

SUSTAINABLE TOURISM AND POVERTY ELIMINATION IN DEVELOPING COUNTRIES: A SOCIO-ECONOMIC EVALUATION

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Abstract: *Tourism is world's fastest growing industry and is expected to continue to grow industry and is expected to continue to grow between 4% to 5% per annum. There were 592 million international tourists in 2016. Tourism brings relatively powerful consumers to the tourists countries. Potentially an important market for local entrepreneurs and an engine for local sustainable economic development. The discussion paper primarily focuses on the expansion of the tourism industry in the globalized world of today. It also discusses its economic facts and how it catalyzed in the reduction of poverty in the Asian developing countries.*

Keywords: Tourism, Poverty, Sustainable, Tourism, Employment, etc.

1. INTRODUCTION

Tourism is the World's biggest industries today indeed the biggest planet has ever seen and is growing rapidly. According to the World Tourism Organization, the number of international tourists worldwide grew from 170 million in 1971 to 635 million in the year 1998 and it further grew to 922 million in the year 2008. France on the top with 79.3 million people visited in 2008. Even developing countries are under the influence of this worldwide phenomenon Bangkok was on the third position where 10.84 million people visited in 2007 and the Singapore on the fourth position with 10.1 million people visited in 2008. While the amount spent by international tourists soared from US\$ 21 billion in 1971 and it increased to 944 billion US\$ in 2008, corresponding to an increase in real terms of 1.8 percent of the year 2007. By the 2020 the W.T.O. predicts 1.5 billion of tourists will be spending US\$ 2 trillion a year or over US\$ 5 billion every day. So, tourism in the globalized world of today is a big and sometime dominant contributor to the GDP's of many countries particularly developing countries.

2. Tourism and Development

During 1960 and after, tourism is considered as "a passport to development", for the underdeveloped countries. It was seen as a 'soft' development alternative for stimulating economic growth. Through foreign exchange earnings and creation of employment, tourism could provide an opportunity for people of poor countries to increase their income and standard of living. The organization for Economic Co-operation and Development (OECD) spoke almost limitless growth the United Nations promoted tourist industries in developing countries.

Over the past decade, many developing countries have turned to tourism as an option for sustainable development. Sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (World Commission of Environment and Development, 1987). It requires a fair and equitable distribution of the benefits of development, improved well being of citizens and respect and care for the environment. Tourism today emerged from being a relatively small scale activity into a global economic sector. In 2004 tourism was expected to generate 10.4% of the world GDP: 9.4 per cent of the global capital investments : 8.1 percent of worldwide employment and 12.2 percent of worldwide exports of goods

and services. At present, tourism ranks in the top five world export categories. Tourism impact on the economics of developing countries is very significant. In recent years, tourism's economic contribution in developing countries has exceeded that of traditional economic activities like agriculture and mineral extraction. Tourism enjoys an advantage for development in small developing states and not surprisingly it has been one of the fastest growing economic sectors over the past 10 to 15 years. Now it is an important tool of poverty alleviation.

3. Objective

This discussion paper primarily discusses the economic significance of sustainable tourism and how it will be helpful in the poverty elimination in the developing countries. This study is based on secondary sources.

What is sustainable Tourism

Sustainable Tourism is a tourism attempting to make a low impact on the environment and local culture, while helping to generate future employment to local people. The aim of sustainable tourism is to ensure that development brings a positive experience of local people, tourism companies and tourists themselves. Sustainable Tourism is finally resulted into the sustainable development. Brundtland Commission who first use the term defined it as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs."

Sustainable Tourism and Development have the following features and objectives:

- (i) It minimizes negative economic, environmental and social impacts.
- (ii) It generate greater economic benefits for local people and enhances the well being of host communities improve worked conditions and access to the industry.
- (iii) It involves local people in decisions that affect their lives and life chances.
- (iv) Make positive contributions to the conservation of natural and cultural heritage to the maintenance of the World's diversity.
- (v) It is culturally sensitive, engenders respect between tourists and hosts and builds local pride and confidence.

Economic significance of Tourism to Developing countries

Then World Travel and Tourism Council (WTTC) estimates that tourism generated US\$ 4.4 billion of economic activity and 231 million jobs worldwide in 1998. They estimated that in 1998 travel and tourism contributed 8 percent to worldwide gross domestic product. Developing countries currently have only a 30 percent of the international tourism but their share is growing. International tourism arrivals in developing countries have grown by an average of 9.5% per year since 1990 in aggregate across developing countries compared to a growth of 4.6 percent in arrivals worldwide. The tourism industry makes important contributions to the economics of developing countries particularly to foreign exchange earnings employment and Gross Domestic Product (GDP). On an average international tourism receipts account for around 10 percent of export revenues of developing countries Tourism's contribution to GDP on an average varies from 3-5 percent in Nepal and Kenya to 25 percent in Jamaica, contribution to employment is estimated at 6-7 percent in India and South Africa.

