

Reducing poverty through tourism



“People in poverty go through each day with the will to survive, but without the support and possibilities to move up the ladder of opportunity. Imagine where their efforts could take them if that ladder were in place. Our common responsibility is to help put it there.”

Juan Somavia, ILO Director-General

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Working Paper

Reducing poverty through tourism

by Dain Bolwell and Wolfgang Weinz

Working papers are preliminary documents circulated
to stimulate discussion and obtain comments

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Dain Bolwell and Wolfgang Weinz

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Preface

The importance of tourism for job creation and poverty reduction cannot be overestimated. Today, tourism is beginning to be recognized as a major source of economic growth especially in poor countries. However, how at the same time it can be a force for poverty reduction is the theme of this booklet.

This discussion will be useful to professionals working within the United Nations system, to international aid organization staff, to Government, Employers' and Workers' groups who are constituents of the International Labour Organization and people who work for the ILO in regional and national offices, as well as for all those who are interested in how to reduce poverty.

This booklet outlines the background to poverty reduction approaches and how the ILO is involved within the context of decent work and the United Nations Millennium Development Goals. Recent developments in tourism and a vision for an inclusive, pro-poor tourism industry are summarized.

The central sections discuss the issues in detail including the industry's links with other sectors. They provide a clear framework that correlates decent work with the Millennium Development Goals in the context of tourism, as well as outlining ways to mainstream pro-poor tourism in major strategies aimed at poverty reduction.

The final section is about how to prepare an actual project outline that can be used to get involved in poverty reduction through tourism. The concept note gives examples throughout that help bring alive the conceptual process.

I hope that this paper will stimulate and encourage – particularly ILO constituents and staff – to help develop poverty reduction strategies in this key industry.

Elizabeth Tinoco
Chief, Sectoral Activities Branch
ILO
Geneva
August 2008

Cover photograph: Clearing of ancient waterway near Angkor Wat, World Heritage Site. Labour-based project supporting the tourism industry, Cambodia, ILO photo library.

Cover quotation: The quotation on the front cover is taken from the Director-General's Report to the International Labour Conference, *Working out of poverty*, ILO Geneva, 2003.

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“Many argue that because tourism is often driven by foreign, private sector interests, it is not well placed to contribute much to poverty elimination. ... However, work on pro poor tourism has identified several reasons why tourism seems to be particularly relevant to poverty reduction and to achieving the Millennium Development Goals”.

– International Institute for Environment and Development *

* Source: IIED web site, 2008, <http://www.iied.org/SM/tourism/themes/tourpov.html>.

“... next to illness and injury, the scope for entrepreneurial activity and the availability of jobs is the most important factor determining the fate of poor people ...”

– Voices of the Poor, the World Bank *

* Quoted from the survey of 60,000 people in 60 countries: Voices of the Poor: Can Anyone Hear Us?: D. Narayan with R. Patel, K. Schafft, A. Rademacher and S. Koch-Schulte, World Bank, Oxford University Press (New York, 2000).

Introduction

There is enormous scope for the tourism industry¹ to contribute better to less poverty in the world. This booklet outlines ways to do this on a larger scale than at present. It looks at the issues surrounding the subject, refers to the most recent research and suggests how both the tourism industry and the poor can benefit from an integrated approach to growth and equity.

It is still not widely recognized that travel and tourism is one of the world's biggest industries that creates vast economic growth, especially for poor countries. The wider travel and tourism industry now accounts for more than 10 per cent² of global gross domestic product (GDP) and creates more than 230 million jobs.³

For developing countries, tourism generated foreign earnings of more than US\$260 billion in 2007,⁴ more than six times higher than in 1990. Tourism is one of the major export sectors of poor countries and the leading source of foreign exchange in 46 of the 49 least developed countries (LDCs).⁵

Yet, to date the link between tourism and poverty reduction has lacked focus in the development plans of many poor countries. Many development plans accept that tourism contributes significantly to economic growth. However, economic growth does not necessarily lead to less poverty. Equally, while many small-scale projects have been developed to link tourism with poverty reduction, large-scale poverty reduction from tourism depends upon clear strategies consulted, articulated and monitored through national poverty reduction strategy plans.

Targeted interventions

Economic growth is an essential but not a sufficient condition for poverty reduction. Poverty reduction involves growth with a substantial reorientation in favour of the poor. It includes changes in institutions, laws, regulations and practices that help create and perpetuate poverty. It includes targeted interventions to enable poor people to better integrate into economic processes and take advantage of opportunities to improve their economic and social well-being.⁶ It means ending harassment of the poor, and eliminating restrictions on how they make their livelihoods. This especially applies to the tourism sector. Interventions must be made to help poor people become part of the processes that drive the industry.

¹ See the subsection on hotels, catering and tourism in "Background" for an outline of industry definitions.

² Source: World Travel & Tourism Council estimate: 10.3 per cent of global GDP as at 2007.

³ *ibid.*, as at 2007.

⁴ Source: UNWTO, preliminary estimate for 2007 (Madrid, 2008).

⁵ Source: "Tourism and poverty alleviation", UNWTO (Madrid, 2004), p.9.

⁶ Based on *Social dialogue and Poverty Reduction Strategies*, G.J. Buckley and G. Casale (Geneva, ILO, 2006).

The ILO

The ILO has always worked to address poverty. The notion that “poverty anywhere is a threat to prosperity everywhere” is part of its Constitution.⁷ This booklet aims to show how the potential of the tourism industry to reduce poverty can be realized through decent work in mainstream tourism⁸ and related sectors. It also aims to help developing countries highlight the sector in their national poverty reduction strategy plans and encourages international financial institutions to recognize the impact of travel and tourism in their support strategies. For the ILO and its in-country constituents, this booklet outlines how decent work fits with the United Nations Millennium Development Goals (MDGs) in tourism-related poverty reduction strategies, and shows how pro-poor tourism (PPT) projects can be articulated and supported in the development process.

“We know that work is the best route out of poverty. But one cannot legislate employment in and poverty out. It is a long and complex process that requires all elements of society to work together ... Government, employers and workers each have a unique and crucial role to play in defining a positive consensus.”

– Juan Somavia *

* J. Somavia, Director-General, ILO.

⁷ “Poverty anywhere is a threat to prosperity everywhere”, amendment to ILO Constitution, Declaration of Philadelphia, 1944.

⁸ See *Toolkit for mainstreaming employment and decent work* (Geneva, ILO, 2007) at www.oit.org/public/english/bureau/dgo/selecdoc/2007/toolkit.pdf.

Background

The term “pro-poor tourism” is recent. The United Kingdom’s Department for International Development (DFID) coined the phrase in the 1990s and many United Nations agencies⁹ adopted it this century. This section deals with some of the structures and concepts that relate to its development.

Poverty Reduction Strategy Papers

In 1999, the World Bank and the International Monetary Fund (IMF) agreed that nationally owned, participatory poverty reduction strategies should be the basis for all concessional lending and debt relief. This approach is reflected in the Poverty Reduction Strategy Papers (PRSPs), which describe a country’s economic, social and political policies and programmes over a three-to-five year period. PRSPs are comprehensive plans prepared by governments, with support from development partners, which identify who the poor are and develop strategies for overcoming poverty, including policy and expenditure targets.

PRSPs are supposed to be locally generated, owned and developed through wide participatory dialogue. PRSPs encourage accountability of governments to their own people rather than to external funding agencies. In this way, the poor can become active participants in development, not just passive recipients. To date, about 50 countries have full PRSPs in place and a number of others have similar national planning instruments. The key difference between PRSP processes and the Structural Adjustment Programmes (SAPs) that preceded them is this national ownership based on an inclusive participatory process.¹⁰

Millennium Development Goals

Consistent with their poverty reduction focus, PRSPs are also an instrument for achieving the United Nations MDGs. The MDGs are eight universal goals with global, regional and national application. The 189 member States of the UN endorsed them at the UN Millennium Summit in September 2000. The MDGs apply to the period 2000–15. The full set of eight goals, 18 targets and 48 indicators is in Appendix I of this booklet.

⁹ Especially the UNWTO, which expanded the concept and suggested that all forms of tourism can contribute to poverty reduction.

¹⁰ Source: Preface to *Social dialogue and Poverty Reduction Strategies*, G.J. Buckley and G. Casale (Geneva, ILO, 2006).

The United Nations Millennium Development Goals *

- Goal 1:** Eradicate extreme poverty and hunger
- Goal 2:** Achieve universal primary education
- Goal 3:** Promote gender equality and empower women
- Goal 4:** Reduce child mortality
- Goal 5:** Improve maternal health
- Goal 6:** Combat HIV/AIDS, malaria and other diseases
- Goal 7:** Ensure environmental sustainability
- Goal 8:** Build a global partnership for development

* The UN derived the MDGs from the world summits and conferences in the 1990s and from the Millennium Declaration adopted in September 2000.

The MDGs are becoming even more significant as the world approaches the 2015 deadline. Increasingly development plans and poverty reduction strategies refer to them and incorporate them in their framework of action. The “One UN” reform initiative, whereby all UN agencies deliver as one in each country, has further increased their practical importance.

Decent work

The ILO’s concept of “decent work” cuts across the MDGs. Through decent work, the ILO can contribute significantly to MDG achievement, especially to the major goal of halving the incidence of poverty by 2015. The Decent Work Agenda can also have major effects on the other seven goals. Within the list of MDG targets and indicators, the ILO is specifically responsible for indicator 11,¹¹ on the share of women in waged employment in the non-agricultural sector, as well as indicator 45 on unemployment of 15–24-year-olds.¹² Target 16,¹³ on youth employment is also directly relevant to ILO activities.

Work is central to people’s well-being. As well as providing income, work can make for social and economic advancement. Work can strengthen individuals, their families and communities. This, however, hinges on work that is decent. The ILO defines “decent work” as “opportunities for women and men to obtain productive work in conditions of freedom, equity, security and human dignity”. Decent work involves opportunities for productive work that delivers a fair income; security in the workplace and social protection for workers and their families; better prospects for personal development and social integration; freedom for people to express their concerns, organize and participate in decisions that affect their lives; and equality of opportunity and treatment for all.

The Decent Work Agenda is an integrated approach to the objectives of full and productive employment for all at global, regional, national, sectoral (industry) and local levels. It rests on four pillars, (or main elements) as in the box below:

¹¹ Indicator 11 is part of target 4, goal 3: “Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015”.

¹² Indicator 45: “Unemployment of 15–24-year-olds, each sex and total” (ILO).

¹³ Target 16 is part of goal 8: “In cooperation with developing countries, develop and implement strategies for decent and productive work for youth”.

The four pillars of the Decent Work Agenda

- Standards and rights at work
- Employment creation
- Social protection
- Tripartism and social dialogue

The ILO's mission

The ILO's mission is to promote decent work within the context of poverty reduction strategies. In the tourism industry, the strategically important question for the ILO is how to move these activities from niche to mainstream tourism for development. Part of this is ensuring that developing countries highlight the potential of the sector for employment and poverty reduction in their national PRSPs. It is also important that the ILO helps international financial institutions recognize the impact of tourism in their support strategies.

While there are links between decent work and the MDGs, the ILO and its constituents need to ensure stronger connections between the two frameworks when developing project proposals and strategies – especially in relation to poverty reduction. In particular, this means that the MDG framework should be used wherever possible in outlining project aims and in measuring project impacts.

The ILO's comparative advantage in the design and implementation of PRSPs lies in the integrated approach of decent work, which embraces rights, employment, social protection and (tripartite) social dialogue. Although the well-being of people depends not only on income, it is obvious that income from work is the most important means of survival for poor people.

Surprising

It is therefore surprising how few PRSPs include an analysis of labour markets and employment issues. This may be due to a common view that equates employment with waged employment. In most PRSP countries, less than 20 per cent of the labour force is in waged employment. It is also consistent with the widespread notion that labour markets are best left to the market. In some cases, this neglect of employment policy probably reflects the relative absence of labour ministries and the social partners¹⁴ from the consultation processes for many PRSPs.¹⁵

Tourism jobs

Travel and tourism¹⁶ is itself human-resource intensive due to the service nature of the industry. Further, one job in the core tourism industry creates about one and a half

¹⁴ “Social partners”: ILO term for employers’ and workers’ organizations.

¹⁵ See *Social dialogue and Poverty Reduction Strategies*, G.J. Buckley and G. Casale (Geneva, ILO, 2006), p. 171.

¹⁶ Definitions of the industry differ. See the section on “Hotel, catering and tourism sector”.

additional (indirect) jobs in the tourism-related economy. The wider travel and tourism economy creates (both directly and indirectly) more than 230 million jobs, which represents about 8 per cent of the global workforce. Half the workers in the industry are aged 25 or younger.

Women make up between 60 and 70 per cent of the labour force in the industry.¹⁷ This gender dimension can be especially important: according to the United Nations Development Programme (UNDP), empirical evidence suggests that developing countries with less gender inequality tend to have lower poverty rates. Paid work by women reduces overall poverty and inequality.¹⁸ In fact, eliminating barriers to women's participation in paid work (as is typical of the tourism industry) has a much stronger effect on poverty and economic growth than ending wage discrimination.¹⁹

In the hotel segment of the industry, globally there is an average of one employee for each hotel room. Further, there are three workers indirectly dependent on each person working in hotels, such as travel agency staff, guides, taxi and bus drivers, food and beverage suppliers, laundry workers, textile workers, gardeners, shop staff for souvenirs and others, as well as airport employees.²⁰

Tourism and poor countries

The World Economic Forum (WEF)²¹ recently produced a competitiveness study²² on tourism and travel (T&T). According to the report, the tourism industry creates most new jobs in developing countries. Tourism is also the major services export for many developing countries and has much potential to provide competitive advantage for them.

Tourism in developing countries is also growing rapidly. Developing countries' foreign earnings from tourism leapt from less than US\$50 billion in 1990 to more than US\$260 billion in 2007.²³ For one third of developing countries, tourism is already the main income source. Tourism is also the main source of foreign exchange in 46 of the 49 LDCs. Further, in more than 50 of the world's poorest countries tourism ranks either first, second or third largest of their economic sectors. Tourism is the only service industry

¹⁷ These job figures are estimates. See ILO www.ilo.org/public/english/dialogue/sector/sectors/tourism/emp.htm.

¹⁸ See the Editorial, *Gender equality, poverty in focus*, No. 13, Jan. 2008, International Poverty Centre, UNDP, Brazil, at www.undp-povertycentre.org.

¹⁹ See *The growth equivalent of reducing gender inequalities in Latin America*, IPC Working Paper (forthcoming), J. Costa, E. Silva and M. Medeiros (ibid.).

²⁰ Source: International Hotel & Restaurant Association, Geneva, email response to draft of this paper, 27 June 2008.

²¹ The WEF is an independent, global Swiss-based foundation that brings together world leaders. Its motto is "entrepreneurship in the global public interest"; see www.weforum.org.

²² See the subsection entitled "Competitiveness" under "Issues" in this booklet.

²³ Source: UNWTO.

to show a positive balance of trade, with flows from first world countries to developing countries exceeding those in the opposite direction by US\$6.6 billion in the year 2000.²⁴

By way of contrast, tourism accounts for between 3 and 10 per cent of GDP in advanced economies, and up to 40 per cent in developing countries.²⁵ Yet some aid donors, international funding agencies, segments of the industry and even national governments have only very recently recognized tourism as an appropriate instrument for poverty reduction.

