UNWTO
Tourism for Development

Discussion Paper
on the occasion of the
International Year of
Sustainable Tourism for
Development 2017

April 2017

The views and arguments expressed in this discussion paper are preliminary and not exhaustive. They do not necessarily represent those of the UNWTO or its Member States. The discussion paper is aimed at eliciting discussion and critical comment, gathering the stakeholders’ opinion and additional data and evidence, necessary for the development of a final report.
Abstract

The UNWTO “Tourism for Development Discussion Paper” explores tourism’s contribution to sustainable development, underlining where the sector stands today and what priorities for action are needed to progress further. It offers a framework for discussing this contribution and sustainable strategies for sector, during the International Year of Sustainable Tourism for Development (IY2017) and beyond, by examining the IY2017’s five pillars: 1) sustainable economic growth; 2) social inclusiveness, employment and poverty reduction; 3) resource efficiency, environmental protection and climate change; 4) cultural values, diversity and heritage; and 5) mutual understanding, peace and security. In this way, the Discussion paper seeks to:

- Define the scope of tourism’s current and potential contribution to sustainable development;
- Stimulate discussion on the factors which affect tourism’s ability to make this contribution; and
- Identity the changes in policy, practices and consumer behaviour needed to enhance this contribution.

Stakeholders in tourism and development are invited to identify further evidence of the impact of tourism on development, to elaborate on the issues raised by this Paper and add to them, and to consider programmes for joint and individual action. In particular, UNWTO wishes to receive input from other international organizations, Member States, trade bodies, and tourism businesses – particularly in the form of best practices and success stories that can be used as case studies. Enriched by such input, the Discussion Paper will be transformed into the final flagship publication for the International Year, to be published later in 2017.

Questions for comment and discussion

At the end of each section, readers are invited to reflect on the analysis and consider both specific and general questions:

1. What further evidence is available on the issues addressed in this section?
2. What relevant aspects, if any, are missing from this section?
3. What specific changes in tourism policy, business practices and consumer behaviour are needed to address these issues and contribute to sustainable development?

A call for case studies and related material

Readers are also invited to submit case studies and/or other material that can be used to illustrate the issues raised. Possible topics for case studies are identified under each theme. The submitted case studies should be innovative, evidence-based and with a proven impact. A selection of the case studies most relevant to the thematic areas of the International Year will be featured in the final report and mentioned in the next United Nations General Assembly report on the IY2017.

Readers are encouraged to communicate their comments and case studies (using the submission form) via e-mail to iydiscussionpaper@unwto.org. This will be particularly helpful in developing the themes further during the course of the International Year.

UNWTO will consider all comments and case studies received by 30 June 2017.
CONTENTS

Abstract.........................................................................................................................................................1

Executive Summary ........................................................................................................................................1

Introduction..................................................................................................................................................12
  Catalyzing Discussion: Purpose and Structure of this Discussion Paper .........................................................1
  Defining Key Concepts: What do we mean by “Sustainable Development” and “Sustainable Tourism”? ......2
  Linking Tourism and Development: Sustainable Tourism and the 2030 Agenda for Sustainable Development ........................................................................................................................................3

Theme 1: Sustainable Economic Growth ...................................................................................................8
  1.1 Understanding the Context: Dynamics between Tourism and Economic Growth.................................8
  1.2 Key Areas for Action ...............................................................................................................................12
  1.3 Questions for Comment and Discussion ................................................................................................16

Theme 2: Social Inclusiveness, Employment and Poverty Reduction .........................................................18
  2.1 Understanding the Context: Tourism’s Role in Inclusiveness, Employment and Poverty Reduction ......18
  2.2 Key Areas for Action .............................................................................................................................20
  2.3 Questions for Comment and Discussion ................................................................................................25

Theme 3: Resource Efficiency, Environmental Protection and Climate Change ......................................26
  3.1 Understanding the Context: Tourism and the Environment ................................................................26
  3.2 Key Areas for Action .............................................................................................................................27
  3.3 Questions for Comment and Discussion ................................................................................................33

Theme 4: Cultural Values, Diversity and Heritage .....................................................................................34
  4.1 Understanding the Context: Tourism and Culture .................................................................................34
  4.2 Key Areas for Action .............................................................................................................................35
  4.3 Questions for Comment and Discussion ................................................................................................40

Theme 5: Mutual Understanding, Peace and Security ..............................................................................41
  5.1 Understanding the Context: Tourism and Peace ....................................................................................41
  5.2 Key Areas for Action .............................................................................................................................42
  5.3 Questions for Comment and Discussion ................................................................................................45

Governance, Policies and Tools for Sustainable Tourism ........................................................................47
  Effective governance for sustainable tourism ..............................................................................................47
  Policies, plans and tools to support sustainable tourism for development ..................................................50
  Questions for Comment and Discussion ....................................................................................................54

Conclusions ....................................................................................................................................................56

References ....................................................................................................................................................59

Annex 1: Recognition of the Role of Tourism for Development ....................................................................71
United Nations Resolutions and International Programmes ................................................................. 71
National Level Recognition and Response ............................................................................................... 72
Annex 2: How Tourism can Contribute to the Sustainable Development Goals ........................................ 74
Annex 3: Research Studies on the Relationship between Tourism and Development ................................ 77
Annex 4: Tourism and Development Assistance .......................................................................................... 81
Annex 5: Strengthening Linkages and Opportunities in the Tourism Value Chain ...................................... 83
Executive Summary

The International Year of Sustainable Tourism for Development (IY2017) is a watershed moment for making tourism a catalyst for positive change. As the United Nations General Assembly affirmed when announcing the adoption of the International Year, tourism can contribute to all the three dimensions of sustainable development – economic, social and environmental – and each of the 17 Sustainable Development Goals. Not only does the sector spearhead growth, it also improves the quality of people’s lives. It can bolster environmental protection, champion diverse cultural heritage, and strengthen peace in the world. To harness tourism's impressive potential to advance sustainable development, clear evidence is needed on progress made to date – it is vital to understand what works, what doesn't, and what needs to be done to surmount current challenges and capitalize on opportunities.

Structure, Purpose and Scope of the UNWTO “Tourism for Development” Discussion Paper

In this spirit, the Discussion Paper provides a preliminary framework for examining tourism’s role in sustainable development during the IY2017 and beyond. It sets out tourism’s strengths and the challenges it faces, while underlining the need for careful planning and management. As a first step towards gathering evidence of the nexus between tourism, sustainability and development, it is by no means exhaustive. Rather, with this document UNWTO invites governments, organizations and individuals to submit further evidence and case studies to inform a flagship report on the ways in which tourism can further the course of sustainable development.

The Paper focuses on the five central pillars of the IY2017 – key elements of sustainable development to which tourism stands to make a significant, lasting contribution:

- 1) Sustainable economic growth
- 2) Social inclusiveness, employment and poverty reduction
- 3) Resource efficiency, environmental protection and climate change
- 4) Cultural values, diversity and heritage
- 5) Mutual understanding, peace and security

Each thematic section presents an overview of current evidence, raises key issues to consider when moving forward, and highlights priorities for action – with particular reference to the Sustainable Development Goals and the broader 2030 Development Agenda. A subsequent cross-cutting section looks at what governance, policy frameworks and instruments are required to spearhead sustainable tourism. The presented evidence on tourism performance and impact is drawn from previous studies by the World Tourism Organization (UNWTO) and its partners, international organisations, academic studies and other reputable sources.

---

Key Findings

Empirical studies (outlined in Annex 3) confirm a strong correlation between tourism and economic growth. While it is unclear whether tourism drives growth, or vice versa, their relationship appears mutually reinforcing. There is a less clear causal relationship between tourism and overall levels of sustainable development – particularly poverty reduction, socio-economic equality and environmental integrity. This highlights the need for further evidence, coupled with careful planning, management and monitoring of tourism growth – via evidence-based policies and actions – in order to achieve sustainable development outcomes.10

Tourism offers significant opportunities as a tool for development, given the sector’s substantial size, contribution to international trade, rapid growth, and linkages to other sectors through the tourism value chain. Opportunities also abound given the prospects it offers for women and youth; its relative importance for developing states, rural areas and indigenous communities; its potential to incentivize the conservation of natural and cultural assets; and its capacity to spur interaction and understanding. Nevertheless, challenges persist – such as tourism’s susceptibility to market influences; over-dependence on tourism; issues of overcrowding; concerns over working conditions; emissions and pollution; and potential adverse effects on biodiversity, heritage and communities.