Measuring the importance of tourism in economic development is to examine the share of tourism in national income, employment, export earnings and tax revenues. Tourism currently contributes about 1.5 percent of gross national product, a little over 8% of world merchandise exports by value and almost 35 percent of the value of world exports of services. Tourism is also a significant employer, the hotel accommodation sector alone employing about 11.3 million people worldwide. Forecasts suggest that the growth of the world tourism will continue to outpace global economic growth to the year 2020. UN Commission on Sustainable Development 1999, developing countries (165) share 30% of the tourism arrivals.

Table 1: International Tourists Arrivals to Developing Countries

Year	World	Developing Countries	World Share (%)
1963	7,830	1,468	18.8
1978	63,500	11,500	18.1
1988	399,739	97,999	24.5
1996	595,015	183,019	30.7
1997	610,783	186,330	30.5

Table 2: International Tourists Receipts 1980-1996 : US & Million

Year	World	Developing Countries	World Share (%)
1980	105320	28994	27.5
1985	117847	33751	28.6
1996	433935	129757	29.9
1997	435981	132251	30.3

From the above data it is clear that there is large difference in the size and value of tourism to individual countries. The five largest international tourism destinations in the developing world are China, Mexico, Turkey, Hong-Kong, and Thailand.

Table 3: The top 15 destinations account about 60% of all international receipts in developing countries.

Rank	Country	Arrival 1998 000's	World Rank			
			% share of arrivals to developing countries			
			1990	1998	1997	1997
1	China	24000	12	6	12.8	9.1
2	Mexico	19300	8	7	10.4	5.7
3	Hong kong	9600	19	18	5.6	7.0
4	Turkey	9200	24	19	5.0	6.1
5	Thailand	7720	21	20	3.9	5.3
6	Malaysia	6856	15	21	3.3	2.0
7	Indonesia	4900	38	27	2.8	4.1
8	Argentina	4859	32	28	2.4	3.8
9	Tunisia	4700	29	29	2.3	-
10	Korea Rep.	4250	31	360	2.1	3.9
11	Croatia	4200	18	31	2.1	1.9
12	Segypt	3766	35	34	2.0	2.8
13	Saudi Arabia	3700	37	35	2.0	-
14	Macau	3590	34	36	2.0	2.2
15	Morocco	3241	25	38	1.6	-
	Total-15		1,13,882			
	World Total		6,25,236			

* Source : WTO 1998

The trends of above data clearly shows that the future growth prospect will be bright and work as an important tool of poverty elimination in developing countries. World Travel and Tourism Council anticipated a higher rate of growth for developing countries. following recent growth of around 10% eg the WTCC forecasts that in India overall economic activity stimulated by travel and tourism will grow at a rate of 8.4 percent for annum and that by 2015 it could account for 1 in 15 jobs in India.

The travel account balance in developing countries has been consistently in surplus rising from US \$ 46 billion in 1980 US \$ 33.7 billion in 1989 and US\$ 62.2 billion in 199%. This also shows the economic significance of tourism.

The Importance for labour markets, employment and income generation :

The magnitude of the employment effects of tourism depends upon the absolute magnitude primary tourism spending also on the size of the employment multiplier. ** Travel and Tourism Industries (eg Transport, Entertainment etc.)

Table 4: Wider Economy et (Supplier Government Agencies etc.)

	1998	% of total employment	1998	% of total employment
India	9.3 Million	3.2 percent	17.4 Million	5.8%
South Africa	.25 million	2.4 percent	0.74	7.0%
Phillipines	2.3 million	8.7 percent	-	-

Source : WTTC

This employment generation trends also important indicator of poverty elimination.

Tourism and Labour Intensity :

The Labour intensity in tourism is higher than in other economic sectors with the exception of the agriculture. This suggests that investment in tourism sector has a highest propensity to generate employment than other sectors and this is an important tool for the poverty elimination.

Table 5: Comparison of Labour Intensity in Tourism with other sectors.

Employment : Outpur ratio	Thailand	South Africa	Phillipines	Indonesia
Tourism	0.93	0.84	0.97	0.74
Manufacturing	0.57	0.58	0.43	0.51
AllNon Agricultural	0.67	0.54	0.73	0.67
Agriculture	3.67	9.70	2.07	2.75

Interpretation : The whole economy contributes the same to GDP (100 percent) as to employment (100 percent). A labour intensive sector would contribute more to employment than to GDP (above average job per unit output), so EOR of above 1. The table of EOr for tourism is just below in most countries. These above data amply proves that tourism particularly sustainable tourism have a very significant economic and cardinal role in poverty elimination in the developing countries.