Recent developments

As at 2008, the ILO was taking part in a global discussion and activities about PPT. It is actively involved in rural community tourism projects in 14 countries in Latin America.²⁶ It has held several global meetings on the tourism industry, has an established web site on tourism issues relating to work and social dialogue and is developing PPT studies and projects in Africa. The ILO works with the United Nations World Tourism Organization (UNWTO) and the International Hotel and Restaurants Association (IH&RA), as well as with the global union federation, the International Union of Food, Agricultural, Hotel, Restaurant Catering, Tobacco and Allied Workers' Association (IUF).

The UNWTO recently launched a programme called "Sustainable Tourism – Eliminating Poverty" (ST-EP).²⁷ This initiative focuses on long-term measures to encourage sustainable tourism – social, economic and ecological – and which specifically alleviates poverty, bringing development and jobs to people living on less than a dollar a day.

A broader development has been the increasing importance of emerging economies in tourism as both destinations and sources of tourists. According to *The Economist* magazine, the rise of emerging economies is the third revolution in the travel industry over the past 50 years. The first was during the 1960s with cheap air travel and package tours. The second was the Internet, which meant that travellers could book flights, hotels, cars and tours without using a travel agent. Now people from high-growth emerging economies such as *Dubai, Brazil, Russian Federation, India, China, Republic of Korea* and *Viet Nam* are changing tourism again: These economies are both destinations and sources of newly affluent travellers. Often they visit similar emerging countries, rather than first-world destinations.²⁸

According to the UNWTO, while continued growth from emerging tourism will suffer from the economic downturn, fuel price rises and 'mega crises', the numbers of potential travellers are so huge and the logic of targeting tourism for development so pervasive that long-term growth prospects will remain "substantial by any measure". The

²⁴ Source: UNWTO; quoted in *Sustainable Tourism ~ Eliminating Poverty (ST-EP): An overview*, T. Sofield and J. Bauer, Sustainable Tourism Cooperative Research Centre (Australia 2005).

²⁵ *ibid.*

²⁶ See www.redturs.org.

²⁷ See www.unwtostep.org.

²⁸ Source: *The Economist*, 17–23 May 2008, p. 79.

Organization stresses the need for public-private partnerships to ensure that emerging states access funds for tourism development.²⁹

Hotel, catering and tourism sector

For the ILO, the hotel, restaurant and tourism (HCT) sector includes:

- hotels, boarding houses, motels, tourist camps and holiday centres;
- restaurants, bars, cafeterias, snack bars, pubs, night clubs and other 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 centres.

Other organizations concerned with tourism, including governments, intergovernmental organizations and non-governmental organizations (NGOs) often use much broader definitions of tourism than that used by the ILO. They include all services and products consumed by tourists, including transport. In the ILO HCT sector, the part referring to tourism only covers travel agencies and tour operators.

According to the UNWTO, tourism includes the activities of people (visitors) travelling to and staying in places outside their usual environment for less than a year for leisure, business and other purposes. Tourists are people whose main purpose of visit is not an activity paid from within the destination.³⁰

Most organizations consider hotels and catering, including restaurants, to belong to the industries with characteristic of tourism, although in some countries only a small part of their services is for tourists. The fact that the ILO definition of the sector is different from that used by other organizations does not prevent it sharing most concerns about tourism development. One such concern is the sector's potential to provide employment. Nevertheless, the ILO's focus on labour issues is unique as it includes all working and employment conditions in the HCT sector.³¹

Vision

The vision embraced by this booklet is for a tourism industry that is *both* competitive and much more strongly linked to the well-being of poor people who live at the

²⁹ Source: "Emerging tourism markets – The coming economic boom", UNWTO media release, Madrid, 24 June 2008.

³⁰ The International Recommendations for Tourism Statistics (IRTS, 2008) say that tourism is a subset of travel, and visitors are a subset of travellers.

³¹ See *Human resources development, employment and globalization in the hotel, catering and tourism sector*, report for discussion at the Tripartite Meeting on the Human Resources Development, Employment and Globalization in the Hotel, Catering and Tourism Sector, ILO, Geneva, 2001.

destination. This is consistent with the World Travel and Tourism Council's³² (WTTC) 2003 policy statement: *Blueprint for New Tourism*. The blueprint is a strategic framework for a travel and tourism industry that works for all stakeholders. This new tourism looks beyond the short term and focuses on benefits for travellers, as well as for local communities and their natural, social, and cultural environments. The blueprint has three key components:

- (1) governments recognizing travel and tourism as a top priority;
- (2) business balancing economics with people, culture, and environment; and
- (3) a shared pursuit of long-term growth and prosperity.³³

The vision encompassed by this booklet is, however, more detailed. Its key elements are outlined in the box below:

Vision: A competitive, pro-poor tourism industry that:

- upgrades local skills;
- creates decent local jobs;
- uses local construction;
- embraces the local culture;
- improves local infrastructure;
- helps sustain the local environment;
- sources locally as much as possible;
- plans to be inclusive over the long term;
- provides a unique experience for tourists;
- promotes itself as a top economic priority;
- creates partnerships to improve livelihoods.

While some regard corporate social responsibility as a public relations exercise or simply providing charity to poor people, a genuinely inclusive tourism industry promises much more. The difference between a tourism industry that relies on charity and one that embraces inclusion is the results: Only an inclusive industry can achieve greater benefits and at the same time add to human dignity. And it is human dignity that guarantees the motivation and the security to benefit all those who are included, not least benefits for the industry itself.

"What is poverty? Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom."

– the World Bank

³² The World Travel & Tourism Council is the global forum for business leaders in the travel and tourism industry.

³³ *Blueprint for new tourism*, World Travel and Tourism Council (London, 2003).

Issues

There are many issues associated with mainstreaming this complex industry to better benefit the poor. There are disagreements about how much tourism benefits local people. Some issues result from mindsets that are out of touch with current reality. Some concern access, information and analysis. Others are more straightforward, practical issues of recognition, planning and implementation.

Definitions

Apart from the differing definitions of the tourism industry used by different organizations mentioned in the background section above, even definitions of PPT and poverty itself can be issues.

Pro-poor tourism

According to the Pro-Poor Tourism Partnership,³⁴ PPT is “tourism that results in increased net benefits for poor people. PPT is not a specific product or niche sector but an approach to tourism development and management. It enhances the linkages between tourism businesses and poor people so that tourism’s contribution to poverty reduction is increased and poor people are able to participate more effectively in product development. Links with many different types of “the poor” need to be considered: staff, neighbouring communities, land-holders, producers of food, fuel and other suppliers, operators of micro tourism businesses, craft-makers, other users of tourism infrastructure (roads) and resources (water), etc. There are many types of PPT strategies, ranging from increasing local employment to building mechanisms for consultation. Any type of company can be involved in PPT – a small lodge, an urban hotel, a tour operator, an infrastructure developer. The critical factor is not the type of company or the type of tourism, but that an increase in the net benefits that go to poor people can be demonstrated”.³⁵

Even this detailed definition has its limitations, however. Its weakness is that it remains oriented to single operations, rather than to the wider industry. Because tourism is such a large and growing industry, and so important to poor nations, large-scale strategies should now be emphasized in order to make real inroads into poverty.

Poverty

Who are poor people? The United Nations defines extremely poor people as those who live on less than the equivalent of one US dollar per day. This is measured in purchasing power parity (PPP), which is based on the cost of a similar basket of goods in different countries, expressed in United States dollars. Merely poor people are those who live on less than US\$2 per day PPP. There are about 1.3 billion people in the developing

³⁴ The Pro-Poor Tourism Partnership is 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).

³⁵ Source: www.propoortourism.org.uk, Oct. 2002.

world (21 per cent of the world population) in extreme poverty, who live on less than US\$1 per day. More than 2.7 billion live on less than US\$2 per day.³⁶

To go further, who are the poorest of the poor and how they can benefit from PPT? It has been pointed out that often the poorest are not subsistence farmers as is often assumed, but rather landless informal agricultural workers and their families. How to include former itinerant sugar workers from *Guyana* in the new tourism economy of *Saint Kitts* in the Caribbean is an example of this issue.³⁷

However, the real meaning of poverty goes beyond just lack of money and its arbitrary measurement. The box opposite the beginning of this chapter puts it succinctly.

Net impact

Tourism can have both positive and negative effects on poor people. There are three main ways that tourism can impact on vulnerable people:³⁸

- (1) through direct effects on the poor, such as tourism jobs and small tourism enterprises;
- (2) through secondary effects, such as earnings from supply chain industries (for example, food and construction) as well as from tourism workers who spend their earnings in the local economy; and
- (3) through dynamic effects on the economy such as entrepreneurship, wages and prices, infrastructure development, other export sectors, skill development and the natural environment.

There is no destination where poverty impact has been assessed in all three of these ways.³⁹ Assessing tourism poverty effects in future needs to look at all three areas of impact.

It is most important to be aware that tourism, like any other activity, can have both positive and negative effects on people, especially the poor. It should not be assumed that PPT strategies will have only positive effects. For example, the introduction of new tourist resorts can benefit the poor through job creation, but may have negative effects through increased prices for land and commodities, or reduced access to beaches and fishing grounds. Strategies that aim to reduce poverty must assess the net impact in order to give a true picture. Future approaches need to consider net effects as well as benefits.

A holy cow?

There is no unanimity of views on tourism and poverty reduction. For example, according to one critic, most of the effects of tourism on poor people are negative. Anita

³⁶ Source: World Bank PovertyNet, 2001 figures.

³⁷ Source: IUF, Geneva, email response to draft of this paper, 3 July 2008.

³⁸ Source: *Can tourism offer pro-poor pathways to prosperity?* Briefing Paper No. 22 (United Kingdom, ODI, June 2007).

³⁹ *ibid.*

Pleumarom of the Third World Network says that it is time to stop treating tourism as a “holy cow to be protected and nurtured at all costs”. She observes that:

The more decision-makers parade tourism policies for poverty elimination, the more the gap widens between the rich and the poor among and within nations, due to aggressive and unfair economic liberalization. While people in rich countries drown in conspicuous consumption thereby destroying their own and others’ life bases, communities in less and least developed countries only receive the crumbs from the wealth that capitalist growth produces.

Her paper points to “the financial ‘leakage’ (due to high import content, repatriation of profits by foreign-owned tourism companies, etc.)” that tourism produces, and “unbalanced and inequitable distribution of income.” She writes that “... leakages in the tourism sector total up to 85 per cent in some African least developed countries (LDCs), more than 80 per cent in the Caribbean, 70 per cent in Thailand and 40 per cent in India”. She says that rather than a boon, “... in fact, tourism-related jobs are uncertain, seasonal and part time, with a high turnover of staff”. Ms Pleumarom calls for better and well-enforced regulation to tackle these issues.⁴⁰

Whether or not one agrees with these views of the tourism industry overall, these are issues that need to be tackled. Donors, governments and the social partners need to address environmental challenges, poor communities do need real benefits from the industry, and financial leakages need to be reduced.

Growth versus share

As with broader debates about national and global economies, the issue of absolute growth as against equitable share of that growth is often heard in relation to tourism. The underlying assumption behind this issue is that the two goals are in conflict with each other. However, expanding tourism overall with a bigger share for the poor is achievable. In destinations where tourism is already pro-poor, studies suggest that the poor will benefit from a combined approach: expanding the overall size of the sector, while simultaneously tackling the bottlenecks that prevent the poor from earning a greater share.⁴¹

The relative value of either one varies by destination. In Da Nang, *Viet Nam*, for example, removing blockages to growth in upmarket coastal accommodation was the main short-term priority. This was more effective than the traditional pro-poor policy goal of strengthening local linkages. This was due to the inherent pro-poor characteristics of tourism and extensive existing linkages in the destination, and also to government tourism land supply policy which had held back the expansion of the sector. By contrast, in *Ethiopia* existing supply chains are disconnected from the local economy. Interventions that enable the poor to participate must be integrated into expansion of the sector for tourism growth to reach the poor.⁴²

⁴⁰ Source: *Does tourism benefit the third world?*, A. Pleumarom, third world network, at www.twinside.org.sg/title2/resurgence/207-208/cover1.doc.

⁴¹ Source: *Assessing how tourism revenues reach the poor*, Briefing paper No. 21 (London, ODI, June 2007).

⁴² *ibid.*

Scale

Pro-poor action remains focused at the micro level. PPT should be applicable to all forms of tourism including mainstream tourism, not just a niche product such as eco-tourism or community tourism. The principles of maximizing linkages with the poor can be applied to beach resorts, urban hotels, conferences, wilderness tours, new building projects and on a national and regional scale. However, most tourism for poverty reduction initiatives remain confined to community-based tourism projects, campsites or trekking. They cannot deliver impact at a significant scale.⁴³

The significance of scale is underlined by recent academic papers from the University of the South Pacific in Fiji,⁴⁴ which argue that the concept of PPT has become too closely associated with community-based tourism. They say it should be reintegrated into mainstream studies of tourism and development, and focus more on the role of mass tourism in alleviating poverty and bringing development.

Markets

Often too little attention is paid to market linkages in PPT ventures. Initiatives often concentrate on providing training and infrastructure. Yet products fail to find a market demand, domestic or international, and do not deliver livelihood benefits. In some cases, when tourism development is attempted because there is no alternative, communities are encouraged to invest labour, land and borrowings that have little chance of success.⁴⁵

Institutional factors

Institutional factors can cause market linkage failures and reduce the chances of success for PPT ventures. For example, expanding the tourism sector and increasing the benefits reaching the poor are often made separate tasks for different people. Governments allocate PPT responsibilities to a part-time community tourism staffer, or put them under a separate project. Also, development practitioners who work with communities often know little about commercial tourism markets. They attempt to implement projects without bringing in business expertise and private sector partners.

In the private sector, tourism companies often regard local donations as corporate social responsibility. But fewer seek the commercial and local advantage that can come from doing business differently. In the public sector, a destination level approach to PPT needs complementary policies from tourism, agriculture, transport, enterprise, land, finance and labour departments, plus authority and skills at local government level. But neither integrated government nor strong local authorities are common.⁴⁶

⁴³ Source: “*Pro poor tourism*”: *What’s gone right and what’s gone wrong?* Opinion paper No. 80, (London, ODI, June 2007).

⁴⁴ See “Pro-poor tourism: A critique”, in *Third World Quarterly*, Vol. 29, Issue 5, July 2008, D. Harrison, Department of Hospitality and Tourism, University of the South Pacific, Fiji; see also H. Goodwin: “Pro-poor tourism: A response” in the same journal.

⁴⁵ Source: “*Pro poor tourism*”: *What’s gone right and what’s gone wrong?* Opinion paper No. 80, (London, ODI, June 2007).

⁴⁶ *ibid.*

Monitoring

There is a lack of systematic and documented monitoring of changes in poor people's livelihoods due to tourism. Neither the full range of impacts of tourism development on poverty levels, nor the before-and-after impacts of specific pro-poor measures have been rigorously assessed. Despite plenty of literature that suggests various pro-poor strategies to adopt, there is little that actually quantifies results. For example, the significant income increases measured for poor people in the *Gambia* due to a market access initiative in 2001–02, are still frequently quoted because there are so few examples of published action research in this field.⁴⁷

Technical assistance

The level of technical assistance available to help develop pro-poor tourism is still less than ideal. However, the international community is beginning to recognize the importance of tourism as a potential driving force in the social and economic development of poor countries. This is because tourism development makes for much better trading opportunities. Accordingly, it is one of the most effective ways of avoiding marginalization from the global economy. Because it can be a catalyst, tourism is one of the few economic sectors able to guide a number of developing countries to higher levels of prosperity and for some, to leave behind their LDC status.