1) Sustainable Economic Growth

Where are we now? Whether growth is tourism-led or economy-led, tourism clearly makes an immense contribution to the global economy – estimated at US$ 7.170 trillion – through direct, indirect and induced contributions.11 International tourism generated US$ 1.5 trillion in exports in 2015, equivalent to 7% of all global exports in goods and services and 30% of exports in services alone – making tourism the world’s third largest export category. 12 It is a leading export sector in many developing states, particularly small island developing states (SIDS)13 and least developed countries (LCDs) – in fact in 45 of 47 surveyed LCDs, tourism was a key development sector.14

Domestic tourism also has a tremendous economic impact, generating

---

2 World Travel and Tourism Council estimate based on economic modelling across all countries.
5 World Travel and Tourism Council (2016a) Travel and Tourism Economic Impact 2016. London: WTTC
6 Ibid.
8 World Tourism Organization (2011c) Tourism Towards 2030. Madrid: UNWTO.
9 As evidenced by statistical correlation and causality tests applied to relevant indices, suggested by the literature review in Annex 3.
11 World Travel and Tourism Council (2016a) Travel and Tourism Economic Impact 2016. London: WTTC.
US$ 3.42 trillion in 2015, over two and a half times the size of international tourism receipts. It is especially significant in developed economies – accounting for an average of 77% of tourism consumption in OECD countries15 – but is also crucial in several developing nations, representing 90% of tourism spending in China. The sector’s rapid growth means that tourism will only continue to grow in economic importance. Domestic tourism is growing swiftly, by 6% per year, while international tourism – which grew by an average of 3.9% each year between 2000 and 2014 – will grow by 3.3% per year up to 2030,16 with international tourist arrivals predicted to reach 1.8 billion.17

**What needs to be done?** Capitalizing on this strong economic potential to ensure that tourism advances truly sustainable economic growth will hinge on:

- Cultivating a favourable business environment, characterized by stability and supportive policies;
- Ensuring openness and a high degree of connectivity; and
- Bolstering the resilience of the tourism sector.

It is imperative to address the structural challenges faced by the tourism sector – including a weak business environment, especially in developing countries; labour and skills shortages; limited access to finance; and low levels of investment. Reforming the policy, legal, institutional and regulatory conditions that govern business activity is an important first step. This must go hand in hand with raising awareness of tourism among investors and support services, while integrating tourism within trade policy and agreements. Investing in human capital is equally essential. Efforts are needed to bridge the skills gap, which threatens to reduce the sector’s contribution to GDP by US$ 610 billion over the next decade and create a shortfall of 14 million jobs.18 Promoting Foreign Direct Investment (FDI) that is well-grounded in destinations, and which maximizes economic benefits for local communities, will be vital to improve market awareness, economic stability, quality standards, skills levels and knowledge transfer. Given the sector’s high proportion of micro-, small- and medium-sized enterprises, which often struggle to access markets and capital, investors need to be incentivized to take on the complexities of investing in small-scale tourism ventures.19

To spearhead greater connectivity, on-going investment in transport is fundamental, as is improving year-round load factors and reducing carbon footprints via sustainable transport options. Making visas easier to obtain would be a boon to barrier-free travel, which is currently constrained by the fact that 61% of the world’s population require traditional visas.20 Internet accessibility would also bolster connectivity, market access, distribution and networking, underscoring the importance of improving ICT infrastructure, particularly in developing countries and rural areas. Harnessing tourism’s impressive resilience is another key means of fostering its role in economic growth. Tourism tends to recover more quickly than other sectors21, with the sector swiftly bouncing back in the

---

16 World Travel and Tourism Council (2016a) Travel and Tourism Economic Impact 2016. London: WTTC.
17 World Tourism Organization (2011c) Tourism Towards 2030. Madrid: UNWTO.
18 World Travel and Tourism Council (2015b) Global Talent Trends and Issues for the Travel and Tourism Sector. London: WTTC.
wake of the global economic crisis, with arrivals growing by 7% between 2009 and 2010, and 2016 marking the seventh consecutive year of sustained growth following the onset of the crisis. Investing in communities and the environment would help to secure resilience, coupled with risk and crisis management plans; early warning systems; social insurance; emergency response and recovery plans; market diversification; and a greater focus on domestic tourism to mitigate the shocks of international market trends.

2) Social Inclusiveness, Employment and Poverty Reduction

**Where are we now?** Tourism is not just a major part of the global economy; it is also a means of furthering “inclusive” growth which increases opportunities for all. The sector is a major source of employment, providing an estimate one in eleven jobs worldwide. In 2015, tourism accounted for 283 million jobs – 9.5% of global employment through direct employment and indirect jobs across the supply chain. Tourism is especially notable for the opportunities it offers for economic activity at the local level, as well as for women and youth – the sector employs higher proportions of women and young people than are represented in the overall global workforce. Although tourism cannot be automatically assumed to alleviate poverty, it is well-placed to contribute to poverty reduction given the low skills requirements for entry-level positions and the prospects it offers for small-scale entrepreneurs to pursue new activities or formalize existing micro ventures. The sheer scale of the complex tourism value chain presents significant opportunities for generating backward and forward linkages which can engage local micro-, small- and medium-sized enterprises (MSMEs).

**What needs to be done?** To harness tourism’s potential for inclusivity, decent and poverty eradication – while overcoming the challenges of unsustainable tourism activity – it will be important to:

- Pursue an “inclusive growth” approach;
- Create decent jobs, which redress the skills gaps while ensuring fair, productive employment;
- Support local communities and empower women and youth; and
- Provide tourism experiences for all, via a focus on universal accessibility.

A holistic approach which champions “inclusive growth” through effective policies, planning and concerted action is vital for ensuring that the dividends of prosperity generated by tourism – both in monetary and non-
monetary terms – are fairly distributed across societies.28 Tourism strategies require cross-sectoral linkages, since tourism for development cannot be pursued in isolation. Creating productive employment and entrepreneurship opportunities is vital, in line with the concept of “decent work”.29 This is especially necessary given skills shortages across the sector, alongside high levels of job turnover; high proportions of part time, seasonal and temporary jobs30; and the large share of low paid jobs, with limited training and career prospects, weak labour rights and poor employment conditions.31 To this end, tourism should build on the positive prospects it offers for youth and women, including for women to run their own businesses.32 Capacity-building and training should be at the heart of this drive, alongside bridging the pay gap – as women workers earn 10%-15% less than men – and redressing the vulnerability of unpaid workers in family tourism businesses.33 Community-based tourism can also create much-needed opportunities, especially for rural or indigenous communities. To overcome potential adverse effects, such as competition for scarce resources like land and water, tourism planning and management must strive to ensure that tourism's socio-economic benefits reach local communities – whether through direct employment and business opportunities, or through indirect and collateral benefits – while ensuring that local communities are integrated in all policies. For instance, via investment in local infrastructure and services, as well as the use of tourism-related taxes and charges within local areas. Universal accessibility also lies at the heart of tourism’s inclusivity, as it is intimately linked with the human right to freedom of movement, leisure and travel. Providing barrier-free access for people with physical, sensory and other disabilities, stands to benefit us all – tourists and locals alike – particularly the elderly, pregnant women and families with young children.

3) Resource Efficiency, Environmental Protection and Climate Change

**Where are we now?** As a sector which depends so much on the natural environment, tourism has a special responsibility towards the planet, with the potential to harness this dependency to promote conservation. Challenges abound as tourism is a generator of emissions and pollution which drive climate change – accounting for an estimated 5% of global CO2 emissions.34 The sector consumes vast quantities of resources – for instance, tourism can strain

---

33 Ibid.
freshwater resources, with tourist facilities using between 100 to 2,000 litres per guest, per night\textsuperscript{35}, far more than most local populations. Energy consumption, food waste, and overall waste management are also pressing concerns. Opportunities for “greening” the tourism sector\textsuperscript{36} are not only environmentally sound, they also promise substantial businesses savings through efficient resource management and sourcing local supplies, materials and services, which in turn can benefit local employment. Far more needs to be done to ensure efficient resource management, including among small businesses.

**What needs to be done?** The tourism sector must become more rigorous in its efforts to monitor, report, and reduce resource consumption and emissions. An integrated, approach to environmental sustainability is required, grounded upon strategies for decoupling tourism growth from environmental degradation and excessive resource use, with a focus on:

- Enhancing the efficient use of resources;
- Focusing on biodiversity conservation and environmental protection;
- Investing in climate change mitigation and adaptation;
- Increasing knowledge of how environmental issues are related to tourism and increasing awareness among key stakeholders.

To spearhead the efficient use of natural resources, there is a need for strict impact assessments; careful planning; and effective water and energy management, particularly in areas of water scarcity. Good practice examples of “retrofitting” existing structures – e.g. improving building insulation, replacing equipment, and using renewable energy – should be supported and replicated in a contextually-sensitive manner. Tackling the over-use of consumable goods requires a “reduce, reuse and recycle” approach, coupled with recycling services and green disposal in destinations. To improve waste management, tourism facilities must adequately treat and dispose of solid and liquid waste, recycling grey water and preventing pollution to water courses through improved treatment processes. Increasing tourists’ awareness of resource use, and encouraging them to change their behaviour, are also key to bolstering sustainability.

To prevent tourism from degrading sensitive ecosystems, or placing indirect pressure on ecological resources, a balanced approach is required. This should combine conservation with creative opportunities to promote the sustainable use and management of ecosystems, ideally engaging key players within the tourism sector in defence of biodiversity. To this end, useful guidance is offered by the Guidelines on Biodiversity and Tourism Development.\textsuperscript{37} The pressing need to mitigate the impacts of climate change will require the sector to meet the


targets of the 2015 Paris Agreement, in keeping with sectoral commitments to reduce tourism’s impact on climate change. A coordinated sector-wide response to climate change – involving agreement on systematic sector-wide monitoring, targets and routes for achieving stated aims – will be essential. Reducing emissions could be supported by using new technologies, operational efficiency, emissions trading schemes, and off-setting schemes. A strategic approach could involve decreasing the average distance and frequency of trips, while increasing the length of stays and shifts in modes of transport.

