

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

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EXPERT MEETING ON

# Social Inclusion Programmes and Their Impact on Sustainable and Inclusive Development and Growth



## **Social inclusion programmes: experiences and lessons from tourism interventions**

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# Expert meeting on social inclusion programmes and their impact on sustainable and inclusive development and growth

*Geneva, Palais des Nations, 27-28 November, 2014*

## Session II. Social inclusion programmes: experiences and lessons FROM TOURISM INTERVENTIONS

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# OBJECTIVES

1. Describe national policies to promote inclusive and pro-poor tourism development in the four selected cases: Namibia, South Africa, Kenya, Nicaragua.
2. Analyse how inclusive is tourism development in the selected developing countries, based on the evidence reported by academic empirical studies.
3. Describe the features of effective social inclusion tourism projects in each of the four countries.
4. Describe the benefits of community-based tourism enterprises as an effective social inclusion intervention in tourism.
5. Describe responsible tourism interventions by tourism enterprises in these countries.
6. Lessons and policy recommendations.

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## CASE 1: NAMIBIA

Geographical scope, tourism scope and tourism context of the empirical research on inclusive tourism

Author/s	Geographical scope	Tourism scope	Tourism products and markets
Ashley and Roe (2002)	South Africa, Namibia, Uganda, Nepal, Ecuador, St. Lucia	<b>Pro-poor tourism projects</b> on accommodation, community tourism associations, capacity building, linkages and heritage	Wildlife, coastal, mountain, adventure and safari tourism: luxury, mid-luxury and lower-budget independent travellers
Jänis (2012)	Namibia	<b>CBT enterprises and private sector tourism enterprises</b> (lodges, trophy hunting farms, tour operators)	Tourism
Lapeyre (2010)	Tsiseb area, Namibia	<b>Community-based tourism - CBT- enterprise</b> (the Daureb Mountain Guides)	Tourism in rural areas
Lapeyre (2011)	Grootberg lodge partnership, Namibia	<b>PPT project</b>	Tourism
Muchapondwa Stage (2013)	and Botswana, Namibia, South Africa	<b>Tourism development</b>	Tourism
Novelli and Hellwig (2011)	Namibia	<b>Tour operators</b>	Tourism: Namibian and German markets
Snyman (2012)	Botswana, Malawi, Namibia	<b>Private sector tourism enterprise</b> (Wilderness Safaris)	Ecotourism

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## INCLUSIVE TOURISM DEVELOPMENT IN NAMIBIA

### POLICY:

The major goal of tourism development since the 1990s consists of enhancing community involvement by means of **establishing private sector partnerships in order to enable predominantly rural communities to “earn sustainable income from tourism and have an incentive to protect the environment and natural resources”**.

The government is also determined to specifically **promote community participation in tourism management and benefits**:

- 1) The Government White Paper on Tourism (1994).
- 2) The 1995 policy for the Promotion of Community Based Tourism.
- 3) One of the key players is the **Namibian Community-Based Tourism Association (NACOBTA)**, founded in 1995, with its members formed of **CBT enterprises** that were primary located in the predominantly poor and deprived communal land areas that account for 41% of the territory, but home to 73% of the population.
- 4) Through the **Community Based Natural Resource Management (CBRNM)** programme, **local populations registered as a “conservancy”**, a territorial unit whose natural resources (wildlife) are officially to be owned and managed locally, and are then encouraged and supported to operate tourism ventures.

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## INCLUSIVE TOURISM DEVELOPMENT IN NAMIBIA

### FINDINGS:

- For Namibia (and Botswana), direct tourist spending is greater than the generated GDP, because so much of the tourist spending is on goods that are imported from other countries and that have no impact on the local economy.
- There is nothing in the results to suggest that tourism currently generates greater benefits for the poorer parts of these countries' populations (Namibia, as well as Botswana and South Africa) than do other industries.
- For all three countries the share of income generated by tourism that labour receives is less than its share of the overall income in the country, whereas capital and mixed income receive shares of tourism income that are greater than their shares of overall income.
- Similarly, the share of tourism income received by the rural segment of the population -which is poorer, on average, than the urban segment in all three countries- is less than its share of overall national income.