The UNWTO's ST-EP programme began in 2002, and is a good example of how technical assistance to the industry can work. It provides technical assistance to developing countries on sustainable tourism development. Based on the recommendations resulting from missions, the help it offers can include product development, marketing, strategic planning and skill enhancement for business and national and local government relevant to tourism. Its recommendations can result in funding from international development agencies. ST-EP also facilitates research and identifies models of best practice.⁴⁸ This includes seven mechanisms for poverty reduction through tourism that were identified by the UNWTO after detailed analytical research. These mechanisms have proved to be useful to parties working on development and poverty reduction, including governments, international organizations and NGOs, and community-based organizations.

While ST-EP is still relatively new, it builds on work by the increasing number of agencies that have policies linking tourism with poverty alleviation. These include the Asian Development Bank, the World Bank, the British DFID-ODI, the Netherlands' SNV, UN technical agencies such as the United Nations Conference on Trade and Development (UNCTAD), the United Nations Environment Programme (UNEP), and the World Commission on Environment and Development (WCED), international tourism organizations such as the Pacific Asia Travel Association (PATA) and some international NGOs.

However, tourism development that includes poverty reduction cannot be left to the private sector alone in many developing countries. This is due to lack of money and weak institutional capacity of the private sector in such destinations. Design and implementation of an effective strategy usually needs strengthening of partnerships between the private

⁴⁷ *ibid.*

⁴⁸ See *Tourism and poverty alleviation – Recommendations for action* for mechanisms through which the poor can benefit from tourism (Madrid, UNWTO, 2004), p. 17.

sector and national tourism authorities. Help from international agencies is usually needed to achieve objectives.⁴⁹

Competitiveness

The World Economic Forum (WEF) published an updated travel and tourism report on competitiveness amongst 130 countries in 2008.⁵⁰ The travel and tourism competitiveness index (TTCI) measures “the factors and policies that make it attractive to develop the (travel and tourism) sector in different countries”. The TTCI is composed of 14 factors of competitiveness. These factors are grouped into three broad categories: (1) the travel and tourism regulatory framework; (2) the travel and tourism business environment and infrastructure; and (3) travel and tourism human, cultural and natural resources. Appendix III in this booklet lists the top and the bottom ten countries rated. All the top ten are developed countries such as *Switzerland* and the *United States*, while all of the bottom ten are LDCs such as *Bangladesh* and *Chad*.

This competitiveness index has generated considerable debate. For example, the front page of *The Jordan Times*⁵¹ newspaper related a story about a high-level meeting in Amman during May 2008, during which tourism industry groups criticized the report because *Jordan's* position on the rankings had dropped from the previous year.

Factors of competitiveness in the travel and tourism industry

1. Policy rules and regulations
2. Environmental sustainability
3. Safety and security
4. Health and hygiene
5. Prioritization of travel and tourism
6. Air transport infrastructure
7. Ground transport infrastructure
8. Tourism infrastructure
9. Information and communications technology infrastructure
10. Price competitiveness
11. Human resources
12. Affinity for travel and tourism
13. Natural resources
14. Cultural resources

The index is a useful reference point for analyzing ways to improve economic growth in the industry and to make it more sustainable. While it lacks a strong focus on associated

⁴⁹ Source: *Sustainable Tourism – Eliminating Poverty (ST-EP): An overview*, by T. Sofield, J. Bauer, T. De Lacy, G. Lipman and S. Daugherty (Geneva, UNCTAD, 2001).

⁵⁰ Source: *The Travel and Tourism Competitiveness Report 2008*, World Economic Forum, Geneva, 2008.

⁵¹ *The Jordan Times*, 18 May 2008, p. 1.

poverty reduction, much of what it recommends is relevant to a future more responsible tourism sector.

Collaboration

The report stresses that the industry should provide value beyond jobs and shareholder returns, as this is of increasing importance to consumers, governments, civil society and even business itself. It says that the industry is in a unique position to make a positive difference to the quality of life, due to its importance as an economic generator and employment provider, as well as because it brings people together. This means that industry leaders must go beyond traditional day-to-day business. Leaders must also improve individual lives and freedoms by collaborating with governments and civil society to address national and global issues. The competitiveness report says that today's key challenges, such as poverty, climate change, terrorism, disease and corruption, are not part of any one discipline for study, nor can government, business or society solve them on their own. It calls for cross-sector leadership to solve them.

Foreign direct investment

Whilst tourism is a highly globalized industry, it is not so in terms of foreign direct investment (FDI). This means there is a lot of potential for FDI in poor countries. Conversely, poor countries can take advantage of FDI to improve the industry and benefit development.

A recent UN report⁵² on this issue cites a growing support from donor and development communities for PPT. The report points out that much of tourism's development potential results from its links across multiple goods and services activities, as well as from the diversity of enterprises involved.

“... the fact that the consumer comes to the producer ... enables even the smallest transaction to be part of the global economy: every sale to a tourist, be it a fruit or a haircut, represents an export. This is an opportunity for small enterprises that would otherwise find it hard to break into the global supply chain. ... tourism should offer significant opportunities for poverty reduction through income generation and job creation effects alone.”

– United Nations Conference on Trade and Development *

* *FDI in tourism: The development dimension*, Executive Summary (New York and Geneva, UNCTAD, 2007).

Tourism accounts for no more than one or two per cent of outward FDI from main source countries, such as the *United States, United Kingdom, Spain, France and Canada*. Further, much of this FDI is in developed countries. Recently, however, there has been a noticeable increase in FDI for tourism from other sources such as *China, Malaysia, Singapore, United Arab Emirates, Cuba, Poland, South Africa and Mauritius*. Most FDI in tourism is in hotels and restaurants.

Local supply

According to the UNCTAD⁵³ report, the main advantages of attracting FDI in tourism for poor countries are: (1) the attraction of new skills, systems and technologies

⁵² *FDI in tourism: The development dimension* (New York and Geneva, UNCTAD, 2007).

⁵³ UNCTAD: United Nations Conference on Trade and Development.

that international capital can bring; (2) greater product diversity; (3) slightly higher wages than those paid by local enterprises; and, surprisingly, (4) better linkages with local suppliers than local enterprises. In order to take advantage of FDI, UNCTAD advises policies that promote linkages and raise local supply standards.

Decent work

Emphasizing the relationship between decent work and PPT is a significant challenge for the ILO and its constituents. While not specifically focusing on PPT, the ILO has been more closely engaging with the poverty reduction strategy process for several years. There are three main challenges for the ILO in this:

- (1) the need for PRSPs to include a more thorough analysis of employment and decent work;
- (2) the need for labour ministries, employers' and workers' organizations to take greater part in the process; and
- (3) the need for equity as well as growth to be considered in PRSPs.⁵⁴

The ILO has produced several publications to help in this, including a manual on decent work and poverty reduction strategies.⁵⁵ As a result, it has made good progress with 15 PRSP processes, and poverty reduction measures increasingly highlight decent work and equity. But because PRSPs are a "crowded marketplace"⁵⁶ for ideas and resources, it needs a sustained effort to make sure that decent work continues to get the attention it deserves. Decent work related to PPT is an even greater challenge.

Social partners undervalued

While the ILO encourages governments to invite trade unions and employers' organizations (the social partners) to be involved in PRSPs, often their views and support are undervalued.⁵⁷

According to the ILO,⁵⁸ employers' organizations and trade unions often find it hard to get involved in the PRSP process because:

- they normally relate to the labour ministry, which usually has little influence over the PRSP process;

⁵⁴ Source: *The impact of the ILO's engagement with the Poverty Reduction Strategy Papers (PRSPs) process*, Governing Body document (Geneva, ILO, Nov. 2005).

⁵⁵ *Decent work and Poverty Reduction Strategies, A reference manual for ILO staff and constituents* (Geneva, ILO, 2005).

⁵⁶ *ibid.*, para. 23.

⁵⁷ Source: *The Decent Work Agenda and poverty reduction*, ILO contribution to the IMF–World Bank review of PRSP approach (Washington, ILO, 2002), p.3.

⁵⁸ *ibid.*, p.3.

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- the process emphasizes the participation of *civil society organizations*, and unions and employers do not think of themselves as part of such a grouping;
 - established tripartite economic and social councils are often left out of the PRSP process;
 - some governments may fear engaging with the social partners because they are too independent;
 - World Bank and IMF staff who advise on the PRSP process are often unfamiliar with the work of the ILO and the social partners;
 - some unions oppose involvement in policies they reject;
 - some employers' organizations decide to concentrate on other aspects of public policy.

“There are a number of explanations for the relatively marginal role in many ... PRSP countries of what are in many cases the largest democratic membership-based organizations in society.”

– ILO *

* Source: *The Decent Work Agenda and poverty reduction*, ILO contribution to the IMF–World Bank review of PRSP approach (Washington, ILO, 2002)

Further, in some countries the national law effectively excludes the extremely poor from forming trade unions and therefore they are not represented in PRSP consultations.

The ILO and its constituents at the country level will be supported if they campaign more around the central place of decent work in poverty reduction and in relation to the democratic base of their views and expertise. The tourism industry is an ideal sector on which to base this course of action.

Agendas

The biggest issue is however, getting PPT and decent work onto development agendas. Whether the PPT becomes part of PRSPs, or other forms of development assistance, it first needs more networking and advocacy in order to be heard and understood.

“What is most challenging is to find effective policies to deal with the consequences of extremely asymmetric expansion of the global economy. Domestic economic reforms are badly needed in many slow-growth countries, but there is also a big need for more global cooperation and assistance. The first task is to understand the nature of the problem.”

– Amartya Sen *

* Source: *The rich get hungrier*, article by A. Sen, Nobel Laureate in economics, 1998, writing in the *International Herald Tribune*, New York, 28 May 2008.

Mainstreaming poverty reduction through tourism

This section outlines some of the factors that should be considered when devising measures to advance PPT, particularly through PRSPs and related means. Mainstreaming in this context means that sustainable tourism development should be included in wider poverty elimination programmes. Conversely, mainstreaming means that poverty reduction measures should be part of the sustainable development of tourism. It also implies that PPT should be on a big scale rather than a piecemeal microenterprise approach. All forms of decent work should be considered in assessing value chain benefits to the poor.

Participation

A country's poverty reduction strategy paper is the centre of development action, and it is where the ILO and its constituents need to take part. A PRSP should be created through wide participation and the process should encourage governments to answer to their own people, rather than to external donors. The World Bank sourcebook on PRSPs⁵⁹ sets out the process and how it should involve different stakeholders. A stakeholder is any organization or group with an interest in the PRSP process, and may include government ministries, including NGOs, religious bodies and donors. Employers' and union organizations are recognized stakeholders who have a right to be involved.

Opportunities

A PRSP is an evolving document that must be regularly reviewed. How often it is reviewed depends on local conditions, but a PRSP must be implemented, monitored and evaluated. At each stage in the PRSP cycle, there are opportunities for stakeholders, including employer and union bodies, to provide input. It is important to see the PRSP as a long-term, ongoing process. Often one cycle lasts three–five years. Wherever the country is in the cycle, organizations can still be usefully involved. Even if issues do not get picked up in the first cycle, organizations can still push for them in a later cycle by lobbying for their priorities to be included.

Aim

For the ILO and its constituents, getting involved in the PRSP process in relation to PPT means being clear about the aim of their participation. The central aim of an involvement strategy is to get the priorities of the organization *in the PRSP action summary*. This is the summary table listing what measures are to be taken by whom and by when, usually in the latter part of the document. If this does not happen, then there is little chance of wide-scale coordinated interventions in the industry to benefit the poor.

Coordination

It is important that there is coordination and cooperation within and between the ILO and its constituents to maximize resources and effectiveness. Union and employers' organizations, (the social partners) are partners with the government in the social and economic development of the nation. In many countries, there is more than one union or

⁵⁹ *A sourcebook for Poverty Reduction Strategies* (Washington, World Bank, 2002).

employers' organization at the national level. There may be more than one national union federation, and more than one union directly involved in tourism. Also, there are often different types of organizations for employers. There may be an employers' federation, a chamber of commerce, foreign investor associations and sector-based organizations, like a chamber of tourism. There needs to be coordination within constituents as well so that advocacy for PPT in development plans is clear and united.

Benefits

Aside from benefits to the poor and to the industry, there are also considerable wider benefits for the social partners to get involved in PRSPs. Some of these benefits are listed below.

Direct effects

A PRSP is the key to many policy and programme decisions in a country. It sets the framework for decision-making for years to come on economic and other government policy, programme and spending priorities. It will cover things like sectoral trade and private sector development, as well as social justice initiatives. These decisions will directly affect employers and workers. This especially applies to tourism, which is usually the main source of economic growth in poor countries.

Best strategies

Creating decent work is central to reducing poverty. Employers' and union organizations have knowledge and experience in this field, which they can use to help develop the best strategies for the industry and the sectors it links with.

Building networks

A PRSP process involves many different organizations and people working to combat the problem of poverty. Through their involvement, union and employers' organizations are able to extend their networks to other groups and individuals who share common concerns. Any organization gains from a broader pool of people with whom it can work.

The bigger picture

Governments often consult employers' and union organizations on industrial relations, and labour matters, but not on the broader issues. Being part of a PRSP process is a way to uncover the bigger picture and have a say. Where the tourism industry fits in the bigger picture in the future is a central part of this.

Organizational planning

Employers' and union organizations need to plan for their own future and growth, and it helps to know what the policy and programme environment is likely to be. This makes it easier to predict potential opportunities and threats. Within the tourism industry, advance knowledge of proposed developments and policy measures can help synchronize employer development planning, and help bring about decent working conditions through union recruitment and social dialogue.

New skills

Getting involved in a PRSP will give new and better skills for union and employers' organizations in areas like advocacy, planning, consultation, policy development, programming, monitoring and evaluation. These are all important skills for the social partners.⁶⁰

Action principles

When determining the kinds of measures needed to implement PPT, some guidance is available. Based on significant research on PPT,⁶¹ several action principles have been identified that can be used to guide mainstreaming approaches in tourism and its related sectors. These principles should be borne in mind when designing measures to increase benefits to the poor. They provide for growth as well as for more equitable distribution of economic benefits.

Partnerships

Develop partnerships between international, government, non-government and private sector organizations that have the common aim of reducing poverty through tourism. In developing countries, it is especially unlikely that any one organization will have the capacity to implement programmes alone.

Linkages

Build linkages from the local economy to tourism supply chains. In this way, industries related to tourism can grow, become more competitive and contribute to a more dynamic economy.

Markets

Reduce leakages from supply chains based on genuine market opportunities. Leakages can be identified and measured by assessing supplies and services that are imported to fill market needs.

Integration

Integrate approaches with other sectors so there is not an overdependence on tourism. Other sectors such as agriculture, fishing and construction can also be developed to fit with seasonal patterns of tourism demand.