4) Cultural Values, Diversity and Heritage

Where are we now? The global wealth of cultural heritage is one of the principal motivations for travel. 40% of international arrivals are considered “cultural tourists”, i.e. travellers who participate in a cultural visit or activity as part of their stay. The myriad links between tourism and culture can contribute to catalyzing inclusive, sustainable development. Tourism presents notable opportunities for safeguarding the world’s rich cultural heritage, since the revenue it generates can be channelled back into initiatives to aid its long-term survival. Culture, in turn, offers innovative means of gaining socio-economic benefits through tourism. The end benefits are not merely economic – intercultural dialogue lies at the heart of cultural tourism, entailing wider experiential and educational benefits for visitors and communities. New opportunities exist to strengthen links between tourism and other creative industries, including music, the performing arts, design and cuisine. Recently, significant attention has been paid to the growing significance of food tourism, as well as the role of contemporary culture in urban regeneration and renewal linked to tourism.

What needs to be done? Bolstering the links between sustainable tourism and culture will require:

- Positioning “cultural tourism” as a tool for sustainable development;
- Safeguarding and promoting cultural heritage – both tangible and intangible; and
- Linking tourism to living, contemporary culture and the creative industries.

Theme 4 – Priorities for Action

- Aligning cultural and tourism policies at all levels
- Researching cultural tourism’s impact
- Expanding collaborative structures and knowledge-sharing at all levels
- Engaging the private sector, conservation bodies, academia, civil society and communities in policy formation and implementation

---

Throughout, a focus is needed on promoting cultural exchange between local communities and visitors. Championing “cultural tourism” – understood as tourism that is related to, or motivated by, culture47 – requires further integration between cultural and tourism policies and planning at all levels – within communities, countries, regions and globally. This can be facilitated by creating or expanding collaborative structures, networks and programmes which link tourism and culture at the national, regional and international levels. Further research and knowledge-sharing are needed to better understand cultural tourism’s current impact and potential scope.

Strategies for safeguarding and promoting cultural heritage ought to be complementary. Sensitive marketing is important for attracting interest in heritage, while securing support for conservation. It is essential to engage and empower local communities, including minorities and indigenous people, so that their concerns about the integrity of their cultural heritage are reflected across all aspects of tourism planning and management. Formal recognition of heritage sites and assets at the national or international levels, coupled with adequate protection strategies, are core requirements for conservation. This process should involve an assessment of a site’s carrying capacity and its tourism potential, drawing on available guidance about visitor management at cultural heritage sites. Given the rapid growth of the creative industries – with trade in creative goods increasing by 8.6% per year from 2003 to 201248 – the time is ripe to link contemporary culture and creative cultural activities to tourism. Not only would this enrich tourism offer, it can help to revive urban areas, facilitate host-guest interaction, and promote local creativity.

5) Mutual Understanding, Peace and Security

Where are we now? There appears to be a strong, positive correlation between tourism and peace.49 On the one hand, the very existence of tourism depends on peace and security.50 On the other, the transformative power of tourism – grounded upon billions of encounters that occur every day – paves the way towards dialogue, mutual understanding and tolerance, the cornerstones of a culture of peace.51 A sustainable, well-managed tourism sector also contributes to the building blocks of peace – the “attitudes, institutions and structures” upon which peaceful societies are built52, alongside economic development, democratisation, social justice, education, equality, empowerment, and reconciliation. Tourism can recover quickly after conflicts cease53 and can be relevant in post-conflict situations, helping to re-build economies and promote reconciliation.54 The need to

---

49 World Travel and Tourism Council (2016b) Tourism as a Driver of Peace. London: WTTC.
52 World Travel and Tourism Council (2016b) Tourism as a Driver of Peace. London: WTTC.
53 Ibid.
provide for the safety of tourists can also play a part in maintaining more secure destinations and minimizing levels of violence.

**What needs to be done?** Advancing tourism’s contribution to mutual understanding, peace and security requires:

- Fostering a “culture of peace” and global citizenship through tourism;
- Harnessing tourism as an agent for peace and reconciliation; and
- Maintaining safety and security across the tourism sector.

Creating a “culture of peace” – one which rejects violence, prevents conflicts by tackling their root causes, and solves problems through dialogue and negotiation55 – is key to enabling long-term, harmonious coexistence between peoples and cultures. Tourism can contribute to building a culture of peace, if all stakeholders actively pursue “peace-sensitive tourism” – that is, tourism which takes into account local conditions and involves local communities in all decision-making processes.56 Advancing peace-sensitive tourism requires opportunities to experience “other” cultures, including interaction between hosts and guests; visits to sites related to conflict or peace; cross-border tourism experiences, including thematic routes; religious and faith-based tourism; exchange visits, like youth exchange programmes; sharing experiences through social media; and local community engagement. This is tied to tourism’s potential to further a sense of “global citizenship”57, whereby individuals reflect on their relationship with the “other” and embrace diversity – particularly in cultural contexts – thereby promoting exchange and the reaffirmation of “global values”. While the term allows for different interpretations, it arguably entails people taking responsibility for, and thinking critically about, global issues, as members of a shared “global community”.

The processes involved in sustainable tourism development – especially stakeholder dialogue and community engagement – can help rebuild relationships and trust58 between parties in post-conflict situations. To contribute to peace and reconciliation efforts, tourism development needs to be embedded in an on-going peace process. All parties must be made aware of the potential benefits of tourism, in order to incentivize reconciliation efforts. Similarly, collaboration between and within countries is vital for furthering safety and security across the tourism sector. Promoting security also requires fully integrating tourism into international and national security systems, coupled with timely, accurate and regularly updated travel advisories, and sustained, open media engagement.59

---

57 Ibid.
58 Ibid.
Overall, a broader base of evidence is needed on tourism’s current and potential role in peace, reconciliation and security which should be pursued in partnership with academic institutions.

**Cross-Cutting Issues: Governance, Policies and Tools for Sustainable Tourism**

Effective governance, policies and tools need to be in place in order to plan, guide, support and coordinate sustainable tourism development. In terms of governance at the international level, organisations like UNWTO have a leading role to play in fostering international partnerships, liaisons between multinational bodies and engagement with the private sector and civil society. At the national level, the opportunities which tourism offers for sustainable development need to be recognized by governments; inter-ministerial liaison groups and multi-stakeholder bodies should be formed; and adequate budgetary resources should be allocated to ensure tourism’s sustainability. At the local destination level, effective coordination is needed with national structures, alongside local multi-stakeholder management structures, adequate financial and human resources, and community engagement. Vertical coordination across all three levels is imperative.

**Policy frameworks** within individual countries must ensure that tourism, including tourism promotion, is adequately integrated in national policies and plans – particularly plans on sustainable development and growth. Management plans at the national and/or local levels are required, with destination management plans offering significant prospects for an inclusive approach. In order to ensure their efficacy, local tourism plans and strategies should be aligned with national priorities. Policies, in turn, must be informed by *evidence* – making the collection of data collection, analysis and monitoring all the more important. In addition to countries developing System of Tourism Statistics (STS) and Tourism Satellite Accounts (TSAs) to provide credible measures of tourism’s economic contribution, efforts are needed to ensure that data collection is sustained and participatory; makes use of existing statistical frameworks where relevant; involves needs-based indicators; and that the data collected is used to guide tourism management in practice. Systematic data collection, disclosure and sharing are necessary, and may be supported by the Statistical Framework for Measuring Sustainable Tourism (MST) being developed by UNWTO and the UN Statistics Division.

**Useful tools** to support sustainable tourism outcomes should also be employed, such as land-use planning; economic tools like discretionary financial assistance or tax incentives; voluntary standards and certification schemes; and codes of good practice. Effective marketing and the use of social media can also greatly influence visitor awareness of sustainability issues, as well as their awareness of their own impact on sustainability.

**Catalyzing Discussion**

At this stage the approach is discursive. It is hoped that the Discussion Paper’s call for further debate will be taken up by all interested parties, who are invited to submit evidence, practical case studies and critical comments – based on the questions and guidance provided at the end of each section – in order to collectively expand our knowledge on tourism’s important role in furthering sustainable development. Enriched by such input, the Discussion Paper will be transformed into a final flagship publication for the International Year, to be published later in 2017.

---

60 For more information, please see: [http://statistics.unwto.org/mst](http://statistics.unwto.org/mst)

---

**Governance frameworks for sustainable tourism are linked to SDG 17**
Introduction

In a resounding affirmation of tourism’s contribution to the three dimensions of sustainable development – economic, social and environmental – the United Nations General Assembly declared 2017 the International Year of Sustainable Tourism for Development (IY2017).

With Resolution A/RES/70/193, the General Assembly underlined “the important role of sustainable tourism as a positive instrument towards the eradication of poverty, the protection of the environment, the improvement of quality of life and the economic empowerment of women and youth.” In tandem, it recognized international tourism as “fostering better understanding among peoples everywhere, leading to a greater awareness of the rich heritage of various civilizations and bringing about a better appreciation of the inherent values of different cultures, thereby contributing to the strengthening of peace in the world.”

The IY2017 is a watershed moment for mobilizing stakeholders to work together in making tourism a catalyst for positive change. The World Tourism Organization (UNWTO) has been mandated to facilitate the organisation and implementation of the IY2017, in collaboration with a range of key players – governments, international bodies, the private sector, academia, civil society, the media and others. It sees this as a unique opportunity to increase global, regional and national recognition of tourism as a development tool, leading to focused and coordinated action, alongside the efficient use of resources. Above all, the International Year aims to support tangible change in policies, business practices and consumer behaviour towards a more sustainable tourism sector that can further the global development agenda’s 17 Sustainable Development Goals.

