



Can tourism accelerate pro-poor growth in Africa?

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Tourism accounts for more than twice as much cash moving from rich to poor countries than governments give in aid. To make African tourism more pro-poor, corporate and government practice must change.

African poverty is centre stage in contemporary development debates – because it's bad and getting worse. Africa is the only continent to have the distinction of experiencing a consistently worsening rate of poverty since 1990 – flying in the face of the Millennium Development Goals (MDGs). The search in Africa for 'pro-poor growth', that's growth which benefits poor people, is urgent.

But what does tourism have to do with poverty reduction and pro-poor growth? At the Summit to review the Millennium Development Goals (MDGs) in New York in September 2005, the World Tourism Organisation – together with UNICEF, UNDP, UNCTAD and a broad range of private sector and NGO organisations – called for tourism to take its place in national development plans to achieve the MDGs. International tourism receipts for low and middle income countries were US\$153 billion in 2003 – dwarfing the US\$68 billion of official aid spent in these countries. Tourism is important even in the lowest income countries. In 41 of the 50 poorest countries in the world tourism constitutes over 5% of GDP and/or over 10% of exports. How should policy-makers react to this declaration?

Researchers have largely failed to bridge the chasm between poverty practitioners – who don't know about tourism and secretly doubt whether anything that pampers the elite can really help poor people – and tourist industry players – who are too busy watching their tight margins or arrival statistics to worry much about poverty.

Between these two camps, much of the 'tourism and development' academic literature has dedicated itself to cataloguing the 'perils' of inappropriate exploitation of the environment, the local economy, culture and the people. Tourism seems best avoided unless it is so small-scale, indigenously owned, environmentally sensitive and 'authentic' that it disappears from mainstream view. Innumerable case studies of tourism provide few credible answers to the fundamental policy question: how can developing countries harness tourism as a tool for pro-poor

growth? The pro-poor growth literature, meanwhile, has almost never featured tourism.

A quiet, but significant, reappraisal of this unproductive standoff is now underway. About three-quarters of African governments either mention or prioritise tourism as a growth sector in their development plans, with support from multilaterals. Some tourism companies are listening to consumer concerns over tourism ethics. In addition, an emerging vanguard of development practitioners and researchers is focusing on the critical question about how this neglected giant of an industry can be a tool for pro-poor growth.

Why tourism is important to Africa: five key facts

First, whilst Africa contributes little to global tourism figures, tourism contributes significantly to African economies. By 2003 tourism accounted for over 11% of total African exports – and 20% to 30% of exports for most countries that exceed the modest threshold of half a million foreign visitors a year. In fact, tourism is disproportionately important for Africa, compared to other continents. Africa accounts for just 1.6% of World GNP but 4.1% of all international arrivals.

Second, African tourism is also growing fast. In 1980 tourism represented 2% of African exports of goods and services and now it is at nearly six times this level. Africa's global market share is increasing – a rare bit of good news for the Continent's trade performance. The tourism sector is remarkably free of the price supports seen in agriculture and tariff controls of trade in manufactures. That tourism in Africa is proving increasingly competitive in this liberalised environment and sophisticated industry is a striking achievement.

Third, long term prospects look pretty good. Ups and downs are inevitable in tourism and long-haul tourism will dip as and when fuel tax is levied. However, Africa's comparative advantage in wilderness and wildlife is only like to increase in value as such assets become scarcer globally. Increasing interest in the Black 'Holocaust' resulting from the North Atlantic Slave Trade is generating a significant tourism flow into West Africa. Meanwhile, South-South tourism is increasing in Africa as elsewhere in the developing world.

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Fourth, tourism matters all across Africa. International arrivals are concentrated with South Africa, Egypt, Morocco, Tunisia and Mauritius, together receiving nearly three-quarters of Continental receipts. But tourism constitutes over 10% of total exports in more than half of African countries for which there is data. In countries such as Mali and The Gambia, tiny annual international arrival figures of 70 000 – that's less than 200 tourists a day – are significant and tourism contributes 10.1% and 30.5% of total exports for these countries respectively.

Fifth, success stories exist where African countries have graduated from Least Developed Country status from the platform of a strong tourism sector is evident – as evidenced by the Maldives, Mauritius and Botswana.

Tourism cannot be a panacea for all. Nor is it the uniquely large or dynamically growing sector that some lobbyists suggest – growth characteristics are slower than manufactures trade but faster than aggregate economic growth. But it is clearly important for many African countries and needs to be recognized as such in debates on pro-poor growth.

Can Tourism Benefit the Poor?

So, tourism in Africa is a growing business – but should it form part of a pro-poor development strategy? The extent to which the benefits reach the poor is hotly disputed. In the academic literature of the 1980s and 1990s a vigorous critique of mass tourism developed. Conventional tourism was the perfect example of the ills of dependency and globalisation. Foreign ownership, leakages of tourism expenditure, and competition for resources left the poor with more costs than benefits.

Recent analysis suggests tourism has got reasonable pro-poor credentials. Tourism is labour-intensive compared to other non-agricultural sectors; has high female employment ratios and is not necessarily import intensive. The sector has low barriers to entry, encompassing a range of enterprises from the micro to the multi-national and providing opportunities for downstream economic linkages in the local economy. Those who suffer from competition for water, land, and coast are likely to be the poor, but the poor also gain from opportunities for un-skilled and semi-skilled employment and infrastructure development.

But this good news does not justify complacency. There is increasing evidence that actions at the level of the corporate and government can sharpen the pro-poor benefits from tourism.

A growing body of microeconomic evidence suggests that companies themselves can boost their local impact by doing business differently. They can develop stronger economic linkages, either by adapting their supply chain, or

by stimulating local tourism service-providers and cultural products. There is a range of partnerships models for local people to engage with tourism businesses, often utilising their land or resource rights.

Government actions significantly boost opportunities for participation by the poor in this overwhelmingly private sector-driven activity. Critical investments to unlock opportunities include basic hospitality skills, strengthening community or local tenure over resources, small business support, and infrastructure for tourist transport and services in poor areas with potential. Above and beyond this, governments can create incentives for companies to invest and operate in pro-poor ways, by adapting their licensing, concessioning, and marketing policy.

Implications for the pro-poor tourism policy agenda

So where does this leave the pro-poor tourism debate in Africa? We would suggest in a rather interesting place. Tourism is already important for Africa, increasingly so. Its contribution to growth and exports is not contested. Its contribution to the lives of the poor is more disputed and variable, but employment impacts alone are substantial. The key point is that the pro-poor impacts of tourism can be enhanced through changes in corporate and government practice. As tourism expands further, a pro-poor growth approach needs to be applied.

Our agenda should therefore include:

- establishing a body of credible empirical work assessing different pro-poor impacts of contrasting tourisms (including domestic tourism) in different contexts, at the level of a destination;
- avoiding the temptation to present tourism as a unique sector and instead focus on how to integrate tourism into mainstream broader pro-poor growth debates;
- engaging governments, local authorities, tourism agencies and companies in a practical agenda of action for increasing linkages between the tourism sector and poor people; and
- resisting the tendency to pigeonhole pro-poor tourism into the 'community tourism' or 'corporate social responsibility' or 'eco-tourism' cul-de-sacs. On the contrary it is fairly clear that isolated, 'alternative' and small-scale initiatives are unlikely to have the impact or market linkages to delivering the scale of benefits to the poor that are realistically possible from changes at the margin to mainstream tourism.

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