.

More provinces/regions in Viet Nam have been turning to tourism as a good source of income and an environment-friendly industry thus increasing competition. The infrastructure of Hue city cannot support the increasing demands of a fast-growing tourism industry.

Several tourism-related programmes and projects have been created in order to move the tourism industry forward in a sustainable manner. These programmes and projects include infrastructure development in urban and rural areas to improve physical conditions such as pathways, power supply, water supply and drainage, parks, hotels and restaurants and the local transportation network. Programmes and projects also focus on the preservation and development of heritage monuments and sites, highlighting local folk festivals, maintaining natural and cultural landscapes and promoting traditional crafts.

Product and service development focuses on diversified tourism products, such as eco-tours, adventure sports, resorts, and so forth, as well as establishment of tourism facilities.

Tourism development involves increasing awareness by the local population about conservation, development and participation in the tourism industry. It also includes reorganizing individual services in the tourism sector and other sectors.

All policies and programmes are components of a comprehensive development strategy which is aimed at creating a favourable environment for developing a sustainable, competitive and pro-poor tourism industry.

A full-scale Hue Festival was initiated in 2000 with the aim of diversifying cultural activities and attracting more tourists to Hue; mobilizing the participation of local people in tourism services; preserving and revitalizing folk festivals and cultural events; and renovating and developing traditional handicrafts and craft villages.

Many cultural events took place during 12 days of the festival, such as arts, performances, boat racing, kite flying, numerous sports contests, singing and dancing performances. About 50,000 visitors, half of whom were from foreign countries, attended the Hue Festival. Special attention was given to ensuring the participation

of local people, especially poor people in providing tourism-related services, which would help people earn additional income while understanding the values of their community and traditions.

The success of the festival and strong participation by local people was possible due to awareness raising and an emphasis on poverty reduction. The festival was popularised in Hue through the media, publications, participatory conferences and workshops, community-level meetings and frequent broadcast of television and radio programmes on heritage preservation. A number of events were conducted related to heritage, such as heritage days, green days, etc.; free green eco-tours were organized and local people were encouraged to participate in programmes of home-stay and heritage house preservation.

A poverty reduction committee was established at the city level and grants and technical assistance were sought from NGOs. Community credit schemes were developed for poverty reduction, preferential loans were provided to those lacking capital to start or develop their businesses. Technical assistance (business training) and market information was provided to poor communities and their access to other resources was promoted for their businesses. There was active and diligent marketing of products provided by local people through media, conferences and workshops inside and outside the city. A cultural village which accommodated traditional crafts was established and maintained, as well as a Hue cuisine street. Home-stay was promoted for lodging and eating when large numbers of tourists came during festivals.

Among lessons learned was the point that development should not only include economic aspects but also accommodate social and natural aspects. Sources of financial support need to be diverted for effective development and poverty reduction activities. Public-private partnerships could help ensure sufficient resource mobilization and effective implementation of development work and welfare services towards more effective poverty reduction. Poverty reduction activities should be efficiently incorporated into the overall development strategy. Participation and support of all stakeholders at different levels, foreign agencies, research entities and media organizations are the keys to success.

O. Development of a mountainous site at Sapa, Viet Nam¹⁵

Sapa is a mountainous district in Lao Cai Province, which is the farthest north in Viet Nam. The largest ethnic group in the district is the H'mong people, followed by the Dao people and then the Kinh (also known as Vietnamese) and the Tay. Only 4.4 per cent of the land is cultivated and local food is available for only 6 to 10 months out of the year. During the rest of the year, ethnic people have to rely on

¹⁵ Based on the country report of Viet Nam.

forest products such as trade in wood, young bamboo sprouts, mushrooms, etc. The government has now banned the collection of forest wood and due to the lack of enough forest products, the standard of living for ethnic minorities at Sapa has been low. Households used to suffer from food shortages. In this context, tourism development has created opportunities for employment and new sources of income which could help alleviate poverty and rehabilitate local forest resources.

Located at an altitude of 1,500-1,600 m above sea level, Sapa has a natural landscape and climate that has always been attractive to tourists. The natural beauty and diversity of ethnic cultures has been an advantage for tourism development in Sapa. Vietnamese tourists are interested in Sapa due to the pleasant climate and foreign tourists come to see the unique native culture of ethnic minority communities.

Since 1993-1994, the government in Lao Cai Province issued a resolution indicating that tourism should be developed as the spearhead economic sector for the province. The provincial authority was active in planning the development of tourism. The district of Sapa has also been making a plan for tourism development where the ethnic minority communities, their traditions and original culture play a crucial role. The number of tourists coming to Sapa has been rising steadily, with about 1 million visitors in 2002.

Local authorities have made efforts in town planning, investment in basic technical infrastructure, development of roads, transportation systems and main tourist routes. One pilot community-based project has been implemented in Sapa with assistance from IUCN, SNV (NGO from the Netherlands) aimed at developing tourism in a sustainable way and involving as much participation as possible from local ethnic people in tourism activities.

Thanks to these efforts, the appearance and quality of the town has changed dramatically. The provision of electricity, communications and postal services has improved remarkably. More investment is also available for providing water and garbage collection. Scenic gardens, ecotourism complexes and parks have been developed.

Tourism has had certain positive effects on the communities of ethnic minorities. They could gain financial benefits from tourism in the form of employment opportunities, and increased consumption demand by visitors for local products. Tourism has increased sales of local embroidered products and jewelry as souvenirs. The living standard of all families engaged in tourism activities has improved significantly.

The boom in tourism at Sapa also encouraged the government and local authorities to give more priority to investment in infrastructure. The Embroidered Handcraft Project would help preserve the traditional crafts of ethnic minority communities, improve the quality of the products and help local people to alleviate poverty.

In terms of cultural-economic life and environment, tourist arrivals have led to many street-sellers along tourist routes and created trouble for tourists and degraded some of the traditions and cultural practices of local ethnic minority groups.

One possible consequence of tourism development is the risk of commercialization such as soliciting money from tourists to take photos of several cultural activities, such as traditional dance performances.

The natural environment faces possible degradation as a consequence of tourism development due to the increasing demand for firewood and other forest products such as orchids and ornamental plants. There has also been an increase in the amount of unmanaged garbage in the town of Sapa.

Tourism development at Sapa has provided some lessons that should be learned. For example, to ensure that tourism efficiently helps in poverty reduction and poverty alleviation, the local community should be involved in tourism activities. Integrated tourism planning must be carefully developed and implemented in a manner that could contribute to improving incomes and create more equal income distribution.

There should be more attention and investment from local authorities and the government to develop infrastructure, which would not only serve tourists but local people as well. There is a need for help and support from NGOs and international organizations to develop pilot projects. More attention should be given to raising awareness about the role of tourism development as a tool for poverty reduction and poverty alleviation.