Catalyzing Discussion: Purpose and Structure of this Discussion Paper

This Discussion Paper provides a preliminary framework for discussing tourism’s role in sustainable development during the IY2017 and beyond. It is by no means exhaustive – rather, it is a first step designed to stimulate debate and elicit critical comment. With this document, UNWTO invites stakeholders from around the globe to submit case studies and additional evidence to inform a flagship report on sustainable tourism’s contribution to development. Specifically, the purpose of this Discussion Paper is to:

- Define the scope of sustainable tourism’s current and potential contribution to development;
- Stimulate discussion on the factors which affect tourism’s ability to make this contribution; and
- Identify changes in policies, business practices and consumer behaviour needed to enhance its contribution.

To this end, the document draws together evidence on tourism performance and impacts from previous studies by the World Tourism Organization (UNWTO) and its partners, complemented by findings from academic research and other sources.

---

61 Resolution A/RES/70/193 was adopted on the 22nd of December 2015, at the UN General Assembly’s 70th session.
In terms of the Paper’s structure, this introductory section first defines the key terms of sustainable development and sustainable tourism, before setting out links between the two – looking at both the opportunities and challenges of tourism as a tool for development. The body of the report then considers these issues – with particular reference to the Sustainable Development Goals – through the prism of the five pillars of the International Year:

(1) Sustainable economic growth;
(2) Social inclusiveness, employment and poverty reduction;
(3) Resource efficiency, environmental protection and climate change;
(4) Cultural values, diversity and heritage; and
(5) Mutual understanding, peace and security.

These are the key areas in which tourism stands to make a significant contribution to sustainable development, as Resolution A/RES/70/193 makes clear. Each of the five sections on these themes presents an overview of current evidence, raises key issues to consider when moving forward, and highlights priorities for action. A subsequent cross-cutting section looks briefly at the governance, policy frameworks and instruments required to spearhead sustainable tourism. Finally, the Conclusions outline key takeaways, and reflect on how the tourism sector can take forward the spirit of International Year, and advance the 2030 Agenda, beyond 2017.

**Defining Key Concepts: What do we mean by “Sustainable Development” and “Sustainable Tourism”?**

**Development** is a complex concept, whose meaning remains much-disputed. Since the late 1960s, it has been increasingly recognized as a multidimensional – rather than a purely economic – phenomenon. This view gained ground in the wake of the 1972 United Nations Conference on the Human Environment, coming to the fore in the 1990s with UNDP’s first Human Development Report. Human development is a particularly useful concept for articulating the development objectives of the 2030 Agenda and the five pillars of the IY2017 – at its core, it is “about expanding the richness of human life, rather than simply the richness of the economy in which human beings live. It is an approach that is focused on people and their opportunities and choices.”

Such an understanding of development is intimately tied to the concept of “sustainable development”. First coined in “Our Common Future” – a report by the United Nations World Commission on Environment and Development, also known as the Brundtland Report (1987) – it refers to “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

This remains one of the most recognized and widely used definitions of sustainable development, especially significant as it adds aspects of intergenerational justice to the development debate. It also implies that there are certain limitations with regard to the use of natural resources, suggesting that these must be well-managed if we are to ensure a prosperous future for successive generations. In essence, sustainable development is about the quality of life, both in the present and the future. This notion has evolved and gained momentum with the UN’s **Transforming Our World: 2030 Agenda for Sustainable Development** (2015) and its 17 universal, transformative and integrated **Sustainable Development Goals** (SDGs).

The sustainable development agenda has a particular bearing for understandings of “sustainability” in the tourism sector. In fact, tourism had gained recognition in the global development agenda prior to the Sustainable Development Goals – for instance, its importance was explicitly recognised by the World Summit on Sustainable Development (“Rio+10”) in 2002, and the UN Conference on Sustainable Development (“Rio+20”) in 2012.

---


Tourism is understood by UNWTO as “a social, cultural and economic phenomenon related to the movement of people to countries or places outside their usual place of residence, pleasure being the usual motivation.” Sustainable tourism should not be taken to refer to a specific type of tourism. Instead, it is an aspiration for the impacts of all forms of tourism. UNWTO defines sustainable tourism as “tourism that takes full account of its future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities.” Essentially, sustainable tourism:

- “ensure[s] viable, long-term operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income earning opportunities and social services to host communities, and contributing to poverty alleviation”;
- “make[s] optimal use of environmental resources that form a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity”; and
- “respect[s] the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.”

The concept of sustainable tourism is not universally accepted. For instance, it has attracted a degree of criticism – for its perceived ‘lack of focus’ on tourism demand. A plethora of related concepts have also been put forth – “responsible tourism” and “ethical tourism” foremost among them. Despite the differences between them, all of these concepts share a concern with sustainability, equitably distributing benefits and mitigating challenges. The International Year embraces all forms of tourism activities in line with the definition above. Rather than focusing on specific types of tourism, IY2017 seeks to encourage those dimensions of tourism with the greatest potential to bring about sustainable development in destinations and elsewhere. These dimensions are enshrined in the Global Code of Ethics for Tourism, a fundamental frame of reference for responsible and sustainable tourism, outlining core principles which set a seminal agenda for sustainable tourism development.

Linking Tourism and Development:
Sustainable Tourism and the 2030 Agenda for Sustainable Development

With the adoption of the 2030 Agenda for Sustainable Development in 2015, a new paradigm concerning tourism’s role in development has emerged. The adoption of 2017 as the International Year of Sustainable Tourism for Development, coinciding with the roll-out of the 2030 Agenda, offers a propitious opportunity to outline the linkages between tourism and each of the 17 SDGs.

It is broadly argued that tourism has the potential to contribute – directly or indirectly – to all 17 SDGs. Tourism is explicitly mentioned in three of the global goals – SDGs 8, 12 and 14, as outlined in the box below. The International Year also shares the 2030 Agenda’s universal reach – as the Agenda’s goals and targets “involve

---

70 For more information see, for instance, http://www.travelmatters.co.uk/ethical-tourism/ and http://responsibletourismpartnership.org/what-is-responsible-tourism/
72 For specific information, please see Annex 2 or visit http://www.e-unwto.org/doi/pdf/10.18111/9789284417254
the entire world, developed and developing countries alike”. In line with this approach, the IY2017 seeks to promote awareness and the pursuit of sustainable tourism in all countries, whatever their development status.

Specific References to Tourism in the Sustainable Development Goals

SDG 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- **Target 8.9:** By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

SDG 12 – Ensure sustainable consumption and production patterns

- **Target 12.b:** Develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products.

SDG 14 – Conserve and sustainably use the oceans, seas and marine resources for sustainable development

- **Target 14.7:** By 2030 increase the economic benefits to SIDS and LDCs from the sustainable use of marine resources including through sustainable management of fisheries, aquaculture and tourism.

**Has tourism led to development?**

The argument that tourism leads to development, or vice versa, has evoked extensive debate among academics and practitioners. While tourism’s role in development has often been linked with developing nations, “it is also widely recognized that tourism plays an increasingly important role in [...] industrialised countries.” At the outset of this Discussion Paper, it is important to consider what evidence is available about tourism’s performance as a driver of development, and about the conditions that facilitate its contribution to development.

A review of empirical studies which have sought to test the causal relationships between tourism, economic growth and development across a range of country contexts (see Annex 3) reveals that:

- While many studies have found a strong correlation between tourism growth and overall economic growth, further research is needed to assess whether this growth has been tourism-led (i.e. whether tourism drives economic growth), economy-led (i.e. tourism growth is a result of wider economic growth) or a combination thereof. Overall, it appears that a combination of both factors is responsible for driving growth in most states.

- There appears to be a less clear relationship between tourism growth and the overall level of development in many countries, including tourism’s effect on poverty, social and economic equality, the distribution of benefits, quality of life, and the state of the environment. This could, however, be due to a general lack of studies which examine such a relationship.

These findings strongly suggest that tourism growth does not inherently lead to sustainable development. There is a need to plan, manage and monitor tourism growth – via effective policies, programmes and actions – in order

---


74 The studies were identified through a review of available academic literature, concentrating on cited papers that present empirical evidence. More details of the sources, the nature of the studies and the geographical spread are given in Annex 3.

