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## From analysis to action: Increasing impact of tourism research on policy makers?

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ODI Tourism Event: Pathways to Prosperity? Mainstreaming pro-poor approaches in tourism, 15 June 2007



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## The problem with traditional approaches....

Type of tourism policy study	Research method	Often good at:	Often bad at:
Typical Tourism Master Plan (i.e. Gambia Tourism Master Plan)	Large and well-resourced consultancy team. Large-scale primary data collection over considerable time period	Excellent source of primary data, strong link to tourism policy (i.e. marketing, arrivals, etc) affecting mainstream tourism	Rarely include adequate treatment of inter-sectoral linkages and impact of tourism on poverty. Mixed record of implementation impact.
Typical academic research project	Innovative policy relevant with rigorous method and data (i.e. CGE modelling)	Relevant and analytical approach	Rarely have any significant impact on policy makers.
Typical research study (i.e. Luang Prabang and Gambia tourism value chain studies)	Researchers collecting limited primary data. Normally done on a shoe-string, tends to avoid mainstream tourism	Careful analysis, independent findings, generating quick results	Addressing key policy issues or involving local stakeholders in research process. Poor implementation impact record

## New ideas to increase the impact of tourism analysis on policy

- Initiatives putting:
  - **People** back into the policy-development process (Da Nang, Vietnam)
  - **Pro-poor tourism policy-makers** back into the policy process (Northern Ethiopia)
  - **Policy-relevant data** at the heart of tourist policy development (Cambodia)



## From analysis to action: A case study from Da Nang, Central Vietnam Le Chi Phuc (Management Consultants Group)

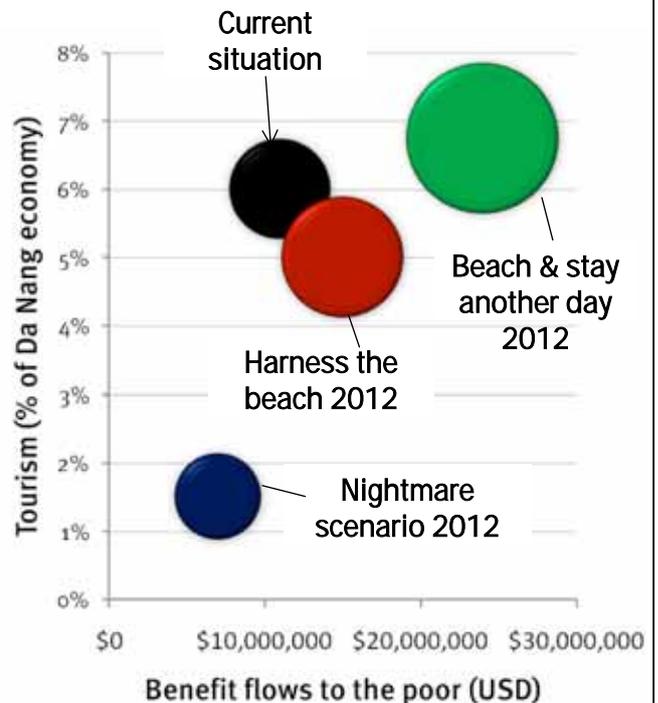
- Participatory tourism value chain analysis exercise
- Under EU Vietnam Private Sector Support Programme
- In Da Nang, the biggest city in Central Vietnam
- Research team includes Da Nang's tourism stakeholders and external consultants



## What we know about increasing impact of tourism on the poor in Vietnam?

### Three scenarios for 2012

- **'Nightmare scenario'**
  - Extrapolates recent downward trends in international and domestic tourist demand to 2012 (\$31m per year).
- **'Harness the beach' scenario**
  - Stems the decline in tourism by allowing major proposals for beach resorts to go ahead (\$61m in 2012).
- **'Harness the beach and stay another day' scenario**
  - Models the impact of both harnessing the beach and increasing the current length of stay for tourists by one day (\$95m in 2012).