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## A SUCCESSFUL INCLUSIVE TOURISM PROJECT IN NAMIBIA (Lapeyre, 2011)

### THE GROOTBERG LODGE PARTNERSHIP:

- In 2004, the European Union-funded Namibia Tourism Development Programme (NTDP) invested approximately N\$4.5 million in the building of a 100% community-owned lodge on the western border of the conservancy: the Grootberg lodge.
- Given its limited managerial capacity, the ≠Khoadi-//Hôas conservancy (3,500 inhabitants, 650 households) signed a “lodge management agreement” with Ecolodgistix, a private company, in the beginning of 2005. The lodge officially was opened at the end of June 2005.
- Ecolodgistix must pay **15% of the lodge net turnover to the conservancy**. In return, it gets a management fee of 15% of the net turnover and 20% of the net profit, if positive. The remaining **80% of the net profit is then allocated to a contingency fund** for refurbishment and repairs of the lodge.
- The empowerment plan includes binding commitments on **staff recruitment, training and procurement of local goods and services from conservancy members**. It also ensures that the **conservancy committee will be an integral part of the decision-making process** in respect of all human resources matters, new developments in and around the lodge, as well as environmental and conservation issues.

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## A SUCCESSFUL INCLUSIVE TOURISM PROJECT IN NAMIBIA (Lapeyre, 2011)

### FINDINGS:

- The Grootberg lodge partnership **improves livelihoods for poor, young and low-qualified rural residents, both male and female**, and their respective households.
- Employment at the lodge stands as **the main source of revenue for most employees** (41% declared that this salary was their sole source of income).
- The partnership positively contributes to: 1) **building local households' assets**, including **human capital** through training, 2) **fostering empowerment**, 3) **decreasing farmers' vulnerability** (linkages) and 4) **diversifying livelihood strategies**.



# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## CASE 2: SOUTH AFRICA

Geographical scope, tourism scope and tourism context of the empirical research on inclusive tourism

Author/s	Geographical scope	Tourism scope	Tourism products and markets
Ashley and Roe (2002)	South Africa, Namibia, Uganda, Nepal, Ecuador, St. Lucia	<b>Pro-poor tourism -PPT- projects</b> on accommodation, community tourism associations, capacity building, linkages and heritage	Wildlife, coastal, mountain, adventure and safari tourism: luxury, mid-luxury and lower-budget independent travellers
Muchapondwa Stage (2013)	and Botswana, Namibia, South Africa	<b>Tourism development</b>	Tourism
Picard (2003)	Greater St. Lucia Wetland Park, South Africa	<b>Communities and governmental service</b> (the Kwa Zulu-Natal Nature Conservation Service)	Nature-based tourism
Saayman, Rossouw and Krugell (2012)	South Africa	<b>Tourism development</b>	Tourism: international and domestic markets
Spenceley and Goodwin (2007)	Kruger National Park, South Africa	<b>Private sector and parastatal-owned nature-based tourism enterprises</b>	Nature-based tourism, photographic safari tourism

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## INCLUSIVE TOURISM DEVELOPMENT IN SOUTH AFRICA

### POLICY:

- The tourism sector has been identified as vital to ensuring that the country achieves the goals set out in the Accelerated and Shared Growth Initiative for South Africa, which aims to halve unemployment and poverty in the country by 2014.

- The Responsible Tourism Handbook: A Guide to Good Practice for Tourism Operators provide guidelines and targets:

1) Tourism businesses should monitor the proportion of goods and services that the Enterprise sources from other businesses within a 50 km radius and aim for **20% increase in local sources over three years.**

2) They should set targets for **increasing the proportion of staff hired (and/or of wage bill) from communities** within 20 km of the Enterprise.

3) South African Tourism, by building partnerships with the private sector, will seek to ensure that **40% of all tourism spending in South Africa is for the benefit of minorities or disadvantaged groups, particularly women.**

- **Poor involvement of local communities and previously neglected groups** is seen as a major problem facing the industry.