75 As evidenced by statistical correlation and causality tests applied to relevant indices. Details on the sources are included in Annex 3.
to achieve sustainable development outcomes.\(^{76,77}\) It is also crucial to support the development of policies and programmes with relevant and reliable evidence. As policy experts have repeatedly argued, well-intentioned development policies do not always produce the desired effects where evidence is limited or lacking.\(^{78}\) To this end, UNWTO is working to expand the International Network of Sustainable Tourism Observatories (INSTO) to support the measurement and monitoring of tourism, thereby supporting evidence-based management.\(^{79}\)

The opportunities of sustainable tourism as a tool for development

Tourism is well placed as a tool for achieving sustainable development for a number of reasons. These include:

- **Overall size of the sector**: In 2016, there were 1.235 billion international arrivals worldwide.\(^{80}\) In 2015, the total earnings in destinations were estimated at US$ 1.260 billion (i.e. US$ 1.26 trillion), while domestic tourism generated an estimated US$ 3,420 billion (i.e. US$ 3.42 trillion).\(^{81}\) If the total contribution of tourism is considered, including indirect effects, tourism accounts for 9.8% of the world’s GDP.\(^{82}\)

- **Contribution to international trade**: International tourism accounts for 7% of the world’s exports in goods and services\(^{83}\), amounting to 30% of exports in services alone.\(^{84}\) As an export category it ranks third after fuels and chemicals and ahead of food and automotive products, making it among the most important sectors in the global economy.\(^{85}\)

- **Relative importance in many developing countries**: Tourism provides the main source of income, exports and foreign exchange earnings in a number of countries, notably in middle income countries, smaller developing countries and Small Island Developing States (SIDS).\(^{86}\)

- **Rapid recent and predicted growth rates, especially in emerging economies**: Between 2000 and 2015, international tourist arrivals rose from \(x\) to \(x\), increasing annually by an average of \(x\%\), which represents an overall growth of over 75% during this period. In current terms, receipts grew by 150% in the same period. Continuing recent trends, arrivals in emerging destinations – forecast to grow at 4.4% per year to 2030 – are expected to increase at twice the rate of those in advanced economies, which will grow by 2.2% per year.\(^{87}\)

---


\(^{77}\) For instance, the Tourism Master Plan of the Government of Uganda, devised with the support of UNWTO, is a strong example of proper planning leading to tourism growth and, in turn, achieving development objectives. In this case, the follow-up project “Support in Inclusive Markets” demonstrates the success of the implementation of the Master Plan, and the realisation of national goals on inclusive growth, poverty reduction and employment. The initiative focused on the participation of the poor and local communities in the tourism sector as entrepreneurs, employees and consumers, with a view to empowering impoverished groups to reap the benefits of growing tourism. In this way, scores of Ugandans – particularly MSMEs – have been able to improve their livelihoods and enhance their prospects for decent work through access to new markets and employment opportunities. For more information, see http://cooperation.unwto.org/news/2014-11-31/support-development-inclusive-markets-tourism-uganda


\(^{79}\) Since 2004, a total of 16 UNWTO Observatories have been established – eight in China, one in Greece, one in Mexico, one in Brazil, three in Indonesia, one in Croatia and one in South Florida, USA.


\(^{81}\) Estimate by the World Travel and Tourism Council (WTTC)

\(^{82}\) World Travel and Tourism Council (2016a) *Travel and Tourism Economic Impact 2016*. London: WTTC. Estimate by WTTC based on economic modelling across all countries, informed by data and Tourism Satellite Accounts in the countries where they exist.


\(^{84}\) Ibid.

\(^{85}\) Ibid.


\(^{87}\) World Tourism Organization (2011c) *Tourism Towards 2030*. Madrid: UNWTO.
- **Linkages to other sectors**: Tourism is intimately linked to a range of other economic sectors through the tourism value chain, as a wide range of services are directly or indirectly linked to tourism demand. These links are especially pronounced in the sectors of agriculture, construction, handicrafts and transportation.

- **Provision of promising employment, including for women and youth**: Tourism is a labour intensive sector and an important source of jobs, often with a relatively low entry requirements. It employs higher proportions of women and young people than are represented in the global workforce as a whole.\(^{88}\) It is estimated that tourism provides one in eleven jobs worldwide.\(^{89}\)

- **Relevance in rural areas and indigenous communities**: Tourism can provide a source of income in locations with few alternative economic options, notably in rural areas and amongst indigenous communities.

- **Benefits from high quality natural and cultural assets**: Natural and cultural heritage are major drivers of tourism. This presents a pivotal opportunity for those developing countries which are rich in these assets, giving them a comparative advantage not seen in other sectors. Given that tourism relies on these assets, it can provide incentives and resources for their conservation.

- **Source of cultural interaction, mutual awareness and understanding**: Based inherently on the movement of people, tourism can stimulate cross-cultural engagement and increase mutual respect and understanding, both essential for building blocks for more peaceful societies.

### The challenges of tourism as a tool of development

Despite the significant positive opportunities which tourism offers, a number of challenges remain, including:

- The economic performance of the tourism sector is particularly susceptible to global and local influences on markets – spanning economic circumstances, natural disasters, epidemics, pandemics and security concerns. While recovery may be rapid once circumstances change, these influences can detrimentally impact tourism growth in the short-term.

- In certain situations, there may be an over-dependence on tourism as a single source of livelihood, rather than a balanced and diversified approach to economic development.

- Many destinations and individual sites suffer from overcrowding and other pressures which will be exacerbated by the predicted growth in tourist volumes.

- Poor working conditions are found across the tourism sector, with a large proportion of jobs that are part time, seasonal, temporary and insecure. This poses significant challenges to bolstering decent work through tourism, particularly in developing countries.

- Tourism contributes to climate change, for instance, in 2008 it was estimated to account for 5% of global carbon dioxide (CO\(_2\)) emissions, mainly generated by transport.\(^{90}\)

- The development and operation of tourism businesses can generate waste and pollution as well as making significant use of non-renewable or scarce resources, such as land, water and energy. This is particularly problematic in locations where the supply of resources and energy is limited, e.g. golf courses in arid zones.

- Unsustainable tourism development activities can damage biodiversity and sensitive natural and cultural heritage sites, such as through the pollution and waste generated by visitors.

- Tourism can have negative impacts on local communities, for example by restricting access to land, resources and benefits. This can lead to, *inter alia*, increases in crime, sexual exploitation and threats to social values and cultural traditions.\(^{91}\)

---

\(^{88}\) World Travel and Tourism Council (2013) *Gender equality and youth employment*. London: WTTC.

\(^{89}\) World Travel and Tourism Council (2016a) *Travel and Tourism Economic Impact 2016*. London: WTTC.

• Significant challenges are involved in a host of other diverse issues – such as ensuring efficient, sustainable resource management; effective crisis management; and adapting to fast-paced changes in technology.

In light of tourism’s significant strengths as a sector, and the myriad opportunities it offers for development, it is imperative to harness these opportunities as a means of mitigating and reducing the sector’s potential negative impacts. Equally vital is the need to address the institutional and structural challenges of delivery. As explained above, the Paper now turns to the question of tourism’s role in development – both in terms of opportunities and challenges – as well as key issues to consider and priorities for action under each of the IY2017’s five pillars.

**Theme 1: Sustainable Economic Growth**

As an economic force, the tourism sector plays a pivotal role in the global economy. This section considers tourism’s current significant contribution to economic progress worldwide, before highlighting key issues that must be considered to achieve ever more sustainable economic growth through tourism. Chief among these are the need to capitalize on tourism’s rapid growth; to create a more enabling business environment; to improve connectivity; and to maintain the sector’s impressive resilience in a fast changing world.

### 1.1 Understanding the Context: Dynamics between Tourism and Economic Growth

**Links between tourism, economic growth and the SDGs**

Agenda 2030 recognizes that strong economic foundations are an important pre-condition for eradicating poverty in all its guises worldwide (SDG 1). Tourism can play a prominent role in bolstering sustainable economic development, with a particular bearing on the following SDGs:

- **SDG 8** (on sustained, inclusive and sustainable economic growth), most notably Target 8.9, which refers to sustainable tourism’s role in creating jobs. Targets 8.1 – 8.3 on GDP growth\(^\text{92}\), productivity, entrepreneurship and small- and medium-sized enterprises (SMEs) are also significant.
- **SDG 9** (on resilient infrastructure, industrialization and innovation), especially in terms of infrastructure development in trans-border situations (Target 9.1) and with regards to least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing states (SIDS) (Target 9.A).
- **SDG 10** (on reducing inequalities) and **SDG 17** (on partnerships), specifically the need for special and differential treatment for developing countries, especially LDCs (Target 10.A); support for promoting investments (Target 17.3); and increasing the exports of developing countries (Target 17.11).

Tourism growth and overall economic development appear closely correlated, as evidenced by a range of studies which have analysed the relationship between the two phenomena in various countries (as discussed in the Introduction and laid out in detail in Annex 3). This finding is reinforced by the correlation between country rankings on the WEF’s Travel and Tourism Competitiveness Index, and their performance on UNDP’s Human Development Index.\(^\text{93}\) Countries which perform well on one index tend to perform well on the other – evidently, thriving development indicators and a flourishing tourism sector are interlinked.

The question of whether tourism drives economic growth, or vice versa, is far less clear. The sheer size and rapid expansion of the sector does not automatically mean that it is a primary catalyst and driver of overall economic progress. Tourism-led growth has been found in both developed and developing countries, although it is more frequently observed in the latter, particularly in smaller countries with a tourism specialism. For instance, a thriving tourism sector is frequently hailed as the driver of economic growth in the Maldives, and widely credited for lifting the country from "least developed" (LDC) status to medium development status.\(^\text{94}\) In larger countries, it is less likely that tourism will stand out as an ultimate driver of growth. Nevertheless, even where tourism expansion appears to follow as a consequence of a growing economy, the sector has been shown to make a

\(^{92}\) With a target of at least 7% per annum for least developed countries (LDCs).


considerable contribution to larger states – benefitting their overall economies and communities. Overall, it may be impossible to ascertain whether growth is “tourism-led” or “economy-led”. It may be more accurate, and more productive, to conceive of the relationship between tourism development and overall economic growth as being interlinked and mutually reinforcing.