## What is the link between analysis and action in Vietnam?

- For private sector decision-makers there is strong link between analysis and action during the study process
- Reasons for the dramatic change in public sector land-supply policy are not clear, but coincided with the highly participatory research process



## From analysis to action: A case study from Northern Ethiopia -Shaun Mann (World Bank)

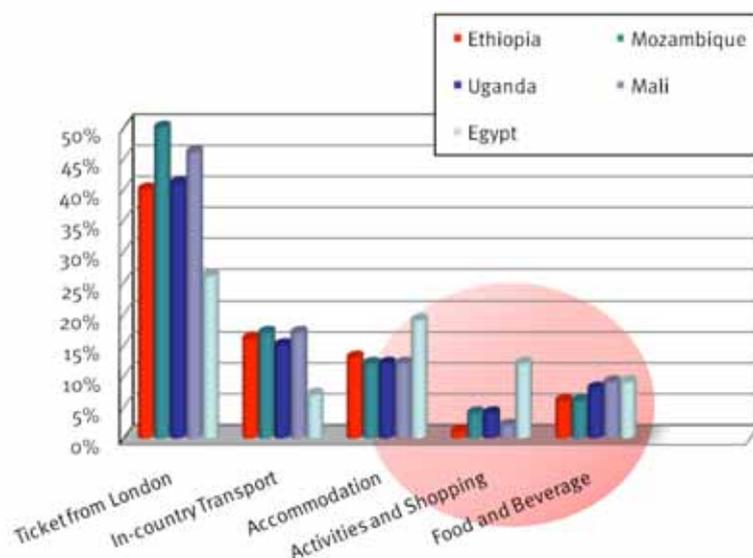


- African governments are interested in pro-poor tourism strategy
- Unique leisure attraction is Northern Historic Route
- Weak supply chains restrict participation in tourist economy
- Need to improve sector management, planning and co-ordination capabilities
- Improve tourist infrastructure
- Link tourism activities and poverty reduction strategies
- Improve demand for tourism to Ethiopia

## What we know about increasing impact of tourism on the poor in Northern Ethiopia?

- The importance of local suppliers is shown by 'bad practice' in Ethiopia (Red circle highlights area of out-of-pocket expenditure)

How costs are allocated in a standard 12-day high season package offered by UK-based Tour Operator



## What are the policy issues in Northern Ethiopia?

- **Why are local linkages so weak in Ethiopia?**
  - There's not much to spend money on! (visitor surveys show average 'loss' of US\$15 per visitor day = US\$3.1m in 2004)
  - Crafts are of low value and quality
  - Difficult to use credit cards and change cash outside few top-end hotels (each tourist would spend US\$100 more = US\$10m in hard currency in 2004)
  - Lack of interpretation and guiding skills
  - Few facilities at sites for tourists to linger (e.g. information, shops, banks, places to eat or stay)
- **Recommendations for increasing local supply linkages in Ethiopia?**
  - **Improved access to handicrafts:** train producers, enterprise support and craft market and cooperative outlet
  - **Support local tourism enterprise & supplies:** hotels to audit and link with local suppliers of food and craft; support viable agriculture on potential new supplies
  - **Strengthen informal tourism service provision:** support guide association, upgrade quality of cheaper hotels and food outlets, provide cultural events and services in town
  - **Replace begging** with a system for philanthropy, support to former-beggars and skills training

## Creating tourism impact at scale in Cambodia - Kate Lloyd-Williams, (IFC)

- **Theory vs. Reality**
  - The link between Tourism and poverty reduction is viewed as a **moral imperative**...
  - But in reality is a practical vacuum.....