Equity and growth

Include both equity and economic growth in tourism development strategies. One need not be at the expense of the other. Rather, if the right policy mix is implemented, they can support each other.

⁶⁰ Based on *Reducing poverty through social dialogue* (Bangkok, ILO, 2004f).

⁶¹ Largely based on *Tourism and poverty alleviation: Recommendations for action* (Madrid, UNWTO, 2004).

Local

Focus specific action at the destination level. These actions should be supported by national policy, resources and a strong relationship between national and local government.

Remove barriers

Remove discrimination, exploitation and barriers that may apply to poor people seeking to work in the tourism and related supply-chain industries. Decent jobs that can be accessed by the poor are key to reducing poverty.

Access

Ensure that poor people have access to relevant information, influence and are able to make their own decisions. This requires good government at all levels, as well as access to mobile phones and the Internet.

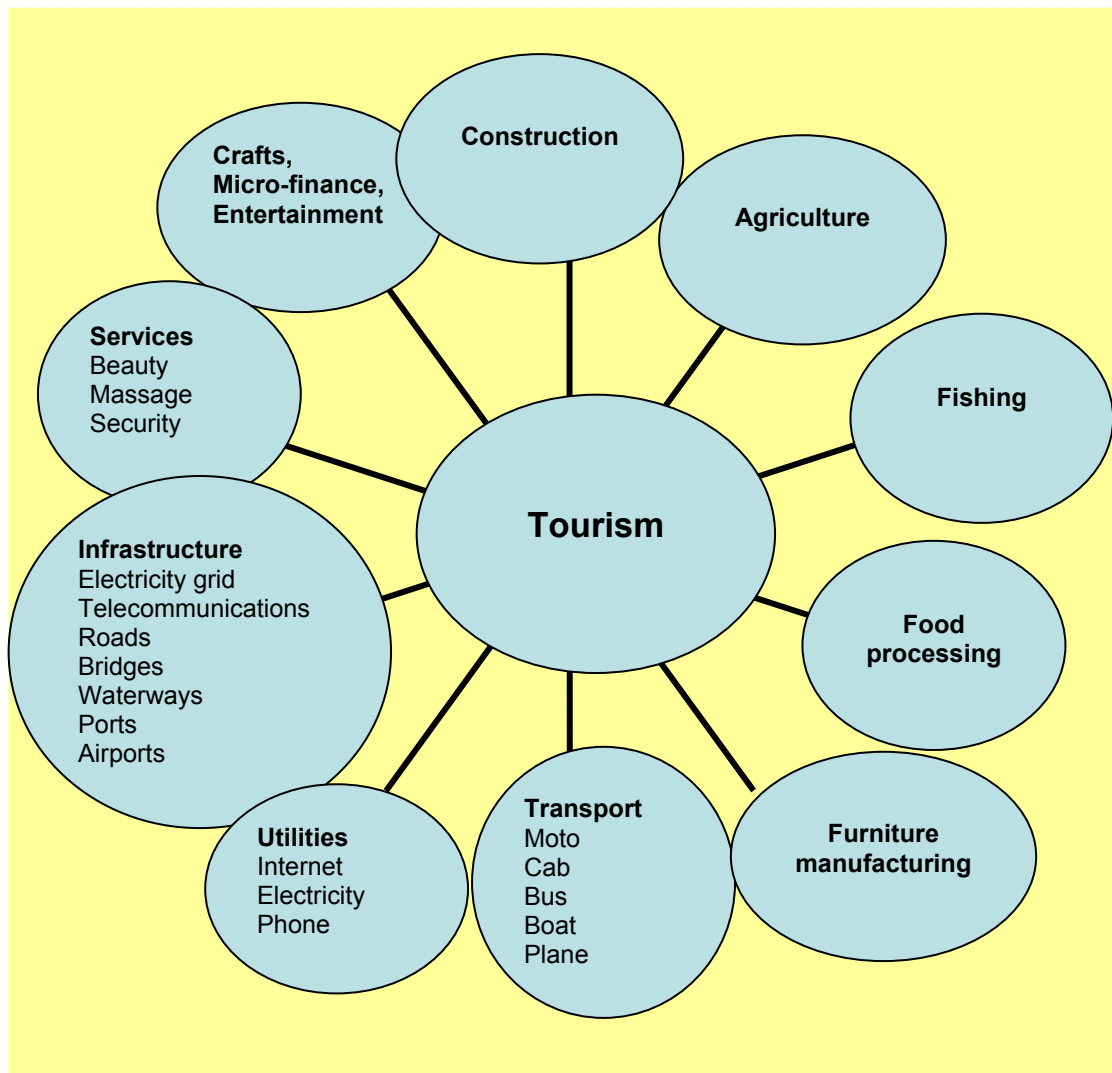
Measurement

Develop valid indicators and systems to measure before and after impact of tourism on poverty. Impact measurement is one of the most neglected areas of PPT. Measurement helps determine what does not work as well as what does.

Other sectors

One of the characteristics of tourism is its extensive links with other sectors. The more these linkages can be strengthened through deliberate interventions, the greater the benefit to wider economic development and poverty reduction. At the same time, there should be greater efficiencies and other benefits for the tourism industry itself.

The main sectors related to tourism are construction, agriculture, fishing, food processing, furniture manufacturing, transport, utilities and services. The provision of infrastructure can also be significant for poor people as well as for general economic growth. The informal sector, including the manufacture and sale of craftwork, as well as microfinance and entertainment and cultural activities also has potential strong relationships with the industry.



Agriculture

In agriculture, it is still common for major tourist facilities to get food supplies from other countries. They do so due to poor quality, limited variety and unreliable local supply. Yet much poverty is associated with subsistence-level agriculture. Often local farmers may simply lack knowledge of what major hotels require, or they may suffer from equipment, water, seed and transport shortages. Where programmes have been set up (often with government support) to overcome these issues, the results have benefited the industry, the tourists and the farmers involved. The Sandals resort chain in several *Caribbean* destinations is one example⁶² where this has occurred. This luxury resort chain now engages local farmers to supply much of its fresh food needs. Explaining the standards and nature of supplies required was central to the programme's success. Often ensuring facilities for produce display – such as in markets – can be a significant step in maintaining communication between buyers and suppliers.

⁶² See *The role of the tourism sector in expanding economic opportunity* (Cambridge, United States, Harvard University, 2007).

In 2008, some developing countries began export bans on certain staple food items such as rice due to production downturns and rapidly increasing prices. This is a further factor that points to the need to secure local supplies by the industry, as well as by the wider national economy.

Construction

The construction of tourism facilities and infrastructure can benefit the poor significantly. The destination will usually be able to supply significant quantities of unskilled and semi-skilled labour. Where there is minimum wage legislation, or where workers are paid at decent levels, short-term returns to the poor are maximized. Benefits can be extended by getting materials from sustainable local sources and by helping upgrade skills and methods.

Wider and more long-term dynamic benefits are also possible. There are already many examples where unique local skills have been used to build or restore tourist accommodation that combines local styles with upgraded amenities. The Haciendas project in *Mexico* is one example where local workers have restored abandoned historic buildings in high poverty areas. This project was financed by the Starwood hotel chain and a Mexican company. It combines economic profit and close integration with the local community. Another successful example is the construction of a series of several lodges and other facilities in traditional style in the Siwa oasis region of *Egypt* for tourism. The *Canadian* International Development Agency (CIDA) partly funded the project, which has won several international awards.⁶³ Often such projects need to train more people with the necessary skills than are immediately available. This can help to support future construction in other sectors and help provide economic opportunity for those trained.

Fishing

Inclusive tourism businesses more often benefit themselves and local people through sourcing fish and crustacean supplies locally. Local catches are often more highly valued by international tourists than expensive frozen supplies, because of freshness, price and because they are connected with the destination. Industry support for the development of fish farming can enhance reliability of supply and increased value added in this sector. Fish stocks worldwide are under increasing pressure and any support to make the sector more sustainable is a good thing.

The downside is that fishing for supply to tourist ventures can compete with local subsistence supply – either directly or by effecting price increases. On the other hand, the tourist industry can help sustain fish supplies, especially with government support for industry regulation. Such regulation can help prevent overexploitation of particular species, and also ensure that waste is not released untreated into catchment areas. As with agriculture, it is important for the industry to communicate with suppliers on their needs, such as price, quantity, quality, timing and species. The industry also needs to discuss with suppliers on the issues they face, such as accessibility, competition, seasonality, pollution and poaching. Provision of market facilities can maintain and extend benefits to the wider community.

⁶³ *ibid.*

Food processing

Food processing will often be very limited in many destination countries. The production of basic international items such as meat products, milk and fruit juices may not even exist or be of poor standard. An inclusive tourism sector can help improve the supply of such products by detailing the standards, quantities and prices they need to supplement or replace imported items. Early discussions between the tourism and potential food industry representatives are needed to begin this. Government and international support may be needed. Implementation plans should include dialogue involving the social partners.

Furniture manufacturing

As with construction, the supply of furniture and its repair to tourism enterprises can often be undertaken locally. Some countries (such as Kenya and Thailand) have developed export markets that were originally based on supplying furniture to the local tourism industry. Despite this, many international tourism enterprises fail to consider or work towards such sourcing. If orders are sufficient, it is also possible for the industry to help develop local skill training in what can be a highly valuable and diverse industry. Textile manufacturing for furniture finishing, soft furnishing and bed linen also links here.

Infrastructure

Major tourism developments are often in otherwise remote parts of developing countries. Developers base these on natural attractions such as sun and sand, or link them to cultural sites such as ancient monuments. In many cases, the viability of such developments depends on upgrading or creating entirely new infrastructure. The construction of airports, bridges, power and telecommunication links and the upgrading of roads, waterways and port facilities that the development requires can significantly benefit the local poor. Better public transport infrastructure means that the poor can more easily access markets and jobs. It means they can better deliver supplies and services – to the wider economy as well as to tourist developments. Telecommunication links such as mobile phone facilities and Internet coverage benefit the poor because they give access to information, as the box below illustrates.

Telecommunications infrastructure benefits the poor

Internet connectivity can be key to improving the livelihood of rural poor by giving them access to information – everything from crop prices to the legal protocol to acquiring land tenure. Internet access can simplify interaction with government institutions for mundane tasks like acquiring an identity card as well as increasing transparency and reducing corruption in transactions with officials. Because calling plans are often pre-paid there is no need for a bank account or credit check. Those villagers who benefit include:

- entrepreneurs who make money by selling phone services to villages on a per use basis;
- sellers of prepaid phone cards including poor urban youths and small business owners;
- users of phones who gain business and employment opportunities.

In the late 1990s Grameen Bank, ¹ a *Bangladesh* enterprise that loans to micro-enterprises, set up Grameen Telecommunications, a non-profit organization that provides low-cost phone services in rural areas. Using money borrowed from Grameen Bank, village entrepreneurs buy mobile phones that they then used to sell phone services to other villagers by the call. The result: mobile phone entrepreneurs – 95 per cent are women – make a profit while villagers get the benefits of instant communication. These benefits include communicating with distant family members, making it easier to find job opportunities, having more options during emergency situations, enabling farmers to check prices in different markets before selling produce, and eventually allowing the quick and easy transfer of funds. ²

¹ See www.asiasource.org/news/special_reports/yunus.cfm. ² Source: Online article: *Cell phones may help "save" Africa*, R. Butler, www.mongabay.com, July 2005,

Services

The tourism industry supports local services (such as guides, haircuts, laundry, massage, and entertainment) since they are supplied only at the point of consumption. However, larger industry developments can be more pro-poor if they make information available on local services available, make services more accessible, and help ensure higher standards. The Starwood Haciendas project in *Mexico* mentioned above, trains local people in traditional massage techniques, for example. While there was some cultural reluctance initially in supplying this as a service to tourists, it has become popular amongst guests and with workers for the income it generates. In *Fiji*, only one tribe traditionally undertakes fire-walking. This cultural exhibition is now popular with tourists and the families of the fire-walkers benefit significantly from the revenue generated.⁶⁴

Generally, the communication of standards required is just as important in the provision of services as it is for supplies. So is skill training which can significantly help economic opportunity and mobility.

The downside of tourism in some developing countries is often sex tourism. The industry should disavow links with exploitative sex enterprises. It must also work with governments to enforce local laws aimed at preventing exploitation, particularly of women and children, in what has become a form of modern slavery.⁶⁵

Transport

As well as international and domestic air transport, tourism is also associated with most other modes of travel. This can range from taxi and hire cars, motorized and pedal-powered vehicles, buses, boats, rail, and even hot air ballooning. Integration with local transport modes, rather than offering completely separate and expensive hotel-run modes can work best here. Visitors can benefit from the choice of options available to them. Tour operators often use minibuses and other local forms of transport for tourists. Both can help support employment directly, as well as by using transport support services such as garages for fuel and maintenance. If the industry supports safe driver training for its staff and local people, it can make a further contribution to the welfare of the poor and at the same time help protect visitors from what is a major hazard of travel in developing countries.

Utilities

The tourism industry – especially hotels and restaurants – requires reliable utilities such as electricity, gas and water. These necessities are often in short supply in developing countries. Yet too often major luxury hotels at night will be ablaze with light often from their own generators while nearby poor settlements make do with battery power and candles. Too often luxury hotels secure fresh water supplies from adjacent catchment areas, fresh water that also supports green lawns and golf courses, while surrounding poor communities make do with communal taps or wells of dubious quality.

⁶⁴ Source: Personal field observation, Fiji, 2008.

⁶⁵ See *Slavery now!* Jermyn, at www.globalaware.org/world/slavery, 29 July 2002, and the *International Campaign Against Sexual Exploitation of Children in Tourism*, UNWTO web site, at www.unwto.org/protect_children/campaign/en/campaign.php?op=1&subop=1.

If major tourism developments also help make reliable electricity and water available to the communities they are associated with, then the poor also benefit, even if no long-term employment is generated directly as a result.

Value chain analysis ⁶⁶

If tourism's potential to improve the livelihoods of poor people is to be fulfilled, then we need to understand and measure how much of tourism benefits reach the poor. This can help determine how the poor can better access the tourism value chain – whether from employment or from other means.

There have been few studies on this. Conventional tourist analysis focused on tourist arrivals, foreign exchange receipts and investments, with little emphasis on measuring benefits to the poor. Because of this, much PPT analysis used a micro-level approach that looked at the livelihood effects on poor people involved with specific niche tourism enterprises. A limited geographical scale, descriptive nature and niche focus meant these studies did not make any recommendations for boosting PPT benefits in most mainstream tourist destinations.

However, some development researchers ⁶⁷ are starting to close this information gap by using value chain analysis (VCA) to map the tourism economy, its revenue streams and beneficiaries. This form of analysis can be used to address questions for policy makers who want to improve the pro-poor impact of tourism.

While there are several factors that affect the degree of pro-poor benefit, some results are becoming clearer. The box opposite begins to answer some of these questions, and some of the results are contrary to conventional wisdom. Although it must be remembered that the information on which it is based remains quite limited, the analysis should be taken into account when planning pro-poor interventions.

Some questions answered ¹

Q1. Which segments in the tourism value chain are most pro-poor?