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## INCLUSIVE TOURISM DEVELOPMENT IN SOUTH AFRICA

### FINDINGS:

- **The pronounced linkages** explains that the overall impact of tourism on GDP is greater than the direct spending of the tourists.
- **Tourism** has the potential to act as a **catalyst for other sectors** of the economy:
  - 1) The **agriculture sector**, which benefits from increased demand for new agricultural products and services such as organic agriculture and farm tourism.
  - 2) The **manufacturing sector**, which benefits from the supply of furniture and fittings, construction, linens, pots, pans, etc.
  - 3) And the **fine art and crafts sector**.
- However, for South Africa **the lowest income quintile of the population only receives a 4% share of the income from tourism**, which is less than its overall share of national income, 6.2%.
- The poor (blacks) **do not benefit much from a tourism expansion because of the declining demand for less skilled workers**. In fact, expenditure for blacks decreases with a tourism expansion and increases under the recession scenario.
- The increase in consumer prices causes a **contraction of non-tourism exports and a switch in domestic spending towards imports** (away from domestic import-competing goods).

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## SUCCESSFUL INCLUSIVE TOURISM PROJECTS IN NAMIBIA AND SOUTH AFRICA (Ashley and Roe, 2002)

### **Namibian Community-based Tourism Association (NACOBTA).** Type of PPT intervention:

- 1) Establishment of a membership-based trade association of small tourism operators. Tourism products involved include accommodation, cultural activities and tourism supplies. Offer: black history tours and cultural performance in Namibia.
- 2) Promotion of community involvement in tourism: a) direct support to enterprises, b) linking private sector with communities and c) policy discussions.

### **Wilderness Safaris - Maputaland, South Africa.** Type of PPT intervention:

- 1) Operation of two lodges that are partnerships between WS, neighbouring communities and the state conservation authority.
- 2) Located in protected areas in very poor areas of South Africa.

### **Spatial DI and Community PPP Programmes - Northern Province, South Africa.** Type of intervention:

- 1) Creation of investment packages to lever private investment into tourism developments on communal or state land that embrace the economic empowerment of black communities.
- 2) For example, the Makulele community promoted a programme in which the private sector investment supported by the SDI will focus on a luxury lodge, but the Community Property Association will also target the lower end of the market through providing a campsite and bed and breakfast facilities.

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## SUCCESSFUL INCLUSIVE TOURISM PROJECTS IN NAMIBIA AND SOUTH AFRICA (Ashley and Roe, 2002)

### FINDINGS

- Significant earnings of poor individuals from PPT initiatives. However, the distribution of benefits among the poor is unequal.
- Tourism employees earn twice the average income in a rural homestead in the area.
- The core group of wage earners generally numbers 10-30 at any one site, but there are often many more people (4-10 times the number of wage earners) earning income from tourism through casual work, informal sector activity and small businesses.
- A wide range of non-financial livelihood impacts, particularly on education, health, infrastructure and reduced vulnerability.
- The impact of PPT on the natural resources are small or unreported.

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## CASE 3: KENYA

Geographical scope, tourism scope and tourism context of the empirical research on inclusive tourism

Author/s	Geographical scope	Tourism scope	Tourism products and markets
Blake (2008)	East Africa: Kenya, Tanzania, Uganda	Tourism development	Tourism
Job and Paesler (2013)	Wasini Island, Kenya	Tourism development	Nature-based tourism
Manyara and Jones (2007)	Kenya	CBT enterprises (accommodation and nature trail and boutique)	Nature-based tourism
Steinicke and Neuburger (2012)	Mt Kenya National Park, Kenya	CBT enterprise (Mt Kenya Guides and Porters Safari Club)	Mountain tourism

## INCLUSIVE TOURISM DEVELOPMENT IN KENYA

### POLICY:

- The tourism industry is of critical importance to the economy of Kenya. However, Kenya's prevailing model for tourism development is colonial and narrowly based on safari and coastal products in national parks.
- Local communities are hardly involved in tourism development, and tourism resources are mostly controlled by few Western investors who are mainly profit-driven.

## INCLUSIVE TOURISM DEVELOPMENT IN KENYA

### FINDINGS:

- **The hotel and restaurant industry has a high level of backward linkages** with the rest of the economy, and it provides significant levels of value added in its suppliers. **Forward linkages are weaker.**
- **The transport industry has less strong linkages** with the rest of the economy.
- **Hotel and restaurant industry provides below-average shares of income to poor households, while transport provides even lower shares.** In contrast, **non-service exports provide higher shares of income to poor households.**
- **In Wasini Island, Kenya, 630 persons out of a total population of 813 live directly or indirectly from nature-based tourism.** Tourism plays a key role in poverty reduction: 1) increases income, 2) reduces the emigration of young people, but it also increases migration from nearby regions. However, there is a gradual disappearance of the traditional subsistence economy.



# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## CASE 4: NICARAGUA

Geographical scope, tourism scope and tourism context of the empirical research on inclusive tourism

Author/s	Geographical scope	Tourism scope	Tourism products and markets
Croes (2014)	Costa Rica, Nicaragua	Tourism development	Tourism
Croes and Vanegas (2008)	Nicaragua	Tourism development	Tourism
Zapata, Hall, Lindo and Vanderschaeghe (2011)	Nicaragua	CBT projects	Spa, cultural and natural tourism: international and domestic markets

## INCLUSIVE TOURISM DEVELOPMENT IN NICARAGUA

### POLICY:

- In 2002, the government announced its policy of promoting tourism development as a tool to fight against poverty. As such, tourism is a recent phenomenon in the country.
- Nicaragua is the second poorest country in the Americas, after Haiti: 48% of inhabitants live below the poverty line.

## INCLUSIVE TOURISM DEVELOPMENT IN NICARAGUA

### FINDINGS:

- **Tourism development contributes to economic growth (+0.76) and poverty reduction (-0.51).**
- **A 1% increase in tourism receipts reduces the poverty index (proportion of people living on less than a \$1 per day) by 1.23 points.**

Tourism development appears to provide benefits to the poor in Nicaragua and thus can be labeled as being pro-poor.

- ***Tourism development matters most for the poor at lower levels of economic development and a large presence of poverty.*** In Costa Rica, which enjoys a higher level of economic development than Nicaragua, tourism expansion does not seem to benefit the poor.

***The implication is that quality offerings and service have a long-run impact on poverty by excluding the poor from the benefits of tourism.***

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## SUCCESSFUL INCLUSIVE COMMUNITY-BASED TOURISM PROJECTS IN NICARAGUA (Zapata et al., 2011)

### TOURISM PROJECTS:

- The CBT Nicaraguan Network was founded in 2004 with the purpose of promoting collaboration among CBT projects in training, policy and joint marketing. Tourism for most of the 34 CBT projects is a complementary economic activity since they primarily rely on farming and agricultural activities, cattle farming, handicraft or fishing.

### FINDINGS:

- The CBT projects reduced economic uncertainty by diversifying local livelihoods, through tourism as a complementary activity.

- They contributed to improve water and waste management, as well as to produce alternative energies.

- Tourism jobs were perceived as being of a better quality compared with traditional work.

- Communities developed new capacities: tourism-industry management, administration, and social skills. Communities were also empowered by increasing their contacts with institutions and agents.

- 45% of employees in CBT projects were women. However, gender inequality was reproduced, since women worked with their domestic skills and men occupied management positions.

- Tourism reduced emigration of young people (tourism work and studies are compatible).

# Successful examples of inclusive tourism interventions in the cases of Namibia, South Africa, Kenya and Nicaragua

## COMMUNITY-BASED TOURISM -CBT- ENTERPRISES ARE A SUCCESSFUL SOCIAL INCLUSION INTERVENTION

### CBT ENTERPRISES IN KENYA:

- Lodge and wildlife sanctuary
- Nature trail and boutique
- Mt Kenya Guides and Porters Safari Club

### CBT ENTERPRISES IN NAMIBIA:

- Craft centres
- Campsites
- The Daureb Mountain Guides

### FINDINGS (Steinicke and Neuburger, 2012; Manyara and Jones, 2007; Lapeyre, 2010; Jänis, 2012):

- CBT enterprises stabilize rural households' livelihoods and contribute to community welfare.
- They ensure that tourism benefits are evenly distributed among all members and the whole community.
- CBEs initiatives have led to generation of employment, high-paid salaries (e.g., guides, compared to farm workers), increased income, enhanced linkages, SMEs growth, diversified livelihoods, local empowerment, capacity building (financial, physical and human capital), improved educational and health services, access to clean water and development of transport and communication infrastructure.
- However, the generation of equitable welfare for households and the community depends on the respective organizations' internal participatory and democratic structures.
- CBT alone cannot initiate sustainable regional development.
- Tourism development can incur substantial costs to the poor, such as a loss of access to traditional livelihoods and human-wildlife conflict.