Tourism’s contribution to GDP, jobs and exports

The total contribution of tourism to the world’s GDP has been estimated at US$ 7,170 billion (i.e. US$ 7.170 trillion) in 2015, which equates to 9.8% of current global GDP. The figure includes international and domestic tourism and comprises:

- **Tourism’s direct contribution**: US$ 2,230 billion (i.e. US$2.23 trillion, or 3% of global GDP). This covers total spending on travel and tourism within a country by residents and non-residents for business and leisure purposes, as well as government spending on services directly linked to tourism.

- **Tourism’s indirect and induced contribution**: US$ 4,940 billion (i.e. US$ 4.94 trillion, or 6.8% of global GDP). Indirect contributions include spending on tourism investment (e.g. the construction of hotels), domestic purchases by sectors which deal directly with tourists (e.g. purchases of food by hotels) and certain other aspects of government spending. Tourism’s induced contribution involves the GDP supported by spending by those who are directly or indirectly employed by the tourism sector.

The size of the multiplier, accounted for by the indirect and induced components, is critical for tourism’s contribution to development, given that for every US$ 1 spent by visitors, US$ 3.2 is contributed to the economy. The proportion of indirect and induced contributions is relatively lower in least developed countries (LDCs) than in more developed economies, owing to higher amounts of leakage.

In 2015, tourism accounted for 283 million jobs, amounting to 9.5% of global employment. Of these jobs, 108 million arose from the direct contribution of tourism spending and 176 million from indirect and induced effects. Indirect jobs occur in a range of sectors that feed into the tourism supply chain, including agriculture; food processing; construction; retail; transport; handicrafts; various other services; and information and communication technologies (ICT).

International tourism generates approximately US$ 1.5 trillion in exports through receipts earned in destinations, as well as through international transport services. This is equivalent to around 7% of all global exports in goods and services and 30% of exports in services alone, making tourism the world’s third largest export earning category (after fuels and chemicals) in 2015. In recent years, tourism has shown more rapid growth than exports in merchandise and has played a strong part in diversifying export portfolios and in compensating for weaker export revenues in other sectors. Whereas many other leading export sectors are concentrated in a few countries, tourism exports are more widely spread across a larger number of countries.

---

95 World Travel and Tourism Council (2016a) Travel and Tourism Economic Impact 2016. London: WTTC.
96 Ibid.
97 Ibid.
98 Ibid.
99 Ibid.
101 Ibid.
103 Ibid.
For many developing countries, tourism is a particularly significant generator of export revenues and foreign currency earnings. In fact, it is the leading export sector for a number of states. It is one of the few sectors to provide small island developing states (SIDS) and many least developed countries (LDCs) with a strong comparative advantage in terms of access to global markets and regional integration. Between 2006 and 2011, inbound tourism expenditure accounted for over 50% of all export earnings for several SIDS. The valuable contribution of tourism exports in providing an injection of foreign currency earnings for wider use in the economies of such countries has been highlighted in studies on the impact of export-led growth (see Annex 3).

Domestic tourism also has a tremendous impact on economies the world over. In 2015, tourism expenditure from domestic tourism amounted to US$ 3,420 billion (i.e. US$ 3.42 trillion), over two and a half times the size of international tourism receipts. Domestic tourism tends to comprise a much bigger share in developed countries than in developing states, accounting for an average of 77% of tourism consumption in OECD countries. The often limited data in developing countries suggests that levels of domestic tourism remain relatively low, except in certain cases, such as Mexico and India. In some emerging economies, moreover, domestic tourism is incredibly significant. It accounts for over 90% of tourism spending in China, generating approximately US$ 560 billion a year, and growing swiftly by 6% per annum.

Tourism also makes a particular contribution to the wider economy through the spin-off consequences of contacts made as a result of business travel. It has been estimated that trade supported by business travel was equivalent to 35% of global trade growth between 2000 and 2010. This is a telling example of how tourism can bring about benefits far beyond the reported value of the sector.

**Rapid growth of the tourism sector**

In addition to tourism’s current contributions, it is important to appreciate that the sector is growing rapidly. International tourism has grown almost continuously since 1950, as shown in Table 1. Domestic tourism has also grown significantly, but at a slightly lower rate than international tourism between 2010 and 2015.

**Table 1: International tourism growth**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>International tourist arrivals</td>
<td>25 million</td>
<td>278 million</td>
<td>674 million</td>
<td>1.186 billion</td>
<td>1.8 billion (projected)</td>
</tr>
<tr>
<td>International tourism receipts (US$)</td>
<td>2 billion</td>
<td>104 billion</td>
<td>495 billion</td>
<td>1.26 trillion</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: UNWTO (2016)

LDCs have experienced particularly rapid growth in tourist arrivals, averaging 11% per year between 2000 and 2014 – far higher than the global average of 3.9%. International arrivals reached 29 million in 2015, enabling LDCs to earn US$ 21 billion via international tourism receipts. Earnings primarily derived from spending by visitors from advanced economies, representing a significant direct transfer of wealth between these groups of countries.

---

109 World Travel and Tourism Council annual estimates
111 Ibid.
UNWTO’s predictions for the growth of tourism demand up to 2030\textsuperscript{112} are based on a model which takes into account global and regional economic forecasts, coupled with an assessment of other issues that affect tourism, such as future transport costs. The results suggest that global growth in international tourist arrivals will continue, albeit at a more moderate pace than in recent years. The number of international tourist arrivals worldwide is forecast to increase by an average of 3.3\% per year in the 2010–2030 period, compared to an average of 3.9\% per annum in the 1995–2010 period. Nevertheless, this represents an increase of some 43 million international tourist arrivals each year, on average, as opposed to an increase of 28 million each year in the 1995–2010 period. Based on these calculations, international tourist arrivals predicted to reach 1.8 billion by 2030, as the figure below illustrates.\textsuperscript{113}

\textbf{Figure 1: UNWTO Tourism Towards 2030: Actual Trend and Forecast 1950-2030}

\begin{center}
\includegraphics[width=\textwidth]{figure1.png}
\end{center}

\textit{Source: UNWTO (2016)\textsuperscript{114}}

One notable pattern in global tourism growth is the relatively faster rate of growth of arrivals in emerging economies, compared with advanced economies. UNWTO’s forecasts reveal that international arrivals in emerging economies will grow at twice the rate (+4.4\% year) of arrivals in advanced economies (+2.2\% a year). In absolute terms, emerging economies will add an average of 30 million arrivals per year, compared to 14 million new arrivals in advanced economies. Emerging economies will surpass 1 billion arrivals by 2030, with a 57\% share of the global market.\textsuperscript{115} However, the number of international tourists arriving in emerging economies will still be modest compared to the size of their populations. Arrivals per 100 persons in a country’s population will remain far lower in emerging economies than in advanced economies.

In 2030, Europe will remain the dominant region of origin for international tourists. However, the numbers of tourists from other regions will grow at a far faster rate, albeit from a significantly smaller base – most notably Asia and the Pacific, the Middle East and Africa.

\begin{flushleft}
\textsuperscript{112}\textit{World Tourism Organization (2011c) Tourism Towards 2030. Madrid: UNWTO.}
\textsuperscript{113}\textit{Ibid.}
\textsuperscript{115}\textit{Ibid.}
\end{flushleft}
1.2 Key Areas for Action

The impressive scale of tourism markets worldwide suggests that there are many opportunities to capitalize on, which in turn can yield significant economic growth. Evidence suggests that a range of conditions are necessary in all countries in order for tourism to contribute to sustainable economic growth. Alongside the inherent appeal of a destination, including its natural and cultural resources, the following conditions are some of the most important for tourism to advance economic growth:

- A favourable business environment, underscored by stability, security, supportive policies and effective institutions;
- Openness and a high degree of connectivity; and
- A resilient tourism sector.

These key areas are discussed further below. It is also important to underline that individual destinations must each consider which markets offer them the greatest potential, according to their location; resources; history; established connections; and different markets’ patterns of visitation and spending. Domestic tourism, in particular, can provide tremendous opportunities for spreading visitor spending geographically and across different seasons within countries.

1.2.1 Creating an enabling environment for tourism businesses

The performance of individual tourism enterprises lies at the heart of securing economic growth through tourism. Their ability to play their part in supporting economic growth depends on a stable and supportive business environment that encourages investment and facilitates competitiveness.

A study of tourism sector decision makers by OECD, WTO and UNWTO\(^{116}\) identifies three main barriers to tourism investment in developing countries:

- A weak business environment (i.e. a lack of stability, weak regulations, etc.);
- Labour supply challenges, including the limited availability of skills; and
- Difficulties in access to finance.

Reforming the policy, legal, institutional and regulatory conditions that govern business activities is an essential first step. For example, by rationalizing the often complex set of licenses and taxes that tourism businesses are required to obtain in a number of countries.\(^{117}\) It is also important to raise awareness of tourism among investment promotion and support services, as their understanding of the sector will be vital to promoting opportunities. Tourism needs to be effectively integrated with trade policy and benefit from agreements on creating more open markets, provided that these are in line with the principles of sustainable development. In recent years, there has been encouraging progress in this direction, as more countries – particularly developing states – have undertaken General Agreement on Trade in Services (GATS) commitments in tourism, more so than in any other service sector.\(^{118}\) Some of these agreements have involved commitments by advanced economies to support capacity-building in tourism within developing countries.