- *Hotels, restaurants, farms, handicraft production and sales, local transport and excursions are the most pro-poor.* Unskilled and semi-skilled employment in hotels can account for a large share of earnings to poor families, but often represents a small proportion of total accommodation turnover – normally around 10 per cent. This proportion is higher where the labour market is tighter, or where regulations such as minimum wage legislation increase the cost of labour. By contrast, between a quarter and a half of tourist spending can reach the poor from expenditure on restaurants if supplies are purchased locally; from shopping (particularly handicrafts); and from local transport and excursions. Because these segments usually include informal sector operators, they are also likely to be the means by which poorer, less skilled, and women entrepreneurs can participate productively in the economy.

Q2. Which poor people benefit from tourism?

- *Hotel workers, farmers and food sellers tend to benefit most.* Very different types of poor people are involved in tourism. Hotel workers are the most obvious beneficiaries. But there may be more income, and certainly many more poor people, involved in farming and selling food for tourists. Compared with direct employment, these supply chains have a different geographical impact on poverty. This is because they are often in peripheral regions that do not benefit from direct tourist expenditure.

⁶⁶ Based on *Assessing how tourism revenues reach the poor*, Briefing paper No. 21 (London, ODI, June 2007).

⁶⁷ *ibid.*

Q3. What kind of tourists are best?

- *Foreign (including package) and upmarket tourists are probably best.* Value chain analysis contradicts conventional wisdom about the value of high-end or cultural tourism, and the low value of package tourists. The *Gambian* analysis shows surprisingly strong local linkages and little difference in spending patterns by package and non-package tourists. *Luang Prabang (Laos)* and *Lalibela (Ethiopia)* are contrasting examples of the pro-poor effects of cultural tourism, with high linkages in the former and low in the latter. In *Laos* and the *Gambia*, budget and upmarket tourists have similar spending patterns outside the hotel. In *Da Nang, (Viet Nam)*, about two-thirds of upmarket tourists are foreigners, who spend much more money on pro-poor excursions and shopping than do domestic tourists. So a key policy challenge is to increase the flow of foreign and other upmarket tourists.

Q4. Why do destinations have different pro-poor impacts?

- *The main factors that explain different impacts in different places are: (1) the amount of discretionary expenditure by tourists, (2) the amount of local food-sourcing and (3) wage levels.* Incomes reaching semi-skilled and unskilled people from tourism in parts of *Laos* and *Viet Nam*² are up to 25 per cent of tourism expenditure. In the *Gambia*, 14 per cent of in-country spending reaches the poor. However in *Ethiopia*, the poor gain little from tourism at present. Reasons for these differences include:
 - A much higher proportion of discretionary expenditure (such as handicrafts, local excursions and transport, cafes and restaurants and retail spending) usually reaches the poor than do big-ticket items such as accommodation, tour operators and international travel. Where opportunities for this expenditure exist, tourists spend.
 - The agricultural supply chain for the tourist sector often sustains more poor households than jobs in hotels and restaurants. If domestic sources are used for fruit, vegetables and other food, then the poor benefit more.
 - Again, as in question 1, where wages are higher, there will be a greater pro-poor impact, as long as the poor can access jobs.

¹ Based on *Assessing how tourism revenues reach the poor*, Briefing paper No. 21 (London, ODI, June 2007). ² *Luang Prabang* and *Da Nang*, respectively.

The domestic sourcing of supplies for the tourism industry can be an especially important factor in its contribution to poverty reduction. The Cambodia PRSP, for example, states: “Estimates show that for every tourist dollar, 75 cents are returned to Thailand to import fresh vegetables, fruit, flowers, handicrafts and furniture.” If such leakages are reduced, there are benefits for both industry profitability and the local poor.

Barriers

There will always be particular barriers that need to be overcome if poor people are to significantly benefit from tourism. The ODI lists 15 different types of barriers to consider in this regard.⁶⁸ Policies, programmes or projects that attempt to incorporate pro-poor dimensions in tourism and other sectors can use this as checklist to ensure that potential barriers are identified, evaluated and addressed. The box below also shows examples against each type of barrier:

⁶⁸ Source: *Methodology for pro-poor tourism case studies*, PPT Working Paper No. 10, (United Kingdom, ODI, 2002).

Barriers to tourism benefiting poor people	Examples
Lack of human capital of the poor	Low literacy and poor job skills.
Gender norms and constraints	Beliefs that women should not work at night or work at all.
Lack of social capital or organizational strength	Poor communities are often not represented in civil society and economic planning.
Lack of financial capital	Lack of micro credit, or revolving loan facilities to set up enterprises.
Incompatibility with existing livelihood strategies	Seasonal subsistence activity may coincide with peak tourism period.
Location	Many poor people may live remote from places where tourism flourishes
Lack of land ownership and tenure	Many poor countries have no effective rights of land ownership
Lack of product	Subsistence food is not suitable for tourists and needed for daily survival.
Planning process favours others – lack of planning gain	Developments set up in remote beach areas and purely benefit the industry with, for example, golf courses
Regulations and red tape	Many certificates required from different ministries to set up small business
Inadequate access to the tourism market	Tourism market may be geared to imports, or package tourism may avoid contact with the poor.
Low capacity to meet tourist expectations	Poor communities may be unaware of tourist expectations, or lack language skills
Lack of linkages between formal and informal sectors and local suppliers	Tourism enterprises may build on existing relationships with foreign suppliers, rather than seek local linkages.
Inappropriate tourist market segment	Segment may be largely package or domestic that ignores unique culture of destination.
Lack of pro-active government support for involvement by the poor	Pro-poor tourism not included in development strategies, market facilities not provided, education levels low.

While some of these possible barriers to the poor benefiting need government intervention to be overcome (for example regulation and red tape, lack of pro-active government support) others can be overcome by those directly involved in the tourism industry. The industry can help overcome skill deficiencies by in-house training, it can help provide access to tourism markets and it can give information on product specifications and help link with local suppliers.

Volatility

Hunger is neither seasonal nor temporary. Decent work depends on regular employment throughout the year, over a long period. However, in many destinations there is marked variation in tourist demand. This variation affects industry profit, job security and the tourist expenditure on which many poor people depend. Variation in demand is due to two main factors: seasonality and external shock.

Seasonality

Seasonal changes in tourist demand can be offset by marketing the destination in areas of the country where there are less extreme micro-climates. If the peak tourist period can be extended only a few weeks at either end through pricing and marketing, it can make a big difference to the destination's economy. Cooler mountain resorts can offset extreme heat in tropical countries during the dry season. Also, the seasonal downturn can be used for preparation and maintenance activities including staff recruitment and training, in appropriate segments of the industry.

External shock

Tourism in particular destinations has suffered external shocks such as tsunamis, severe acute respiratory syndrome (SARS) and the threat of bird flu, as well as the wider effects of terrorist attacks, climate change and air travel fuel cost increases. However, it is remarkable how quickly tourism can regain lost ground after catastrophe. Infrastructure and accommodation may need to be repaired and improved. Security may need to be tightened. New marketing strategies may need to be developed. If these things are well-planned, and if local labour is used where possible, the harm to the industry and to the poor can be reduced to a minimum. The Indonesian island of *Bali* is an example of one destination that has recovered quickly from recent external shock.⁶⁹

Low-lying islands that risk being submerged as a result of climate change are a much more difficult problem whether or not they depend on tourism. This issue requires global as well as regional action.

Indicators

When intervening in the tourism industry to produce better results for poor people, it is critical that concrete outcomes are demonstrated so that further interventions can evolve. The way to demonstrate outcomes is by selecting good indicators before the intervention begins. Indicators are also important to show where policies may not have had the desired effects, and what mix of measures work best for the local industry.

Four types

The World Bank identifies four different types of indicators, as shown in the box below. Under the source column, the “survey data” it refers to is usually the sample household surveys that support census information between census years. “Facility” and “community surveys” are usually undertaken by the institution or project concerned.

Indicator	Source	Describes
Inputs (resources put into programme)	Budget data	Physical and financial resources committed to project activities. For example budget for anti-malaria programme
Outputs (what is generated)	Administrative data; facility surveys; community surveys	Amount of goods and services generated by the programme inputs. For example availability of essential drugs, trained staff, number of textbooks, person-days of training
Outcomes (immediate results)	From survey data; administrative data	Quantity and quality of results of the goods and services produced by the programme, such as access, usage, primary effects and satisfaction. For example, increased timely use of health services, amount of pollutant entering water catchment area, average size and quantity of fish caught per week, number of jobs created
Impact (ultimate results)	From survey data, national accounts	Highest objectives such as effects on living standards. For example, reduced deaths from acute respiratory infections, income per person, reduction in poverty incidence.

⁶⁹ Terrorist nightclub bombings in 2002 and 2005.

Selecting indicators

Selecting the right indicators – especially of outcomes and impact – needs a lot of thought. A good indicator:⁷⁰

- Is easy to understand and easy to measure. Indicators that are easy to understand are better for programme focus. If large surveys are needed, monitoring is more costly and requires more time.
- Is a direct and clear measure of progress. For example, *immunization coverage* is clearer than *household expenditure on health*, because an increase in health expenditure could be a good thing if it means that households have more resources to get healthcare. Or it could be a bad thing if it means that disease incidence or the cost of care has increased.
- Is relevant. It should directly relate to the measures undertaken. For instance, *hotel operating costs* depend on energy prices, and also on many other factors such as labour costs, marketing costs and occupancy rates. It might therefore not be a good indicator for progress on energy efficiency.
- Varies across areas, groups, over time and is sensitive to changes in policies and programmes. For instance, *child malnutrition* is more likely to vary quickly over time than *life expectancy*. *Employment levels* will be more sensitive than *incidence of poverty*.
- Is reliable and not easy to manipulate. Objective indicators are more reliable than indicators that depend on the interpretation of the user.
- Is gender disaggregated. Almost all changes affect men and women differently. Therefore the indicator should show both sexes separately as well as the total.

Pro-poor tourism indicators

The kinds of indicators that can be used to assess PPT outcomes and impacts depend on the interventions made. However, the following areas should be considered. The indicator measurements should be made both before and after the intervention has continued for a reasonable time. Often more reliable data can be obtained if confidentiality of the information can be guaranteed.

- *Movement from informal to formal employment*. This measures the number of people formally employed by the tourism sector (or enterprise) full-time and part time, before the intervention, compared with similar categories after the intervention. Of these, the number who previously worked in the formal economy, the informal economy, or who were unemployed prior to the intervention should be measured. A table like the one below should be completed before the intervention and at 12-month intervals later to minimize seasonal variations. The data would be best collected through face-to-face interview questions matched with payroll totals to ensure complete coverage. For larger populations, samples rather than complete coverage could be used.

⁷⁰ List of indicators is based on information in World Bank site resources, at www.siteresources.worldbank.org.

Example: Moving from informal to formal employment

Category of employed now (date)	Now employed in industry	From formal economy	From informal economy	Previously unemployed or at school
Men full time	100	40	40	20
Women full time	90	40	20	30
Total full time	190	80	60	50
Men part time	50	10	12	28
Women part time	60	10	20	30
Total part time	110	20	32	58
Men full time equivalent *	120	45	45	30
Women full time equivalent	120	45	30	45
Total full time equivalent	240	90	75	75

* "Full time equivalent" is total person-hours employed in month divided by number of staff in that month.

The example above shows a 31.25 per cent $((75 \div 240) \times 100)$ total movement from the informal to the formal economy, as indicated by the data in bold. If the intervention is designed to increase the number of people moving from informal to formal employment in the industry, then its success would tend to be demonstrated by a higher number than 75 at the bottom of column 4 in the later survey. Also note the different situation for men and women in the example above.

- *Income from formal employment.* This measures total income from formal employment in the sector, before and after. A related indicator could measure average income per person formally employed (men, women, total). Data for such indicators may be more difficult to collect than for the informal-formal employment indicator above. This is because it involves questioning personal income as well as possibly payroll data. Confidentiality would have to be guaranteed.
- *Earning from selling goods, service or labour, linked with other economic sectors.* This measures income from tourism-related activities in other sectors, before and after and sex-disaggregated. For example, it would include profits made from craft and produce sales to the tourism industry, income from transport services, and income from work on infrastructure related to the industry.
- *Profits* arising from locally-owned enterprises with links to the tourism industry. This would require an estimation of the amount and proportion of profits accruing from the tourism linkage. Again confidentiality guarantees would be critical to its raw collection.
- *Collective income* from community enterprises, land rental or joint ventures. A starting point for accessing some of this data could often be local government who should be aware enterprise development in their area.
- *Improvement of living and working conditions* in the tourism sector, plus improvements in living and working conditions in linked sectors. Much of this information would have to be subjective or qualitative. For example respondents might be asked to rate their living and working conditions on 10-point scales relative to several criteria. Working conditions criteria could be based on core international labour standards and also include wage rates, hours worked and non-wage benefits.
- *Infrastructure.* This measures (before and after) the value or quantity of infrastructure created or repaired, such as kilometres of roads, capacity of water

reservoirs, number of homes linked to electricity, bridges constructed or extent of mobile telephone coverage. Some of this information may be available from planning or infrastructure ministries and agencies such as the World Bank may be involved in funding the provision of major infrastructure development.

A lot of information is available from household surveys conducted by planning ministries and used in poverty assessments between each national census. If programmes can use some of this information to support impact measurement, then the results may be more rigorous. Lastly, if indicators are consistent with those already established by the World Bank and the ILO, then they are likely to be more successful. A full list of World Bank poverty indicators together with ILO decent work indicators is shown at Appendix IV in this booklet.

Decent work and the Millennium Development Goals

The future of development programmes in any industry lies in closer integration of United Nations and other agencies at the national level. When developing programmes and projects, including those related to PPT, the ILO and its constituents must express proposals in a more integrated framework. Decent work programmes at the country level should be integrated into the PRSP process (and with the MDGs) to have the best impact.

“In view of the critical role of PRSs as the framework for policy-making and for resource allocation in numerous countries, support for integrating a Decent Work Agenda into PRSs should be a key priority in the formulation of decent work country plans. ... Building synergies across different technical entry points and mainstreaming projects’ outcomes into policy frameworks for poverty reduction should be facilitated and planned from the outset.” *

– ILO

* *The impact of the ILO’s engagement with the Poverty Reduction Strategy Papers (PRSPs) process*, Committee on Employment and Social Policy, ILO, Geneva, November 2005, para. 28.

This is quite feasible in relation to both poverty reduction and the wider list of MDGs.

Poverty reduction

The ILO’s Decent Work Agenda directly relates to poverty reduction. The ILO itself summarized this relationship in 2005:

- rights enable the empowerment of men and women to escape poverty;
- employment involving productive work is the principal route out of poverty;
- social protection safeguards against poverty;
- dialogue, or employers’ and workers’ organizations participating in shaping government policy is key to poverty reduction.⁷¹

⁷¹ Based on *Working out of poverty: Facts on the ILO and the Millennium Development Goals* (Geneva, ILO, 2005).

Millennium Development Goals

The relationship between decent work and the full list of MDGs is more complicated. However, the Decent Work Agenda does contribute to all eight MDGs. Goal 1 (halving those with incomes of less than one dollar a day) and goal 8 (building a global partnership for development) are overarching goals towards poverty reduction. They both rely on decent work for their attainment. So does goal 7 on sustainable development. Goal 3 on gender equality is a condition for meeting all the MDGs, and gender mainstreaming is part of all ILO programmes. Decent work for parents and the elimination of child labour are essential to universal primary education (goal 2). Social protection contributes directly to the health-related MDGs (goals 4, 5 and 6). Effective dialogue between government, employers' and workers' organizations supports inclusive policy reform. Institutions that foster social dialogue help good governance and social stability which are needed to achieve all of the MDGs.⁷²

Tourism framework

Because PRSPs relate to the MDG framework, it is useful to outline how decent work fits with the MDGs in the particular context of tourism industry policy. The table below suggests how they all relate. The four decent work pillars head columns 2–5, while the eight MDGs head rows 3–10. The matrix outlines how examples of pro-poor measures in the tourism industry can fit within the two frameworks.

