ILO
Poverty Reduction through Tourism Training Program

MODULE 1
THE TOURISM INDUSTRY
Module 1
Learning Objectives

1. To understand the definitions of tourism and its main characteristics

2. To analyze tourism impacts so as to enhance the positive and minimize the negative effects of tourism on local/rural development

3. To identify concepts and approaches to enhance the potential contribution of tourism to poverty reduction with particular attention to key actors and inequalities
Module 1 Overview

Unit 1: Tourism Industry - Definition

Unit 2: Tourism, poverty reduction and development

Unit 3: Effects of tourism on local / rural development

Unit 4: Sustainability issues

Unit 5: Key actors, sectors and inequalities
Module 1 Unit 1
The Tourism Industry - Definitions
Tourism is defined as the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.

Within ILO, the Hotel, Catering and Tourism (HCT) sector consists of:

- hotels, boarding houses, motels, tourist camps and holiday centers
- restaurants, bars, cafeterias, snack bars, pubs, night clubs and similar establishments
- institutions that provide meals and refreshments within hospitals, factory and office canteens, schools, aircraft, and ships
- travel agencies, tourist guides and tourism information offices
- conference and exhibition centers
Fastest Growing Economic Sector

International Tourist Arrivals by region (million)

Characteristics of Tourism

- Quality driven service orientation
- Labor intensive
- Provides employment to those with little or no formal training
  - Women
  - Young people
  - Migrant workers
  - Rural populations
- Contributes significantly to social and economic development and poverty reduction
• Developing countries with high tourism arrivals where tourism has become one of the main engines of growth
Exercise 1 Tourism and Your Economy

Study the statistics provided and answer the following questions:

- How important is tourism to the economy?
- Give examples of recent tourism development in the local environment.
- Which are the general patterns and characteristics of tourists?
- How to characterize employment in the sector (e.g. working conditions, female and youth employment)?
- What are the main conclusions regarding the tourism sector in the country or region?
Globalization and Tourism

- Regional economies, societies, and cultures becoming integrated through communication, transportation, and trade

- With increasing unification of the world’s economic order through the reduction of barriers to international trade as tariffs, export fees, and import quotas

- The goal is to increase material wealth and the abundance of goods and services through an international division of labor, with efficiencies catalyzed by international relations, specialization and competition
Other Trends in Tourism Business Operations

- Increased focus on financial and operational competitiveness
- Consistency in regard to national and international standards relating to operations, service, employment and ethics
- Continuing importance of SMEs within the sector in all countries
## Tourism Development and Economies

### Positive impacts
- Job creation and income growth
- Lower trade barriers and tariffs
- Increased investment flows and increased employment
- Overall economic growth

### Risks and negative impacts
- Over-dependency on tourism
- Economic leakage
- Pressure for higher return with risk of deterioration of working conditions
- Growth of the informal economy
Recommendations

• Better cooperation between developed and developing countries
• Assistance for developing countries in the area of:
  o Internet marketing
  o HR development strategies
  o Exchange of experiences
  o Funding
• Legal framework to balance business needs and workers’ rights
• Active reinforcements and monitoring of:
  o Respect for ethical principles
  o Raise awareness of tourism in education
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Module 1 Unit 2
Tourism, Poverty Reduction and Development
Tourism and MDG 1, 3 and 7

- **Goal 1**: eradicate extreme hunger and poverty employment and poverty reduction and to achieve full and productive employment and decent work for all, including women and young people

- **Goal 3**: promote gender equality and empower women

- **Goal 7**: ensure employment and environmental sustainability
Three types of impact for tourism on the poor:

- earning income
- development of local/rural economies and people’s livelihoods
- impacts on the natural and cultural environment in which they live
Multiple Relations between Tourism and Poverty

- Source of livelihood
- Pro-poor growth
- Non-farm livelihood opportunities
- Education and training
- Enterprise, SMMEs
- Healthcare, infrastructure and services
- Access to market for the poor
- Jobs: employment and empowerment
- Corporate social responsibility
- Sustainable environment management
- Growth and diversification in marginal or remote areas
- Tourism and Poverty

Growth and diversification in marginal or remote areas
Access to market for the poor
Jobs: employment and empowerment
Corporate social responsibility
Sustainable environment management
Tourism and Poverty
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Education and training
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Pro-poor growth
Non-farm livelihood opportunities
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Enterprise, SMMEs
Healthcare, infrastructure and services
Source of livelihood
Government’s Role to Maximize Poverty Reduction through Tourism