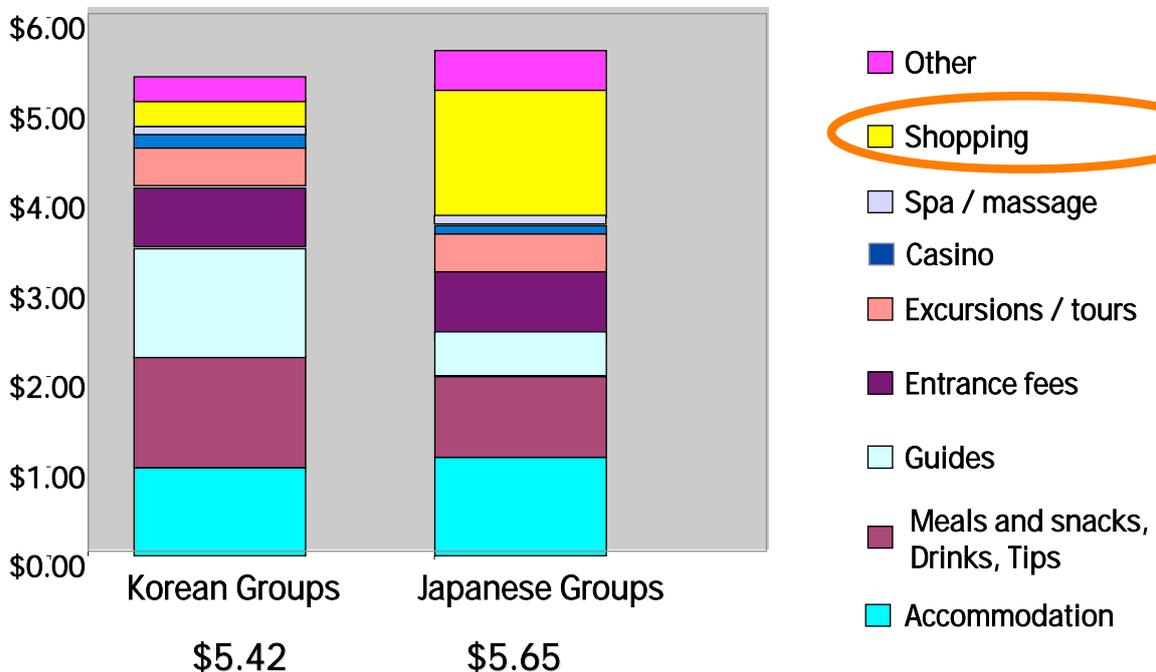
# The policy challenges we face

- Strategic sector for poverty reduction
- What does success look like?
- What can governments do?
- What can private sector do?
- Impact at scale?
- Contribution today?
- Benchmarking ...and gaps
- Siem Reap – a good start...



# Detail matters for policy choices

Pro-poor impact (\$) per tourist per day



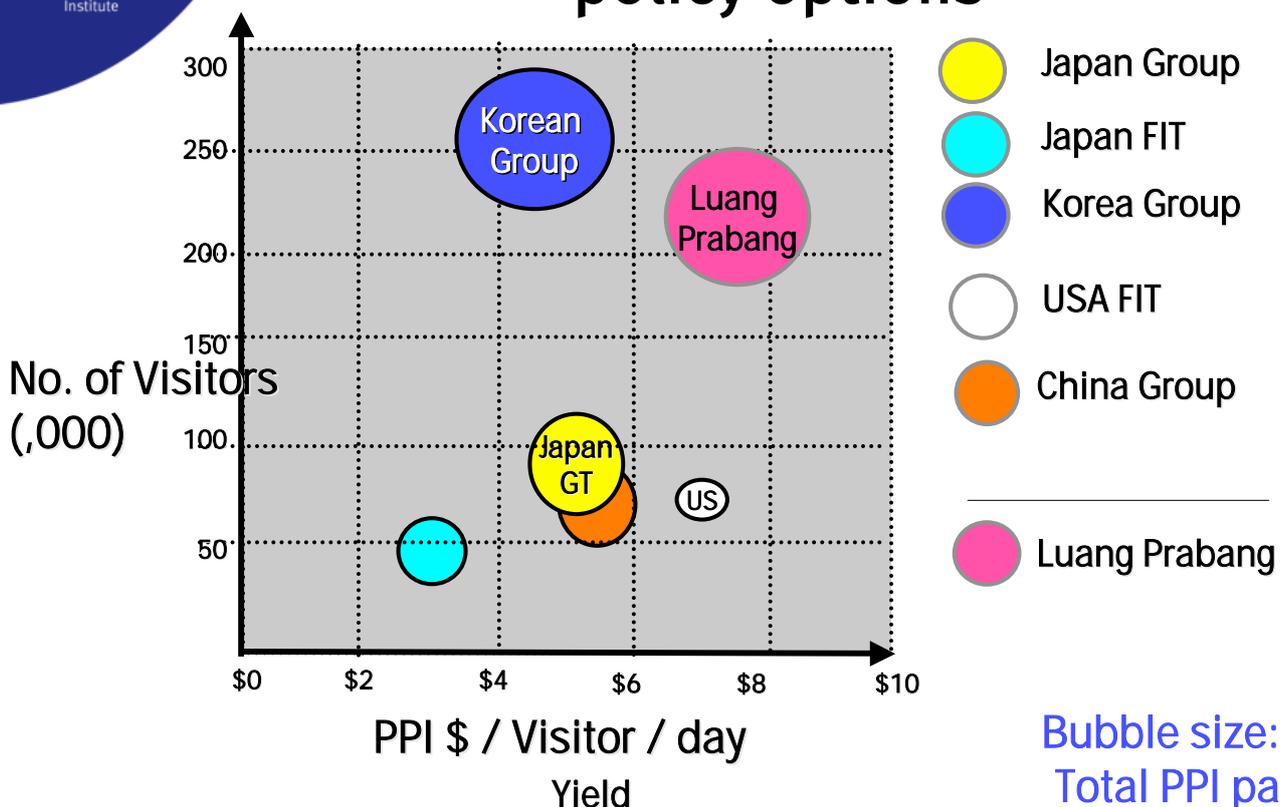
# Case Study: Siem Reap today

- 1.16 m visitors (2006)
- \$300 m Est. tourist spend (2006)
- \$15 m direct pro-poor impact (5%)
- 30-55,000 jobs – direct and indirect\*
- Tourism or subsistence rice farming...
- >47% hotel staff surveyed from poor/very poor background\*\*
- Pro-poor impact low for all segments – driven by volumes
- Reached Angkor carrying capacity?