Pro-poor tourism measures within the decent work–MDG matrix

Pillar → Goal ↓	Rights	Employment	Social protection	Dialogue
Reduce poverty and hunger	Help expand tourism work that incorporates rights. Favour suppliers that respect rights.	Expand quality jobs and opportunities in tourism and supply chains	Provide jobs that have social protection, support government social protection.	Consult with employers, unions and communities related to tourism on poverty reduction
Universal primary education	Encourage staff to allow children to go to school	Deny child labour in the tourism industry and supply chains	Promote parental leave, family-friendly work flexibility for staff.	Consult with schools in community
Gender equality	Implement gender equality in tourism industry	Provide equal job opportunities for women	Provide maternity protection in the industry	Consult employers, unions, community, government
Child health	Support child health and immunization programmes in community	Eliminate child labour in tourism industry	Provide leave to care for sick children	Consult employers, unions, community, government
Maternal health	Support maternity rights at work in industry.	Provide or support health facilities at work	Implement national and international standards on maternity protection	Consult employers, unions in industry, government, community
Reduce HIV, malaria, TB and other disease	Ensure non-discrimination for people with HIV in tourism jobs	Set up workplace information and prevention programs	Support health programs and facilities in community	Consult employers, unions in industry, government, community
Environmental sustainability	Promote rights to sustainable environment for communities, tourists and staff	Use local labour to protect and maintain environment	Ensure sustainable practices in location and consumption	Consult employers, unions, government, community

⁷² *ibid.*

Pillar → Goal ↓	Rights	Employment	Social protection	Dialogue
Build development partnership	Work with development organizations to improve rights in the industry	Work with development organizations on pro-poor job creation	Work with development organizations on industry social protection that benefits the poor	Consult employers, unions, community, development organizations

Poverty Reduction Strategy Paper content

Typically, PRSPs consist of an overall analysis of the economic development situation in the country, followed by several sections on measures planned by each sector. Appendix II in this booklet shows an example of such a PRSP section on tourism.

At the end of the PRSP, there is usually a summary action plan in table form that outlines the measures to be taken, the resources devoted to them and the responsibility for their implementation. This summary action plan is the most important part of the document. The box below is an actual example (from *Cambodia*) on tourism:

Example: Summary action plan from Cambodia PRSP on tourism

Strategic objective	Actionable measures	Estimated cost (US\$1,000), sources and time period	Indicators of progress and targets where set	Responsible agencies
(1) Increase value-added in tourism	<ul style="list-style-type: none"> ■ Establish exhibition centres in tourist areas to encourage tourist to use locally produced agricultural and industrial products 		<ul style="list-style-type: none"> ■ Number of exhibition centres set up 	Ministry of Tourism
	<ul style="list-style-type: none"> ■ Train farmers on agricultural product standards 		<ul style="list-style-type: none"> ■ Number of farmers trained 	Ministry of Agriculture Forestry and Fishing
(2) Diversify tourism into sustainable eco-tourism	<ul style="list-style-type: none"> ■ Formulate national eco-tourism plan (for mountain and coastal regions) 		<ul style="list-style-type: none"> ■ Plan, brochures and guidebooks produced 	Ministry of Commerce
	<ul style="list-style-type: none"> ■ Promote and advertise eco-tourism 			
	<ul style="list-style-type: none"> ■ Promote private investment in ecotourism in mountainous and coastal regions 		<ul style="list-style-type: none"> ■ Number of eco-tourism investment projects implemented 	
	<ul style="list-style-type: none"> ■ Invest in tourist infrastructure in these regions 		<ul style="list-style-type: none"> ■ Number of tourists in mountain and coastal regions increased 	Ministry of Tourism
(3) Create rural employment	<ul style="list-style-type: none"> ■ Train local peoples and communities on hospitalities 		<ul style="list-style-type: none"> ■ Number of people trained 	
	<ul style="list-style-type: none"> ■ Use LBAT * to maintain the temples, tourist sites, and tourist infrastructure 		<ul style="list-style-type: none"> ■ Number of employment generated 	Ministry of Tourism

* LBAT: Labour-based appropriate technology.

Uses of Poverty Reduction Strategy Papers

PRSPs are not only the central document that determines key development measures; they also have several related uses. PRSPs can be used:

- by the national government as a planning and budgetary framework;
- for World Bank and IMF loans and funding;
- for United National Development Assistance Framework (UNDAF) funding for a country;
- by international donors and non-government agencies as a framework for their own aid activities;
- as a monitoring and evaluation tool; and
- as a framework for public consultation and discussion on priorities for poverty reduction.

For all these reasons, the ILO and its constituents need to get their PPT issues on the PRSP agenda if their proposals are to be taken seriously.

Lobbying

Lobbying can be useful to ensure national tourism administrations are involved in the PRSP process and also that poverty reduction is mentioned in national tourism policies and strategies. Lobbying can also help build support for PPT measures at all stages of the PRSP process.

Getting issues included

To ensure that an organization's issues are included in the PRSP, it is essential that it is clear about what measures it wants taken. In other words, organizations must first identify their priorities and strategies to achieve them.

Identify priorities

Organizations can identify issues, priorities and strategies through workshops, possibly using input from studies like the *Tanzanian* example in the concept note section of this booklet. Priorities for PPT can be determined by identifying those that are both urgent and important. Priority issues identified (major problems) can be changed into priority objectives (positive objectives) by inversion. For example, a priority problem such as child labour is widespread in the industry can be inverted to the priority objective eliminate child labour in the industry.

Develop strategies

Developing strategies to achieve priority objectives is best done in small groups that report back to the wider workshop. Ideas for strategies should be specific, practical and cost-effective. It is also important to review the strategies selected to ensure men and women benefit equally. Select the best ideas to include in the summary. For example, ideas to eliminate child labour in the industry might include:

-
- set up a special labour inspectorate taskforce for the industry;
 - develop posters on the objective;
 - market the goal of eliminating child labour in tourist brochures;
 - set up discussions between schools, employers and unions in the industry.

Include indicators

Where possible, the indicators to assess the net benefits to the industry and the poor should also be identified. How to determine appropriate indicators is discussed at page 29 in this section. Following the child labour example, an industry indicator could be based on the marketing of the campaign to tourists – by promoting the destination as one free of child labour, where instead children go to school. Tourists could be surveyed to find out of the industry campaign affected their decision to holiday at the destination. Relevant decent work indicators are listed under unacceptable work at Appendix IV. Unacceptable work indicators include both:

- children not in school by employment status (percentage by age); and
- children in wage employment activity rate (percentage by age).

Child labour also relates to:

- MDG indicator No. 45 (youth unemployment rate); and
- Target 3: Ensure that all boys and girls complete a full course of primary schooling.

Get endorsement

The next step is getting the organization's plan endorsed. At this point, you have a draft list of objectives, strategies and indicators that your organization would like to see in the PRSP. Before any formal consultation on the list, get it endorsed by your organization's representative body. A trade union centre would put it before a meeting of delegates for endorsement. An employers' organization would go to its board of directors. Modify the list according to any substantial changes the representative body wants made before it proceeds through the PRSP process, so it truly represents the views of your organization.

Contact

Despite the intention that PRSPs should be locally owned and developed, often key staff from the World Bank write the final document, or are closely involved in its development. It is therefore most important for ILO staff and the social partners to identify, make contact with such people and discuss how to ensure that the measures they want to see for PPT are included in the summary action plan.

Securing support

The final step before input to the PRSP process is securing support from other organizations that relate to the ILO (employer, worker, ministry and NGOs), and also from those external to the ILO that have most influence over the process. These latter groups will usually include the World Bank, the planning, commerce and tourism ministries, and

the UNDP, especially if it is part of the “One UN” system in the country concerned. This networking and lobbying is a significant task that ideally should build on established relationships. However, it can be time and effort well-spent if it means that the PPT concept delivers the results intended.

“Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings.”

– Nelson Mandela *

* Quoted from Nelson Mandela’s *Make Poverty History* speech, 3 Feb. 2005.

Project concept note

Working with development partners on a PPT project is a way to raise awareness and ensure that concrete actions happen. While putting PPT at the centre of poverty reduction strategies can deliver real benefits in the longer term, and getting involved in the PRSP process can lead to project development, only devising and actually taking part in such projects can produce results for the industry, the poor and the organization concerned at the same time. This section is about how to write a particular project concept that can be funded as part of a wider pro-poor strategy.

Whether the project aims to gather information, recommend particular actions or undertake an improvement programme, ultimately both the tourism industry and the poor community can benefit. There is much to learn. Especially in developing country destinations, there is usually a lack of information. And lack of information about the tourism industry is often just as common as it is for other sectors. It is a universal characteristic of under-development. Fulfilling this need can be a starting point.

In *the United Republic of Tanzania* for example, the ILO undertook a study to assess poverty reduction through decent work in tourism.⁷³ Essentially the study project aimed to find out: (1) the main obstacles for pro-poor job creation (especially for young people); and (2) how much current development projects feature pro-poor job creation and decent work. The consultant presented the findings of this study at a brainstorming workshop involving the social partners. The workshop aimed to generate priorities for pro-poor strategies in the industry that could become part of development plans and incorporated into the Tanzanian PSRP. The full terms of reference for this project are at Appendix VI in this booklet

Summary Project Outline

ILO constituents who want to develop project proposals should discuss them at the national level and explore possibilities for donor support. The proposal should follow the summary project outline (SPROUT)⁷⁴ format that the ILO normally uses.

Functions

A SPROUT has three main functions:

- (1) to develop a project proposal in consultation with partners in recipient countries;
- (2) to form the basis for discussion on its possible implementation; and
- (3) to send to a financing agency to find out if they are interested in funding the project (however, a financing agency will not usually approve a project before a more detailed project document has been presented).

⁷³ *Baseline assessment of PPT potentials in Tanzania*, ILO, 2008.

⁷⁴ SPROUT outline is based on *SPROUT Guidelines for the preparation of Summary Project Outlines for multi-bilateral financing* (Geneva, ILO, 1997 (Rev.2)).

Length

A SPROUT must be concise. Its suggested length is about five pages.

Format

A SPROUT consists of the following project components:

- Background and justification including:
 - a description of the identified problem(s);
 - gender analysis and planning;
 - the project's strategy to address the problem(s);
 - the target group(s);
 - the project's main partners;
 - the institutional framework for project implementation; and
 - the project's links with international labour standards;
- Development and immediate objectives;
- Indicators of achievement (description of the expected end situation);
- Main outputs;
- Main activities;
- Major inputs;
- Monitoring, evaluation and reporting (standard reference); and
- A preliminary budget estimate.

Comparison with full document

The main difference between the full project document and the SPROUT outline is that a project document contains separate and more detailed chapters on:

- target group(s) and the institutional framework;
- indicators of achievement for each immediate objective;
- assumptions regarding the role of external factors;
- monitoring, evaluation and reporting arrangements (detailed description);
- prior obligations and prerequisites; and
- budget estimates that have been approved by the appropriate ILO financial delegate.

Project concepts

The ILO or a constituent may already have a clear idea of the sort of project it may want to pursue in relation to PPT. Ideally, it will build on concepts and measures that are already part of the national PRSP. In any case, it should be consistent with the Decent Work Agenda and the MDG framework as outlined in the subsection on MDGs.

Information and analysis

If it is an information-gathering and analysis project like the Tanzanian example, then the project concept is straightforward. The key question is: what information and analysis is needed in relation to PPT? Some examples are information and analysis on

- industry supply chains, including reliance on imported items;
- the extent of employment rights in the industry and how this affects school attendance and gender equality;
- the environmental impact of major tourism developments and how local labour could be used to provide a sustainable environment;
- identifying industry recruitment opportunities that could be filled by local labour;
- red tape that could be streamlined to benefit industry-related small businesses;
- the direct, secondary and dynamic net effects of the tourism industry on poverty in the country and how these impacts could be improved.

Implementation

If such information is already available, (or can be gathered by the project) then the project can focus on implementation to benefit both the industry and the poor. The decent work MDG matrix in the table entitled “Pro-tourism measures with the decent work–MDG matrix” identifies 32 different possibilities. For example, two possibilities at column three, rows eight and nine are:

Use local labour to protect and maintain environment

Work with development organizations on pro-poor job creation

These could be combined into a single aim: *to create pro-poor jobs that protect and maintain the environment*. Another two possibilities are at row seven, columns three and four, in relation to the goal of reduce HIV, malaria, TB and other disease:

Set up workplace information and prevention programmes

Support health programmes and facilities in community

How to write a Summary Project Outline

The following ten steps need to be taken to write a SPROUT.

Step 1 – Identification

Fill out a cover page that shows:

International Labour Organization (ILO)
Multi-Bilateral Programme of Technical Cooperation
Summary Project Outline

Project number

Project title

Tentative duration

Starting date (indicative)

Geographical coverage

Project site

Project language

Executing agency

Implementing agency

Responsible government agency

Other cooperating agencies

Contribution by external financing agency

National contribution

Preparation date

(indicate revisions as Revision 1 (date); Revision 2 (date), etc.)

Step 2 – Justification

Write the background and justification that includes:

- *Problem description.* In the example above that aims to create pro-poor jobs to protect and maintain the environment, the description would outline two problems: the lack of decent jobs for the poor in the chosen geographical area, plus environmental issues that affect the industry and the area. Where possible, this should be quantified, or at least indicated how it will be measured.
- *Gender analysis* and planning. This means that any figures should be gender disaggregated (men, women and total), and that reasons for gender differences should be addressed. In the same example, employment and unemployment rates (from household surveys) should show figures for both sexes and reasons for the differences explained. Environmental issues will also affect men and women differently. For example, if fresh water pollution is an issue then it could mean that women, as in many cultures, have to travel far to get uncontaminated supplies, which would reduce their ability to seek work.
- *Strategy.* This means how the project will address the identified problem(s). In the environment jobs example, the strategy could involve first undertaking research into the environmental and work-related issues in more detail. Second, could be promoting and convening discussion groups amongst the industry and community to identify the priority work-related environmental issues. Third, could be assessing the work and skills required to improve and maintain the environment. Fourth, could be setting up a body to organize work teams to undertake the work. Fifth, would be identifying sources of ongoing funding.