- evaluate and monitor the environmental impacts
- source locally
- promote local ownership
- support formal local/rural employment
- strengthen collaboration and communication
- address current work deficits
Tourism Approaches for Poverty Reduction

- Inclusive tourism
- Sustainable tourism
- Responsible tourism
- Pro-poor tourism
- Fair trade tourism
- Community-based tourism
- Ecotourism
Exercise 2 Poverty-Reduction Approaches

- Form small discussion groups

- Each group will select five key elements to enhance the poverty-reduction potential of tourism for their destination. Then describe for each element a proposal on what concrete strategies and actions to undertake.
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Module 1 Unit 3
Effects of Tourism on Local/Rural Development
Impacts of Tourism

- Economic impacts
- Social impacts
- Cultural impacts
# Economic Effects of Tourism on Local / Rural Development

**Positive**

- Stimulate the creation and growth of new enterprises;
- Bring an export market right to the doorstep of many sectors, helps to diversify the economy;
- Stimulates the development of new infrastructure and transport services;
- Goes hand in hand with upgrading workforce skills;
- Contributes to the tax base of national and local governments;
- Provides incentives and funds for natural, cultural and historical resources to be managed in a more sustainable manner.

**Negative**

- Increases competition for water, land, and other natural resources;
- Causes local prices to rise, impacting livelihood of the poor;
- In a small economy with a large tourism sector, the country’s exchange rate can be affected;
# Possible Social and Cultural Effects

## Positive
- Improved infrastructure and increased access to amenities and information
- Capacity building and education
- Empowerment
- Strengthening of community institutions
- Gender equity. Greater tolerance and respect
- Gaining knowledge about other societies and cultures and increasing tolerance for people from different cultures
- Revitalization and increased pride in culture
- Improved conservation and restoration of cultural heritage sites
- Increased sales of local crafts and associated increase in pride and self-confidence

## Negative
- Erosion of societal and cultural values
- Crime, prostitution and exploitation of children.
- Local resentment when excluded from tourism or amenities and obvious disparities in wealth between the tourist and locals.
- Loss of access to resources
- Inappropriate behavior for the local society causing distress amongst the locals
- Degradation of cultural sites
The Importance of Local Participation

Local participation measures include:

1. Planning, impact assessment and monitoring
2. Stakeholder engagement and collaboration
3. Equitable benefit distribution and respect for local people
4. Information and Interpretation
5. Maintain and encourage social and cultural diversity
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Module 1 Unit 4
Sustainability Issues
Sustainable Tourism

- Development that meets the needs of the present without compromising the ability of future generations to meet their own needs

- 3 pillars of sustainable tourism
  - economic development
  - social justice
  - environmental integrity
Sustainable tourism is built on social justice, economic development, and environmental integrity.
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Module 1 Unit 5
Key Actors, Sectors and Inequalities
Key Actors and Sectors

- Women
- Migrant workers
- Children
Issues and Inequalities

- HIV/AIDS
- Sex tourism
- Sexual harassment
Emerging Strategic Approaches

Based on an open-minded assessment of where impact can be created at scale that aim to:

- engage the private sector
- link poor people to opportunities in mainstream tourism
- assess and then tackle the main market blockages that limit participation of the poor
- Understand and engage in the entire tourism value chain
- evaluate the potential environmental, cultural, social impacts of the intervention and type of enterprise being developed
## Exercise 3 Tourism Impacts

<table>
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<th>EFFECTS</th>
<th>Economic/ poverty</th>
<th>Social</th>
<th>Cultural</th>
<th>Environmental</th>
<th>Women</th>
<th>Specific groups (migrants, children)</th>
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</thead>
<tbody>
<tr>
<td>Positive</td>
<td></td>
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<tr>
<td>Negative</td>
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<tr>
<td>Proposed measures to enhance the positive and minimize the negative</td>
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A Summary

- Tourism defined
- Tourism potential for developing economies
- Key issues and trends in tourism development
- Benefits and risks for economies
- Poverty reduction through tourism
- Sustainable tourism development
- Important issues and players
For More Information


or

www.ilo.org/sector

Thank you!!