Investment in human capital is especially important for growth, yet in many countries tourism businesses face difficulties when trying to recruit workers. Skills shortages pose challenges in a range of areas – from hospitality

---


in general and basic customer service to tourism management, marketing and technical fields, also present a major challenge. A 2014 study of the talent deficit in the tourism sector concluded that the sector could face a shortfall of 14 million jobs and a loss of US$ 610 billion in its potential contribution to GDP unless action is taken to address the skills gap. While there is a talent deficit at all levels, and considerable variation between countries, there is a particular need for improved skills at the high school and vocational levels. Action is needed to enhance the sector’s attractiveness as a source of employment and careers, improve employee retention, bolster work conditions and strengthen effective, continual skills training. These issues are further discussed under Theme 2 of this Discussion Paper.

Foreign Direct Investment (FDI) can also play an important role in tourism. A 2007 study found that tourism accounted for only 1–2% of FDI from the largest investment source countries, with only 10% of tourism FDI going to developing and emerging economies. Development based on FDI has the potential to improve market awareness, economic stability, high standards, skills levels and the transfer of knowledge. However, it is important to ensure that FDI-funded projects are well grounded in recipient countries and local areas, generating maximum economic benefit for the community and destination while working to reduce leakage. Moreover, the need for strong, coordinated action around tourism export strategies is also key, as a mere 0.78% of Aid for Trade went to tourism in 2013, despite the fact that the sector accounts for 6% of developing countries’ exports. Thus, innovative tourism and trade strategies are required around different frameworks governing the flows of travellers, services, goods and foreign direct investment.

Addressing the structural challenges of the tourism sector is also essential for improving the business environment. For instance, the sector is often highly fragmented and dominated by large numbers of micro-, small- and medium-sized enterprises. Many suffer from lack of access to markets and capital, hindering the sector’s performance. As participants in the UNWTO’s Regional Conference on Investing in Tourism for an Inclusive Future (26–27 October 2016, Petra, Jordan) noted, more needs to be done to incentivize investors, financial institutions and other lenders to take on the complexities of investing in small-scale tourism ventures.

Recognizing the need to address the business environment for tourism, as well as the importance of sustainable development and decent work in tourism, in 2011 the G20 Tourism Ministers committed to guaranteeing an institutionally, fiscal and economically favourable framework for the tourism sector. The priorities which they committed to are useful priorities for action to highlight here, in order to foster a more enabling business environment across the tourism sector:

- Advancing the decent work agenda including issues of wage setting, social dialogue, social protection and raising awareness of career paths, particularly for women and youth;
- Invest in human capital and close the skills gap by creating stronger links between the private sector, the public sector, education and training institutions – and between G20 countries and developing nations; and
- Promoting the integration of SMEs into the global economy.

---

120 These issues are also discussed in Chapter 3.2 of the 2016 GTERC Asia Tourism Trends on Investment on Human capital development. Available: http://www.e-unwto.org/doi/pdf/10.18111/9789284418312
125 World Tourism Organization (2015d) UNWTO welcomes the G20 Tourism Ministers’ commitment to promote more and better jobs. Press Release No. 15070, 1 October 2015. Antalya: UNWTO.
Other notable priorities include:

- Facilitating foreign direct investment guided by sustainable development principles;
- Reforming policy, institutional, legal and regulatory frameworks, particularly trade policies; and
- Incentivizing and facilitating investments in MSMEs.

Box 1: Fostering a More Conducive Business Environment for Tourism

The recent Regional Conference on Investing in Tourism for an Inclusive Future: Challenges and Opportunities (26th – 27th October, 2016, Petra, Jordan) shed light on how to strengthen the business environment for the tourism sector in the Southern and Eastern Mediterranean (SEMED) region and beyond. Jointly organised by UNWTO, the European Bank for Reconstruction and Development (EBRD) and Government of Jordan, the event highlighted the need to:

- Ensure that regulatory environments facilitate investments by having clear, stable business policies in place;
- Develop integrated incentive programmes to reward investors who engage with micro-, small- and medium-sized enterprises (MSMEs);
- Create a new, innovative operating and business model for tourism, underscored by specialised financing vehicles and new tourism loan products specific to the sector’s particularities, particularly MSMEs;
- Involve international financial agencies as part of this new model;
- Spearhead resilience instruments and capacity building that enable tourism-related MSMEs to weather crises; and
- Encourage investments across the tourism value chain.\(^{126}\)

1.2.2 Improving openness and connectivity

Tourism, which is all about the movement of people, depends on barrier-free connections between and within countries. In 2015, 54% of all international arrivals were by air. Lack of transportation infrastructure has been identified as the greatest of all challenges for tourism development in LDCs.\(^{127}\) Similarly, in the case of SIDS, air and sea connectivity provides a vital lifeline.

On-going investment in transport is a fundamental requirement for tourism growth, while also seeking to improve year-round load factors, increase efficiency and reduce carbon footprints. At the same time, improved transportation resulting from tourism can assist other sectors of the economy and improve options for local people.

Priorities for action with regard to improving transportation services include\(^ {128}\):

- Promoting sustainable transport options;
- Further liberalisation of air transport, including Open Skies Agreements;
- Investment in airports, roads and other transport infrastructure;
- Improved transport networks and linkages, including connecting remote destinations to regional hubs;
- Improving the quality of information, booking options (including smart ticketing) and general transport service provision, especially in developing countries; and
- Aligning transport policy with tourism policy.

---


Visa policies are another important consideration for barrier-free travel. While there has been good progress on removing visa requirements or making visas much easier to obtain, scores of destinations around the world still require 61% of the world’s population to obtain a traditional visa before travelling.\textsuperscript{129} New technologies offer a promising means of speeding up visa processes, for instance through electronic visas (“e-visas”).\textsuperscript{130}

This ties into the accessibility and use of the Internet as another vital component of connectivity. In the words of UNWTO Secretary-General, Taleb Rifai,

“\textit{Two major revolutions have marked the last decades: the travel revolution, which has positioned tourism as a fundamental element of our lives, and the boom of new technologies that have changed the game for many sectors including tourism.}\textsuperscript{131}"

ICT provides the basis for direct market access, global distribution and networking for a host of tourism stakeholders. Its importance is already immense, and is poised to grow exponentially. For example, despite considerable variations across country contexts, in 2015, 42% of travellers used smartphones to plan and book their trips and 67% used them to find their way around.\textsuperscript{132} According to the Boston Consulting Group, 95% of travellers currently use digital resource to organize a trip - while the Deutsche Bank estimates that mobile hotel bookings worldwide will triple by the end of the decade.\textsuperscript{133} The consumer peer-to-peer rental market is already worth an estimated US$ 26 billion, with Airbnb alone offering over 600,000 listings across 160 countries.\textsuperscript{134} Nevertheless, fewer than 3% of tour guides have an online presence.\textsuperscript{135} This disconnect points to the urgent need to further improve related ICT infrastructure, particularly in developing countries and rural areas.

Priorities for action in this area include:

- Enhancing the reach, sustainability and quality of physical transport;
- Spearheading visa facilitation, including by applying digital technologies to speed up visa processes and offering the possibility of “e-visas”;
- Including travel facilitation as a pillar in international, regional and bilateral agreements; and
- Improving internet access and tourism stakeholders’ online presence.

### 1.2.3 Maintaining tourism resilience

Tourism has proved to be an exceptionally resilient sector. In 2009, international tourist arrivals fell by 4% due to the global financial recession, precipitating a 6% decline in receipts.\textsuperscript{136} In some countries this was mitigated by an increase in domestic tourism, reflecting a general resilience in the demand for holidays. Especially noteworthy is the fact that tourism was considerably less affected than other economic sectors during this period. Moreover, it recovered quickly, with international arrivals rising by 7% between 2009 and 2010.\textsuperscript{137} 2016 was the seventh

\begin{thebibliography}{99}
  \bibitem{129} World Tourism Organization (2016h) \textit{Visa Openness Report 2015}. Madrid: UNWTO.
  \bibitem{131} Ibid.
  \bibitem{134} Ibid.
  \bibitem{137} Ibid.
\end{thebibliography}
consecutive year of sustained growth following the onslaught of the 2009 economic crisis. A comparable sequence of uninterrupted solid growth has not been recorded since the 1960s. As a result, 300 million more international tourists travelled in 2016, compared to the pre-crisis record in 2008. International tourism receipts grew at a similar pace in this period. Overall, the recession had a greater effect on tourism in advanced economies than in emerging economies, with low income countries as a group experiencing no decline in 2009. Nevertheless, the picture varied between individual countries, partly depending on their source markets.

In general, as these recent trends suggest, tourism tends to recover more quickly than other sectors and has been considered as a catalyst for stimulating recovery in other parts of the economy. However, this conclusion is based on macro-level data and can mask local differences. When natural disasters, health scares and security concerns emerge, destinations often suffer sharp, rapid declines in tourism arrivals and receipts. Despite their ability to bounce back swiftly, downturns in tourism can have severe and sometimes long-lasting effects. This is especially pronounced as, where there is a downturn, it is often the lowest paid and most vulnerable segments – of the tourism sector and the population at large – that are hardest hit.