-
- *Target groups* are those groups who the project aims to benefit. In the environmental jobs example, the key target group would be the poor of working age in the area concerned. However, secondary beneficiaries would include the members of their families who would benefit from their work income, and whole communities that would enjoy a better environment. Tourism enterprises would benefit from a sustainable environment and from closer cooperation with local communities. Tourists themselves are a secondary target group that would benefit from a sustainable environment. Tourism supply industries would benefit from a more sustainable tourism industry as well as from environmental improvement.
 - *Partners of the project.* The partners are the organizations that represent the intended beneficiaries, as well as relevant government agencies and the social partners who will be involved. In the environmental jobs example, the partners would be: (1) community groups representing the poor in the relevant areas; (2) local government; (3) national ministries for environment, tourism and labour; and (4) the social partners involved in tourism, construction and government.
 - *Institutional framework.* The institutional framework for project implementation is the coordinating mechanism. It includes the roles and responsibilities of the partners and other organizations to ensure smooth implementation of project activities. In the environmental jobs example, such a mechanism would be a coordinating group with representation from the main partners plus representation from the body set up to organize work teams.
 - *International labour standards (ILS).* The background should also include the project's link with ILS. The project should conform to relevant ILO Conventions as well as the core Conventions.⁷⁵ Where possible, international labour standards should be promoted by the project. In the environmental jobs example the Indigenous and Tribal Peoples Convention, 1989 (No. 169), and the Occupational Safety and Health Convention, 1981 (No. 155), may be particularly relevant.

Step 3 – Objectives

Outline both the development and the immediate objectives. The development objective is the overall aim of the project. Note that while a single project cannot be expected to achieve a development objective itself, it can contribute to its attainment. Refer to the Millennium Goals, the PRSP or other development plans that can give the policy framework for the project interventions. Poverty reduction combined with environmental enhancement and economic growth is the development objective for the project used in this example.

The *immediate* objective is what the project aims to achieve specifically. It is the situation expected at the end of the project. It should outline the improvements due to the use of the outputs of the project. Few immediate objectives are better than many, and they should be stated in quantifiable or verifiable terms. Again, using the environmental jobs example, there would be four key immediate objectives:

⁷⁵ Core Conventions: the Forced Labour Convention, 1930 (No. 29), the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), C87 the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), the Equal Remuneration Convention, 1951 (No. 100), the Abolition of Forced Labour Convention, 1957 (No. 105), the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), the Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182).

Immediate objectives (example)

1. At the end of the project an analysis paper and priority list on environmental work needed in relation to the tourist industry in (name) area will have been produced.
 2. At the end of the project, a unit will have been established capable of recruiting and managing environmental work teams composed of a total of (number) adults identified as poor.
 3. At the end of the project (number) adults previously identified as poor will have been paid at least the legal wage for (number) person-days of work on identified environmental enhancement projects.
 4. At the end of the project, the environmental enhancements will be used by (number) people living in and visiting in the (name) area.
-

Step 4 – Indicators

Identify the indicators of achievement that will more precisely state the immediate objectives. The indicators should give verifiable evidence to assess the progress made towards their achievement. This section should include a brief description of the expected situation at the end of the project, highlighting the changes that the project will help to bring about. Information on indicators should be collected regularly from the beginning of the project so that the changes are demonstrable. It is rare that only one indicator can convey all the changes expressed in the immediate objectives. More than one indicator will probably be needed.

In the environmental jobs example, indicators could consist of:

- *Number of workers recruited:* Men, women, total;
- *Workers' previous occupational status:* Subsistence, unemployed, home duties, employed part time, other (describe). Men, women, total;
- *Total person-days worked:* Men, women, total;
- *Average (mean) person-days worked:* Men, women, total;
- *Environmental enhancements commenced:* Description, number, cost;
- *Environmental enhancements completed:* Description, number, cost;
- *Usage rate of completed environmental enhancements:* Men, women, children, total per day. Tourists – men, women, children, total. Community – men, women, children, total.

Step 5 – Outputs

List the main outputs to be produced by the project and link them to the specific immediate objective. Outputs are the products that result from the project's activities. Be precise in defining the outputs. For example, show the number of trainers trained disaggregated by age as well as sex. In institutional development projects, typical outputs are counterparts trained, new programmes designed and reports published. In direct support projects, outputs could be the number of jobs created, or men and women trained or credit schemes established, for example. Note that the list of outputs follows the numbering system for the immediate objectives.

The outputs under each immediate objective in the environmental jobs example are shown in the table below:

Immediate objective	Output
1. At the end of the project an analysis paper and priority list on environmental work needed in relation to the tourist industry in (name) area will have been produced.	1.1. Production of one analysis paper on environmental issues in (name) area. 1.2. Production of priority list of environmental work needed in relation to tourist industry in (name) area.
2. At the end of the project, a unit will have been established capable of recruiting and managing environmental work teams composed of a total of (number) adults identified as poor.	2.1. Establishment of one unit in (name) area, consisting of (number) local staff capable of recruiting and managing (number) workers identified as poor on priority environmental tasks.
3. At the end of the project (number) adults previously identified as poor will have been paid at least the legal wage for (number) person-days of work on identified environmental enhancement projects.	3.1. (Number) adults paid for an average of (number) person-days work on identified environmental projects.
4. At the end of the project, the environmental enhancements will be used by (number) people living in and visiting in the (name) area.	4.1. (Number) and nature of environmental enhancements completed.

Step 6 – Activities

List the main activities that show how the project inputs will be changed into outputs. This will help clarify why specific resources are asked for. The list must include all the activities linked to the specific outputs, including any preparatory work. The list of activities should be in logical sequence. For example, organizing a training event means that the trainees have first to be selected. It should also say who has responsibility for carrying out each activity. Organize activities so that everyone can take part. For example, women with home duties may only be available at certain times of the day. Again using the environmental jobs example, the first two sets of activities would look like this:

Output.	Activity
1.1. Production of one analysis paper on environmental issues in (name) area	1.1.1. Project partners finalize terms of reference for analysis paper
	1.1.2. Project partners advertise for and select competent consultant to write analysis paper
	1.1.3. Consultant writes analysis paper
	1.1.4. Consultant and partners convene discussion groups to identify environmental work priorities
	1.1.5. Project partners identify number of workers, skills and equipment required to undertake priority work.
2.1. Establishment of one unit in (name) area, consisting of (number) local staff capable of recruiting and managing (number) workers identified as poor on priority environmental tasks	2.1.1. Project partners finalize objectives and workplan for recruitment and management unit
	2.1.2. Project partners determine selection criteria and number of staff to form recruitment and management unit
	2.1.3. Project partners secure appropriate premises and equipment for unit
	2.1.4. Project partners advertise for and recruit competent staff to form recruitment and management unit
	2.1.5. Unit identifies potential workers in the area who are poor.
	2.1.6. Unit recruits workers needed.

Step 7 – Inputs

List all the inputs needed to undertake the planned activities to produce the project outputs. Ensure that every item mentioned in the budget estimates is described, to make

clear the purpose of the requested resources. Break down the estimated financial resources required by source of funds – whether from the external financing agency or from the recipient country (national contribution). Include resources needed for evaluation. Indicate if funds will be allocated for preparatory work. If the project contains gender-specific components, then show resources by sex (for example male and female staff, travel for men and women, and fellowships for men and women). Again, following the environmental jobs example, the inputs for activities 1.1.1–1.1.5 would look like this:

Activity	Input	Cost and source
1.1.1. Project partners finalize terms of reference for analysis	■ Project outline	■ Nil
1.1.2. Project partners advertise for and select competent consultant to write analysis paper	■ Advertising ■ Telephone ■ Fax ■ Premises	■ US\$1000 external financing agency ■ US\$50 national contribution ■ US\$20 national contribution ■ US\$50 national contribution
1.1.3. Consultant writes analysis paper	■ Consultant fees	■ US\$5000 external financing agency
1.1.4. Consultant and partners hold discussion groups to identify environmental work priorities	■ Hire of premises ■ Refreshments ■ Car hire	■ US\$500 external financing agency ■ US\$200 national contribution ■ US\$300 national contribution
1.1.5. Project partners identify number of workers, skills and equipment required for priority work	■ Premises	■ US\$50 - national contribution

Step 8 – Monitoring, evaluation and reporting

This section should refer to ILO established procedures including the preparation of annual workplans, six-monthly progress review reports and annual self-evaluation reports. Additional specifications, including the need for an independent evaluation should be described in the fully-fledged project document later on.

It would be appropriate to outline how often and by what means the indicators referred to in step 5 would be collected and reviewed as part of the monitoring process.

The project's contribution to its development objective (in the example, poverty reduction combined with environmental enhancement and economic growth) should also be part of its evaluation. This implies that the project's net effects on the development objective should be measured. In the tourism industry, this includes direct effects on the sector, secondary effects on linked sectors and dynamic effects on the wider economy.

Step 9 – Budget estimate

Write in the estimated budget. The budget estimate is based on the list of major inputs needed to carry out the planned activities of the project. The standard provision for programme support costs should be included in the preliminary budget estimate, currently 7 per cent of total costs. The following explanatory notes should be attached to the SPROUT to show the budgetary implications of financing the project. At this stage, no formal clearance by ILO BUDGET is needed.

Explanatory notes to the preliminary budget estimate

When formulating a fully-fledged project document, after a favourable reaction on a SPROUT has been received, a final and detailed project budget will be prepared by the ILO Technical Cooperation Budget Unit (BUD/CT) based on information to be provided by the technical units/branches as follows:

-
- the project budget will be broken down by year according to the project workplan, which will only be tentative at the project formulation stage (a detailed workplan can only be defined by those responsible for implementation);
 - the final project budget allocations will be determined by the project components, exchange rates, prices and standard costs applicable at the date of the signature of the project document. In particular, the following elements are likely to change:
 - the actual cost of goods and services to be provided by the project;
 - the United Nations basic salary scale and other entitlements and their subsequent effects on the ILO expert pro forma costs;
 - the grade and steps of the recruited project personnel which will be agreed between the parties concerned;
 - the current exchange rate determined by the United Nations system;
 - the programme support costs applied by the United Nations system;
 - a provision for possible cost increases will be estimated for each year and will be applied only if such increases in costs do occur (this provision will not be used to increase the project inputs); the percentage rates for calculating cost increases are currently as follows:
 - the current year: 0 per cent
 - the current year + 1: 5 per cent
 - the current year + 2: 10 per cent
 - the current year + 3: 16 per cent
 - the current year + 4: 21 per cent
 - the current year + 5: 27 per cent
 - the current year + 6: 34 per cent
 - the current year + 7: 41 per cent

Step 10 – Check

Check to make sure that the project proposal is coherent and properly structured within a logical framework as outlined above. Ensure that if the requested inputs are provided, the planned activities carried out and the outputs produced, is it likely that the immediate objective(s) will be achieved and contribute to solving the identified problems.

Appendix I

The Millennium Development Goals

Goals	Targets	Indicators
1. Eradicate extreme poverty and hunger	1. Reduce by half the proportion of people living on less than a dollar a day	1. Proportion of population below \$1 (PPP) per day (World Bank) 2. Poverty gap ratio, \$1 per day (World Bank) 3. Share of poorest quintile in national income or consumption (World Bank)
	2. Reduce by half the proportion of people who suffer from hunger	4. Prevalence of underweight children under five years of age (UNICEF) 5. Proportion of the population below minimum level of dietary energy consumption (FAO)
2. Achieve universal primary education	3. Ensure that all boys and girls complete a full course of primary schooling	6. Net enrolment ratio in primary education (UNESCO) 7. Proportion of pupils starting grade 1 who reach grade 5 (UNESCO) 8. Literacy rate of 15–24 year-olds (UNESCO)
3. Promote gender equality and empower women	4. Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015	9. Ratio of girls to boys in primary, secondary, and tertiary education (UNESCO)
		10. Ratio of literate women to men 15–24 years old (UNESCO) 11. Share of women in wage employment in the non-agricultural sector (ILO) 12. Proportion of seats held by women in national parliaments (IPU)
4. Reduce child mortality	5. Reduce by two thirds the mortality rate among children under five	13. Under-5 mortality rate (UNICEF) 14. Infant mortality rate (UNICEF) 15. Proportion of 1 year-old children immunized against measles (UNICEF)
5. Improve maternal health	6. Reduce by three-quarters the maternal mortality ratio	16. Maternal mortality ratio (WHO) 17. Proportion of births attended by skilled health personnel (UNICEF)
6. Combat HIV/AIDS, malaria and other diseases	7. Halt and begin to reverse the spread of HIV/AIDS	18. HIV prevalence among 15–24 year-old pregnant women (UNAIDS) 19. Condom use rate of the contraceptive prevalence rate and population aged 15–24 years with comprehensive correct knowledge of HIV/AIDS (UNAIDS, UNICEF, UN Population Division, WHO) 20. Ratio of school attendance of orphans to school attendance of non-orphans aged 10–14 years
	8. Halt and begin to reverse the incidence of malaria and other major diseases	21. Prevalence and death rates associated with malaria (WHO): 22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures (UNICEF): 23. Prevalence and death rates associated with tuberculosis (WHO): 24. Proportion of tuberculosis cases detected and cured under directly-observed treatment short courses (WHO)
7. Ensure environmental sustainability	9. Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources	25. Forested land as percentage of land area (FAO) 25. Ratio of Area Protected to Maintain Biological Diversity to Surface Area (UNEP) 27. Energy supply (apparent consumption; Kg oil equivalent) per \$1 000 (PPP) GDP (World Bank) 28. Carbon dioxide emissions (per person) and consumption of ozone-depleting CFCs (ODP tons)

Goals	Targets	Indicators
8. Build a global partnership for development	10. Reduce by half the proportion of people without sustainable access to safe drinking water	29. Proportion of the population with sustainable access to and improved water source (WHO/UNICEF) 30. Proportion of the population with access to improved sanitation (WHO/UNICEF)
	11. Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020	31. Slum population as percentage of urban population (secure tenure index) (UN-Habitat)
	12. Develop further an open, rule-based, predictable, non-discriminatory trading and financial system that includes a commitment to good governance, development, and poverty reduction – both nationally and internationally	
	13. Official development assistance. Address the special needs of the least developed countries Includes: tariff and quota free access for least developed countries' exports; enhanced program of debt relief for HIPC and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction	32. Net ODA as percentage of OECD/DAC donors' gross national product (targets of 0.7 per cent in total and 0.15 per cent for LDCs) 33. Proportion of ODA to basic social services (basic education, primary health care, nutrition, safe water and sanitation) 34. Proportion of ODA that is untied 35. Proportion of ODA for environment in small island developing States 36. Proportion of ODA for transport sector in landlocked countries
	14. Market access. Address the special needs of landlocked countries and small island developing States	37. Proportion of exports (by value and excluding arms) admitted free of duties and quotas 38. Average tariffs and quotas on agricultural products and textiles and clothing 39. Domestic and export agricultural subsidies in OECD countries 40. Proportion of ODA provided to help build trade capacity
	15. Debt sustainability. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.	41. Proportion of official bilateral heavily indebted poor countries (HIPC) debt cancelled 42. Total number of countries that have reached their HIPC decision points and number that have reached their completion points (cumulative) (HIPC) (World Bank-IMF) 43. Debt service as a percentage of exports of goods and services (World Bank) 44. Debt relief committed under HIPC initiative (HIPC) (World Bank-IMF)
	16. In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.	45. Unemployment of 15–24-year-olds, each sex and total (ILO)
	17. In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries	46. Proportion of population with access to affordable, essential drugs on a sustainable basis (WHO)
	18. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	47. Telephone lines and cellular subscribers per 100 population (ITU) 48. Personal computers in use and Internet users per 100 population (ITU)

Appendix II

Extract on tourism from Cambodia's PRSP

4.2.3. *Tourism Development*

Cambodia's tourism sector is playing a crucial role and is the key to country's development. The sector generates about US\$200 million per year in income, creating about 100,000 jobs. Thus, tourism has significantly contributed to the country's economic development and poverty reduction. With the assumption that a visitor spends at least US\$500 then it helps to feed two of Cambodian people for one year. Estimates suggest sustained development in the tourism sector as passenger arrivals into Cambodia continued to rise, in 2001 by about 30 per cent. The increase is thought to be the result of much improved stability, safety and security in the country, as well as the "open skies" policy in air transport since 1998. Tourism activities grew by 30 per cent in 1994 – 1995. Over the last decade, developments in the tourism industry have made a significant contribution to economic growth by attracting foreign investments, creating jobs, and generating income for the local people.