Source: \*MoT Cambodia; \*\*IFC 2007

## Difference in yield highlights policy options



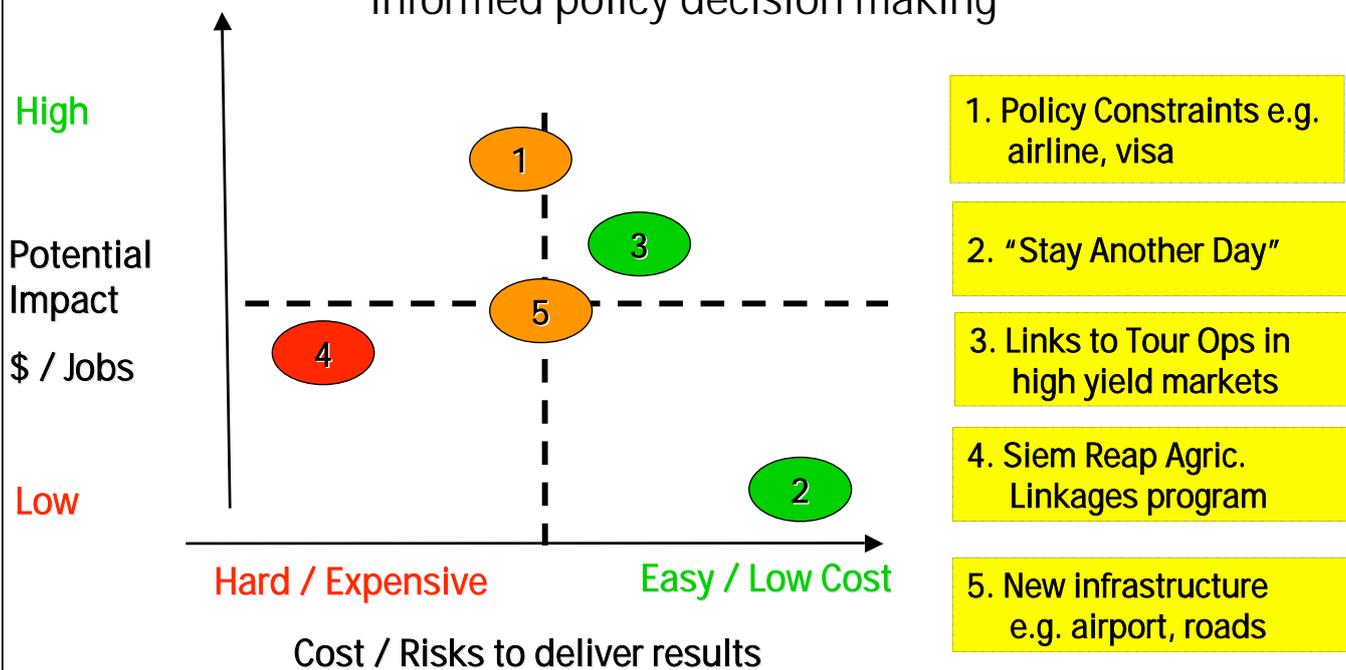
# Siem Reap: Underperforming on Pro-poor impact

Destination	Visitors	Revenues in destination	Pro-Poor impact	PPI %
Siem Reap	1.16m	\$300m	\$15m	5%
Gambia*	11,000	\$44m	\$7m	16%
Luang Prabang*	125,000	\$23m	\$6m	27%
DaNang*	500,000	\$42m	\$10m	26%

Source: ODI Surveys 2006

## Our Goal: Informed decisions

A business case, (with tradeoffs) for interventions for informed policy decision making



# From analysis to action: key lessons

- Explore **innovative approaches** to increase implementation impact
- Researchers should engage with policy-makers & others to **strengthen link** between research & policy
- Obtain detailed and policy-relevant **data**
- Present results in an accessible form that highlights **choices**
- Local **ownership** & robust **analysis** are both important



## Questions and answers