Sustainable tourism development and poverty elimination:

Concern over the economic, environmental and socio-cultural effects of unsustainable tourism has led to increasing international agreement and action promoting sustainable tourism development. (WTO 2004)

Sustainable tourism emphasizes using environmental resources to maintain biological resources to maintain biological processes and conserve the natural heritage. It respects the socio-cultural authenticity of host communities and distribute socio-economic benefits like stable opportunities,

poverty alleviation and social services. It provides informed and meaningful participation of all stakeholders - especially local and indigenous communities - and provides higher level of tourist satisfaction (WTO 2004).

Two international instruments developed to encourage sustainable development are the International Guidelines for sustainable Tourism Under the Convention on Biological Diversity, and the WTO Global code of Ethic for Tourism. The WTO stresses that these guidelines be integrated into national tourism plans and policies to ensure the sectors long term contribution to sustainable development.

Lately, There has been a more to prioritize poverty alleviation within the sustainable tourism development agenda. This is due to growing recognition that the economic benefits of tourism do not automatically trickle down the poor (WTO 2002). Infact, the poor are more valnerable to the negative impacts of tourism and are least able to participate in its economic opportunities (Deloittee and Touche, I & ED and ODI 1999).

Many researchers are convinced that tourism can be used to address the poverty problem more directly (Ashley, Roe and Goodwine 2001; WTO 2002). These researchers contend that tourism has many advantages over other economic sectors, advantages over other economic sectors, making it an effective tool for poverty elimination. These advantages include :

- (a) Tourism is consumed at the point of production and provides opportunities for linkages and the sale of other additional goods and services.
- (b) Tourism is a diverse industry and can be built upon a wide source base. This increases the scope for wider participation and for the development of the informal sector.
- (c) Tourism is dependent on natural capital such as wild life and culture, which are assets that some of the poor have or are gaining control over through processes of decentralization and devolution of tenure.
- (d) It offers better labour intensive and small scale opportunities than all other sectors except agriculture.
- (e) It can be developed in poor and marginalized areas which have few export and diversification options; and
- (f) It employs a relatively high proportion of women help address gender inequality problems.

Given this comparative advantage, it is recommended that the poverty agenda should be incorporated more explicitly into national tourism plans and strategies to enhance the participation and opportunities for the poor (WTO 2002). The role of government is critical for providing the enabling policy environment (WTO 2002). Proponents argue that pro-poor measures should : (1) increase access to tourism markets for the poor; (2) remove barriers such as lack of credit, skill and assets; (3) promote local management and partnership to maximize local employment, use local supplies, and managerial trainings; (4) minimize negative environmental impacts (5) increase linkages with other sectors such as agriculture, craft and manufacturing and (6) increase visitor expenditure and use of services provided by the poor. (Deloitte and Touches, HED and ODI 1999; Asley et al. 2001; WTO 2002).

Compelling reasons for focusing efforts on developing pro-poor tourism in Developing countries:

- (i) Tourism is a massive and growing industry already affecting millions of the poor. So, a marginal improvement could generate substantial benefit.
- (ii) Tourism has advantages over other economic sectors in-relation to poverty elimination.
- (iii) Even if the poorest will not be direct beneficiaries of tourism, it is important to reduce the cost they face. Benefits can be expanded for the fairly poor such as tea-sellers, casual and unskilled workers, artisans etc.

- (iv) As a poverty intervention, tourism probably does not compare with more direct tools, such as investments in health, education and agriculture. But as a strategy for promoting broad based growth, pro-poor tourism has good potential.
- (v) Progress in placing environmental issues on the tourism agenda shows that concerted action can make a difference, even in such a diverse industry as tourism.
- (vi) Limited evidences suggests a range of strategies can be used to develop pro-poor tourism, but little is being done in practice.

Strategies for Pro-Poor tourism in Developing Countries :

Pro-Poor tourism particularly in a developing countries is a tourism that generate net benefits for the poor. Strategies for pro-poor tourism focuses specially on unlocking opportunities for the poor within tourism.

Recommended Approach at Bilateral level

Pursue a destination focus - do something practical to maximise benefits for the poor in an area. But integrate local measures with policy level support. Ensure a 'balance' between development of the overall industry and pro-poor tourism. To assess which stakeholders to work with.

Actions at both destinations and policy levels there are five priority issues:

- (i) Support at both destinations and polcity levels there are five priority issues :
- (ii) Encourage the incorporation of poverty issues into environmental codes run by business association.
- (iii) Promote ethical consumerism.
- (iv) Document and disseminate examples of good practice in pro-poor tourism.
- (v) Stimulate coordinate action among, like minded donors (eg. in EU, DAC) to develop pro-poor approaches.

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