## ARE PRIVATE SECTOR TOURISM ENTERPRISES RESPONSIBLE IN NAMIBIA AND SOUTH AFRICA?

- Many of the tour operators in Namibia, as well as employees and inhabitants close to tourism enterprises (e.g., Wildernerss Safaris), claimed that their **contribution was of an economic nature** (e.g., employment, income generation, investment and financial support) (Novelli and Hellwig, 2011; Snyman, 2012; Spenceley and Goodwin, 2007).

- Other benefit is the provision of **staff accommodation and food, flexible work schedule** and part-time employment, as well as **the generation of a more positive attitude towards nature conservation** (Snyman, 2012).

- In the case of the Kruger National Park, South Africa, tourism enterprises **also invest on local community development**, particularly on environmental education, infrastructure and in-kind donations (Spenceley and Goodwin, 2007).

However, **there is a low level of local procurement by non-local enterprises and international tourists**, as well as a **lack of local ownership** (Spenceley and Goodwin, 2007).

## LESSON 1:

**Leakages** are a major problem in the cases of Namibia, Kenya and Nicaragua. In general, backward linkages (with suppliers) are higher, compared to forward linkages; particularly in the hotel and restaurant industry.

## RECOMMENDATIONS to reduce leakages:

- Development of tourists' tastes for local products: these can be supplied by locals, thereby reducing the need for imported products.
- Local attractions, products and services must be appropriately integrated to offer excursions, tourist products and particularly **EXPERIENCES** to be enjoyed by potential visitors: 1) agrotourism, 2) markets for local products, 3) local gastronomy and restaurants, 4) local culture events and tours...
- Design of marketing promotion and sensibilisation programmes to promote, amongst tourists and tourism enterprises, the consumption of local products and working with local suppliers.
- Increase entrepreneurship and SMEs in the production and trade of local goods and services for tourists and tourism enterprises.
- Increase production and placement capabilities amongst local suppliers and informal sectors.

## LESSON 2:

Although linkages are important in the case of South Africa, **the poor receive a lower share of income from tourism**, compared to the overall share of national income and that of other industries. This is also true in the cases of Namibia and Kenya. In Nicaragua, tourism development reduces poverty.

**RECOMMENDATIONS** to increase the share of tourism income that receive the poor and minorities (women, young, ethnic groups, sick people -with HIV/AIDS...-):

- Design of **social education and training programmes** to facilitate that the poor and minorities work in the tourism and tourism-related sectors (manufacturing and trade of local products for tourists and tourism enterprises...). Tourism enterprises in general and, in particular, governments and CBEs should get involved in these programmes.
- In addition to education and training, **other basic assets and services should be provided**: access to basic food and health services, water, energy... A share of tourism benefits must be assigned to support them.
- CBT projects and enterprises, as well as local ownership, should also be promoted and supported in order to generate tourism benefits for local communities. Linkages would increase too.
- Joint enterprises between local enterprises and foreign enterprises could also be supported.
- In the absence of meaningful benefits from tourism by the poor, **taxes on tourism profits may be the simplest way through which the poor could benefit substantially from tourism.**



## LESSON 3:

From the cases of Namibia, South Africa, Kenya and Nicaragua, it is learnt that CBT enterprises are a successful social inclusion intervention in the context of tourism. They also contribute to reducing vulnerability and to empowering local communities, the poor and minorities.

## RECOMMENDATIONS:

- General social inclusion programmes could include the promotion and support of CBT in general and, in particular, of CBT enterprises, as a type of social inclusion intervention.
- Participatory and democratic structures should be promoted in order to guarantee an equal distribution of tourism benefits.
- Tourism strategic plans could be formulated in order to guide CBT enterprises in offering attractive and competitive tourism offers and experiences, based on local nature and cultural resources; as well as targeting attractive tourism market segments.

## LESSON 4:

Foreign tourism enterprises, compared to local enterprises, make a lower contribution to reducing non-economic poverty and to increasing the wellbeing of local inhabitants and households (e.g., their imports are higher). Moreover, their responsible tourism actions are limited.

## RECOMMENDATIONS:

- Design of sensibilisation programmes to promote sustainable and responsible tourism amongst tourism enterprises and tourists at the destination.
- Development of sustainable and responsible tourism guides and goals for tourism operators.
- Targeting tourists and investors (tourism enterprises) that are concerned with sustainable and responsible tourism.

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