With Cambodia's enormous cultural and natural heritage, tourism policy will be geared towards cultural and eco-tourism. It will ensure the sustainable development of cultural and natural environment as well as the protection of the environment without becoming an impediment to development. The important issue is how to effectively and efficiently manage and/or balance between protection and development and establish a zoning plan for tourism development to ensure sound management of the sector. There are many historical sites in Cambodia. The Angkor temple complex is the world's priceless heritage and belongs to all mankind. There is a need to develop a proper master plan for its restoration, development and protection. The development of this area is considerably slow. At present, there are only some road signs for direction, some rest rooms and other facilities to serve visitors. The work on the master plan has to be done as soon as possible by preparing a plan for its development and making the plan available to private investors for their participation.

Besides the Angkor area, the Royal Government has taken action to develop other cultural and eco-tourism destinations such as the Kulen Mountain, Kos Ker temple, Preah Vihea temple, and Ta Mok house in Anlong Veng, which can be used as a historical tourist destination. These areas can be developed as a big cultural, historical, and ecological recreation zone, which should not be limited to Angkor. In addition, Tonle Sap Lake has a great potential for developing eco-tourism, such as the water bird area and the fishing villages. In the central zone, there is the Sambo Prey Kuh temple to which a road has been built. Other tourist sites include Phnom Penh and the Coastal zone.

The Government's policy thrust on Culture and Fine Arts is to enrich the national culture in a way that supports the expansion of services and the creation of employment opportunities for the people and thus contributing to the national goal of poverty alleviation. Developing the cultural resources of Cambodia, especially the Angkor temples sites that have been attracting increasing number of tourists, is a priority of the RGC not only as a socio-cultural development goal, but also because of the economic/revenue generating potential of these historical sites. The conservation and development of the national cultural resources will require that other areas where ancient temples are located should also be repaired in order to transform them into cultural tourist zones.

The strategies being put forward are designed to allow Cambodia to use tourism as strategy in its overall goal of relieving poverty. It is important that government officials as well as others are educated about the potential role of tourism in economic development and poverty reduction. Tourism can generate different types of local cash income from wages from formal employment, casual labour and earnings for selling goods; dividends from profits arising from locally owned enterprises; and collective income: this may include profits from a community run enterprise, dividends from private-sector partnership and land rental paid by an investor.

A pro-poor tourism policy implies a change in direction from objectives concerned with increasing overall tourism numbers and revenues to one that stresses forms of tourism that are of benefit to the poor. Adopting pro poor tourism policies requires more than simply inserting the word poverty in various government policies and strategies. It requires a fundamental shift in thinking

about the forms of tourism development that will benefit the poor. However, the poor face a number of barriers including lack of relevant skills, lack of access to credit, as well as red tape.

The RGC will exert its best efforts to minimizing the possible negative impacts of tourism. Tourism development should not undermine the unique socio-cultural and environmental assets of those areas of Cambodia, which will receive the greatest concentration of tourists. In particular, the strategy will discourage the perception of Cambodia as a suitable destination for sex tourists and establish Cambodia's position against child sexual exploitation. Additionally, attention should be paid to the effects of domestic tourism and cross border links on human and drug trafficking as well as gambling.

A series of measures are proposed to maximise the potential benefits of tourism for poverty reduction.

- In order to begin to understand the important role that tourism can play in poverty reduction and to put into place pro poor development strategies it is recommended that an inter-ministerial working group be established by the Ministry of Tourism. This working group would seek to work with other ministries who have a common objective in reducing poverty. The working group should be small with high-level support, and the necessary research and operational budget. The working group should be led by a senior Ministry official and report directly to the Minister. The working group should be entrusted with coordinating all poverty related activities in order to ensure an integrated approach to dealing with tourism and poverty;
- A series of poverty reduction development zones could be set up with characteristics including high poverty levels and a situation where tourism can contribute to the local economic growth; a location where the government is seeking to encourage tourism for development purposes and cross-economic linkages; and where there is an opportunity for environmentally friendly forms of tourism to be developed that can contribute to cultural and natural resource preservation, conservation and sustainable use;
- A public-private partnership should support the creation of tourism oriented small and medium-sized enterprises. It would be designed to assist the poor in the development of enterprises or in some cases support the development of an enterprise with employment of poor as its central focus;
- The government may seek to adopt policies in the case of new tourism development projects or in the expansion of present ones that contain explicit strategies for reinvesting portions of an enterprise's profit into the community;
- Given the lack of knowledge about which practices that will best help to reduce poverty through tourism, a number of demonstration projects would help to provide evidence about the property/tourism relationship. An effective way of gaining more knowledge is through “learning by doing;” and
 - Domestic tourists are particularly important clients for self-employed sellers and owners of small establishments. Budget and independent tourists and backpackers are also more likely to use the cheaper guesthouses than luxury tourists, home stays, transport and eating services provided by local people. Destinations must look very carefully at the backpacker market since in effect they can become an important source of the income that is suited to the tourism infrastructure of an area.¹

¹ Source: World Bank.

Appendix III

Competitiveness index

The Travel & Tourism Competitiveness Index: ¹ Top ten countries

Country	Overall index		Regulatory framework		Business environment and infrastructure		Human, cultural and natural resources	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Switzerland	1	5.63	1	5.94	2	5.55	3	5.39
Austria	2	5.43	4	5.8	8	5.27	7	5.16
Germany	3	5.41	6	5.67	3	5.43	9	5.13
Australia	4	5.34	30	5.23	11	5.18	1	5.61
Spain	5	5.30	28	5.24	5	5.32	4	5.33
United Kingdom	6	5.28	26	5.28	6	5.32	5	5.26
United States	7	5.28	49	4.75	1	5.58	2	5.52
Sweden	8	5.27	9	5.62	15	5.05	8	5.15
Canada	9	5.26	23	5.31	4	5.40	10	5.07
France	10	5.23	12	5.57	7	5.28	12	4.85

The Travel & Tourism Competitiveness Index: Bottom ten countries

Country	Overall index		Regulatory framework		Business environment and infrastructure		Human, cultural and natural resources	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Ethiopia	121	3.18	126	3.20	110	2.72	92	3.60
Mauritania	122	3.10	117	3.60	120	2.59	125	3.11
Mozambique	123	3.05	119	3.59	119	2.59	128	2.97
Burkina Faso	124	3.04	121	3.56	123	2.56	127	3.01
Nigeria	125	3.03	127	3.15	109	2.73	123	3.19
Cameroon	126	2.99	125	3.39	129	2.31	120	3.25
Bangladesh	127	2.93	129	2.94	103	2.79	126	3.07
Burundi	128	2.91	128	3.15	127	2.39	122	3.20
Lesotho	129	2.82	124	3.39	125	2.46	130	2.61
Chad	130	2.48	130	2.74	130	1.99	129	2.69

¹ Source: The Travel & Tourism Competitiveness Report 2008 , World Economic Forum, Geneva, 2008.

Appendix IV ¹

Indicators

1. *World Bank poverty monitoring social indicators*

Population

- Total population, mid-year (millions)
- Growth rate (percentage annual average for period)
- Urban population (percentage of population)
- Total fertility rate (births per woman)

Poverty (percentage of population)

- National headcount index
- Urban headcount index
- Rural headcount index

Income

- GNI per capita (US\$)
- Consumer price index (1995 = 100)
- Food price index (1995 = 100)

Income or consumption distribution

- Gini index
- Lowest quintile (percentage of income or consumption)
- Highest quintile (percentage of income or consumption)

Social indicators

- Public expenditure
- Health (percentage of GDP)
- Education (percentage of GDP)
- Social security and welfare (percentage of GDP)
- Net primary school enrolment rate (percentage of age group)
- Female, male, total
- Access to an improved water source (percentage of population)
- Rural, urban, total
- Immunization rate (percentage under 12 months)
- Measles, DPT
- Child malnutrition (percentage under 5 years)

¹ Source: Decent work and poverty reduction strategies (Geneva, ILO, 2005).

Life expectancy at birth (years)
Female, male, total
Mortality
Infant (per 1,000 live births)
Under 5 (per 1,000 live births)
Adult (15–59)
Male (per 1,000 population)
Female (per 1,000 population)
Maternal (per 100,000 live births)
Births attended by skilled health staff (percentage)
Source: World Bank, Poverty Monitoring Database, Social Indicators.

2. ILO decent work indicators²

Employment opportunities

Labour force participation rate
Employment: population ratio
Unemployment rate
Youth unemployment rate
Time-related underemployment
Share of wage in non-agricultural employment
Female share of non-agricultural employment

Unacceptable work

Children not in school by employment status (percentage by age)
Children in wage employment activity rate (percentage by age)

Adequate earnings and productive work

Inadequate pay rate (percentage unemployed below one half of median or an absolute minimum, whichever is greater, by status in employment)
Average earnings in selected occupations
Excessive hours of work
Time-related underemployment rate
Employees with recent job training (percentage with job training during last 12 months provided or paid for by employer or State)

Decent hours

Excessive hours of work (percentage of employed, by status of employment)
Time-related underemployment rate (percentage of employed population working less than the hours threshold, but available and wanting to work additional hours).

² Source: *Measuring decent work with statistical indicators*, Policy Integration Department, Statistical Development and Analysis Group, Working Paper No. 2 (Geneva, ILO, Oct. 2002).

Stability and security of work

Tenure less than one year (percentage of employed persons who have held their main job/work for less than one year, by age, by status in employment).

Temporary work (percentage who classify their work as temporary)

Combining work and family life

Employment rate for women with children under compulsory school age. (ratio to the rate for all women 20–49)

Excessive hours of work

Fair treatment in employment

Occupational segregation by sex (percentage of non-agricultural employment in male-dominated and in female-dominated occupations and index of dissimilarity).

Female share of employment in managerial and administrative occupations

Share of women in non-agricultural wage employment

Female/male wage or earnings ratio (selected occupations)

Female/male ratios or differences for other indicators

Safe work environment

Fatal injury rate

Labour inspectors

Occupational injury insurance coverage

Excessive hours of work

Social protection

Public social-security expenditure

Public expenditure on needs-based income support

Beneficiaries of cash income support

Share of population over 65 benefiting from a pension

Share of economically active population contributing to a pension fund

Average monthly pension

Occupational injury insurance coverage

Social dialogue and workplace relations

Union density rate

Collective wage bargaining coverage rate

Strikes and lockouts

Economic and social context of decent work

Output per employed person (PPP level)

Growth of output per employed person

Education of adult population (adult literacy, adult secondary completion rates)

Composition of employment by economic sector (agriculture, industries, services)

Income inequality

Poverty (percentage of population <US\$1 or US\$2 per day)

Informal economy employment (percentage of non-agricultural or urban employment)

Appendix V

Country Poverty Reduction Strategy Papers

PRSPs for all countries are available at the World Bank poverty net:

- <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPRS/0,,menuPK:384207~pagePK:149018~piPK:149093~theSitePK:384201,00.html>
 - Copy this web address and paste it into your Internet explorer or similar home page.
 - Key “enter”.
 - Poverty net will appear.
 - Click on PRSPs on the right hand column for a full list.

Appendix VI

United Republic of Tanzania pro-poor tourism project

Terms of reference

Baseline assessment of PPT potentials in the United Republic of Tanzania

The study should focus on the following issues:

- A. Pro-poor employment and decent work
 1. Provide an overview of the status quo situation of the tourism industry indicating the tourism sector's contribution to:
 - (a) national GDP
 - (b) pro-poor employment, indicating whether the work is:
 - skilled/unskilled;
 - largely carried out by foreign staff or Tanzanian staff;
 - in the formal / informal sector;
 - (to the extent that data is available) largely carried out by men/women, youth/not-youth.
 2. Analyse factors that hinder pro-poor employment, particularly youth employment, in the tourism sector and suggest ways in which the pro-poor employment impact of the tourism sector could be improved (capacity building of SMEs regarding managerial and labour skills, improved service/product quality, access to credit)
 3. Elaborate the linkage and contribution of the tourism industry to other sectors like agriculture, construction, fishing, food processing, furniture, transport etc and assess the pro-poor employment impact of these sectors, indicating whether the work is: ¹
 - (a) skilled/unskilled;
 - (b) largely carried out by foreign staff or Tanzanian staff;
 - (c) in the formal/informal sector;
 - (d) largely carried out by men/women, youth/not-youth.
 4. Analyse factors that hinder pro-poor employment, particularly youth employment, in these sectors and suggest ways in which the pro-poor employment impact of these sectors could be improved
 5. Map the external and internal key players in tourism in the United Republic of Tanzania
 6. Assess the respect for core labour standards and Tanzanian labour laws (e.g. Employment and Labour Relations Act 2004), Minimum Wage Order 2008, etc., by a few selected key players and assess major reasons for non-compliance/steps that could be taken to encourage compliance
 7. Give examples of contracts/commitments to government, communities, unions and employers on social and human development of a few selected key players.

¹ SNV is planning to map the tourism value chain including the respective supply chains in the Northern Tourism Circuit in spring 2008. Close liaising with SNV on this point of the study is therefore essential.

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8. Review social dialogue in the tourism sector and potential benefits of a ratified Convention No. 172.
 9. Identify indicators to measure the impact of PPT on decent work and poverty reduction, based on data available in Tanzania
- B. Overview of current development projects on Tourism in Tanzania
1. Provide a brief summary of ongoing development projects on Tourism in Tanzania, indicating the extent to which pro-poor employment creation and decent work are covered by the projects.
 - The external collaborator is also requested to present the study at the workshop.

Bibliography

- MNRT: Seminar on Tourism and Poverty Alleviation: Implementing Mechanisms, Dec. 2006.
- SNV: *How can governments boost the local economic impacts of tourism? Options and tools*, Nov. 2006.
- SNV: *Will Tanzania be able to reap the benefits of upmarket tourism? Research on the local linkages of High-End Accommodation in the Northern Zone of Tanzania*, K.H. Verplancke, July 2007.
- SNV: *Local Economic Embeddedness of Hotels in Tanzania – What are the barriers?*, K. Verplancke, Bas van Erk, 2007.

Appendix VII

Useful web sites

ILO hotels, catering and tourism: www.ilo.org/public/english/dialogue/sector/sectors/tourism

International Hotel & Restaurant Association: www.ih-ra.com

International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF): www.iuf.org

Overseas Development Institute: www.odi.org.uk

Pro-Poor Tourism Organization: www.propoortourism.org.uk

Sustainable Tourism Cooperative Research Centre: www.crctourism.com.

Third World Network: www.twinside.org

United Nations World Tourism Organization: www.unwto.org

World Bank Poverty Net: www.worldbank.org/poverty/

World Economic Forum: www.weforum.org

World Travel & Tourism Council: www.wttc.org