

Tourism and Poverty Alleviation: Tools and Policies

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Abstract

Tourism is a substantial economic activity in many developing countries with high levels of poverty. However, research on the impact of tourism on local poverty alleviation is not always positive, and even at macro levels the advice from previous research is often that while tourism can help to alleviate poverty, this link is not automatic. Developing countries need to do more than assume that tourism provides incomes that must at least in part end up providing incomes to poor households.

The study of the effects that tourism has on poverty is still in its infancy. While literature on tourism in developing countries, and in particular on the role that tourism has in development, dates back to the 1970s, and has been part of the tourism economics literature (e.g. Sinclair 1998), the relationship between tourism and poverty only came to the fore after Ashley, Boyd and Goodwin (2000) put “poverty at the heart of the tourism agenda”. This led to the definition of ‘pro-poor tourism’, The UNWTO’s Sustainable Tourism – Eliminating Poverty programme and poverty alleviation gaining importance in tourism programmes through the World Bank, the International Trade Centre and other international organisations.

Advances in the last decade have moved beyond consideration of the contribution made by tourism to the incomes of poor households to assessing the potential of tourism to move households out of poverty. While the early evidence on tourism and poverty, through Pro-Poor Tourism and ST-EP case studies, has concentrated on the incomes earned by poor households, the real benefit of tourism is its ability to move households out of poverty, with academic literature demonstrating that at macro levels this can happen but also that it doesn’t necessarily happen, and that impacts of tourism on prices, costs and (real) exchange rates can reduce incomes for poor households.

This paper examines how the poverty agenda has influenced economic policies in NGOs and developing countries, reviewing economic and tourism policies and planning documents. It identifies where there is an evidence base that enables policy makers to design and implement policies at (large) scale and where such evidence is lacking.