Despite the sector’s ability to withstand and recover from shocks, investing in communities and the environment would be useful measures to ensure greater resilience. Risk and crisis management plans need to address risk awareness and assessments; early warning systems based on business monitoring; improved security; social insurance provision; emergency response and recovery plans; and effective communication and public relations. In addition, market diversification is also essential to ensure less vulnerable domestic markets. This would involve paying greater attention to other sectors in the interest of more balanced, sustainable and risk-reduced economic development. Crisis communications are another integral element of crisis management, which limit detrimental impacts by addressing the information needs’ of stakeholders in an efficient, timely and responsive manner. UNWTO has worked extensively on this issue, producing a “Toolbox for Crisis Communications in Tourism” to guide key players in communicating effectively during times of crisis.

To bolster tourism’s impressive potential for resilience, priorities for action include:

- Developing and implementing effective risk and crisis management plans – running the gamut from risk assessment to recovery;
- Market diversification to ensure economic development is not devastated by a decline of tourism revenue;
- Investing in domestic tourism to mitigate the effects of a downturn in international arrivals; and
- Paying special attention to alleviating the effects of a downturn in tourist arrivals on the most vulnerable segments of sector and the general population.

1.3 Questions for Comment and Discussion

<table>
<thead>
<tr>
<th>Theme 1: Sustainable Economic Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Questions:</strong></td>
</tr>
<tr>
<td>1. What further evidence is available on the issues addressed in this section?</td>
</tr>
<tr>
<td>2. What relevant aspects, if any, are missing from this section?</td>
</tr>
</tbody>
</table>

---

142 World Tourism Organization (2011b) Toolbox for Crisis Communications in Tourism. Madrid: UNWTO.
3. What specific changes in tourism policy, business practices and consumer behaviour are needed to address these issues and contribute to sustainable development?

**Specific questions:**

| Q1 | Is the contribution of tourism to current and future economic growth, GDP, jobs and exports well understood – what more information is needed? |
| Q2 | Is sufficient recognition given to domestic tourism alongside international arrivals in bolstering sustainable economic growth through tourism? |
| Q3 | What are the main barriers to securing investment in tourism in developed and developing countries (FDI and local) and how can they be overcome? |
| Q4 | Is tourism sufficiently well recognized and integrated within trade policies and priorities? |
| Q5 | What are the main challenges and priorities for securing better connectivity and openness, especially for developing countries and remote areas? |
| Q6 | How can tourism resilience be further strengthened? |

**Possible topics for case studies – examples and evidence of:**

A. Activity/initiatives to reduce/address burdens on business and support investment
B. Improvements to transport linkages, including sustainable transport options, and other aspects of connectivity leading to tourism growth
C. Market/product innovation leading to enhanced tourism growth and performance
D. Tourism resilience and recovery in the face of shocks
E. Effective risk and crisis management strategies and approaches
F. Links between tourism and other sectors, e.g. agriculture, especially in emerging and developing economies, bolstering sustainable economic growth
G. Initiatives sustainably manage tourism growth, e.g. rising visitor numbers
Theme 2: Social Inclusiveness, Employment and Poverty Reduction

Tourism is not just a major part of the global economy – it is specifically seen as a means of furthering “inclusive” growth. Thus, while Theme 1 is about achieving sustainable economic growth through tourism, this theme is concerned with the nature of that growth and the benefits which arise from it. It focuses on engagement and distribution issues, based on the principles of equity. Fundamentally, it is about increasing opportunities for all. This section discusses tourism’s current – and potential – role in spearheading inclusiveness and delivering employment, particularly to those most in need, while reducing the scourge of poverty worldwide.

2.1 Understanding the Context: Tourism’s Role in Inclusiveness, Employment and Poverty Reduction

Links between the SDGs and tourism’s role in social inclusiveness, employment, poverty reduction

When it declared 2017 the International Year of Sustainable Tourism for Development, the United Nations General Assembly took special care to stress the significant role tourism can play in eradicating poverty. In this vein, tourism’s links to the following SDGs are especially relevant:

- **SDG 1** (ending poverty in all forms everywhere), notably in terms of ensuring rights to economic resources for the poor and vulnerable (Target 1.4);
- **SDG 8** (on sustained, inclusive and sustainable economic growth), its focus on decent work for all – i.e. full, productive employment free from exploitation – and its concern with labour rights and the working environment (Target 8.8). Target 8.9 specifically refers to job creation through sustainable tourism;
- **SDG 4** (on inclusive education and lifelong learning), which is essential for developing skills within the tourism workforce, including through access to vocational education and skills training (Targets 4.3-5);
- **SDG 5** (on gender issues) and **SDG 10** (on reducing inequalities), which provide an important set of targets for the social inclusiveness of sustainable tourism development; and
- **SDG 3** (on health and well-being), which is tied to enabling all individuals to benefit from tourism as a “life-enhancing” activity.

Tourism is, above all, a “people-centred” activity. It is a major source of employment, estimated to provide one in eleven jobs worldwide. The sector is also notable for employing higher proportions of women and young people than are represented in the global workforce as a whole. Overall, it is widely held to offer accessible and flexible opportunities for inclusive participation, alongside socio-economic benefits for a wide range of individuals, including the disadvantaged and the vulnerable.

For instance, tourism is particularly well placed to support economic activity at a local level. In many developing countries, a thriving tourism sector is intimately tied to the appeal of rich natural and cultural assets. As a result, tourism has proven potential to benefit local communities, particularly in rural areas, offering them new ways of augmenting or diversifying their incomes. Urban, coastal and indigenous communities also stand to benefit. In this spirit, the Declaration of the T20 Ministers’ Meeting (2012) explicitly “recognizes the role of travel and tourism

---

144 World Travel and Tourism Council (2016a) Travel and Tourism Economic Impact 2016. London: WTTC.
145 World Travel and Tourism Council (2013) Gender equality and youth employment. London: WTTC.
as a vehicle for job creation, economic growth and development” while committing to “travel facilitation as a conduit for job creation, decent work, poverty alleviation and global growth.”

Tourism’s Role in Poverty Reduction

The role which tourism can play in alleviating poverty is especially noteworthy. Like development, poverty is a multidimensional phenomenon. The concept of multidimensional poverty, put forth by UNDP and the Oxford Poverty & Human Development Initiative (OPHI), is useful for understanding its complexity. Essentially, poverty is about more than just limited income, it encompasses several factors of deprivation – including poor health, a lack of education, inadequate living standards, disempowerment and poor quality of work. While income poverty is often gauged with reference to a global “poverty line” – US$ 1.9 per day – poverty is also about the relative position of social groups vis-à-vis the distribution of wealth and the broader quality of life, including the availability of opportunities for change and access to life-support systems.

The relations between tourism and poverty are multiple and dynamic. It can be argued that tourism is well placed to contribute to poverty reduction because it is “consumed” at the “point of intervention”. Even low-skilled workers in rural areas can become tourism exporters. As an industry where entry barriers are low, tourism creates opportunities for small-scale entrepreneurs and allows less advantaged social groups to establish new activities or formalize existing micro ventures. Tourism is considered to provide opportunities for the poor and other disadvantaged groups for the following reasons:

- It is a growing sector with proven links to economic development;
- It is a sector in which developing countries may have a comparative advantage given their wealth of natural and cultural assets;
- It can foster economic activity in regions where there few alternative opportunities exist, notably in rural areas where 70% of the developing world’s extremely poor people live;
- It is labour-intensive as a sector;
- It is a diverse sector which can support other economic activities, both by providing jobs that can complement other livelihood options and by creating demand through the tourism supply chain;
- It provides a wide range of opportunities for work, both unskilled and skilled, that are well suited to young people and women;
- It can provide opportunities for minority communities and support their culture;
- It creates opportunities for small- and micro-enterprises as start-up costs and entry requirements are often low;
- The infrastructure provided by and for tourism – such as roads, water supplies and sanitation – can greatly benefit impoverished communities; and

It provides a unique opportunity for new kinds of social and economic contact by enabling the market to “come to” the product.\footnote{International Labour Organization (2011) Toolkit on Poverty Reduction through Tourism. Geneva: ILO.}

Yet, it is important to recognize that, although tourism creates jobs and contributes significantly to economic growth, it is not necessarily a formula for poverty reduction. Focusing on tourism’s power to generate wealth for the people most in need remains an immense task. Without a focus on sustainability, tourism can have adverse impacts on social structures, traditions and local livelihoods. For instance, it may spark increased competition for resources, raise local prices and precipitate social changes leading to, \textit{inter alia}, increased crime and related problems like sexual exploitation.\footnote{ECPAT International and Defence for Children-ECPAT Netherlands (2016) Global Study on Sexual Exploitation of Children in Travel and Tourism, Bangkok: ECPAT International}

\subsection{2.2 Key Areas for Action}

In order to harness tourism’s potential for spearheading inclusivity, employment and poverty eradication – while surmounting any challenges posed by unsustainable tourism activity – action is required on the following key issues:

- Consciously pursuing an “inclusive growth” approach to tourism, particularly in order to bolster poverty reduction;
- Creating decent jobs, which redress the skills gaps in the tourism sector while ensuring productive work and meaningful opportunities for workers;
- Supporting local communities;
- Empowering women and youth; and
- Providing tourism experiences for all, with a focus on universal accessibility.

\subsubsection{2.2.1 Focusing on an “inclusive growth” approach to poverty reduction}

While the strong correlation between tourism and economic growth cannot be assumed to automatically translate into welfare gains, poverty alleviation or sustainable development on the ground (see Annex 3), effective policies and action can promote “inclusive growth” through tourism – as organisations like the World Bank, the European Union and UNDP, among others, have long recognized.\footnote{Bakker, M. and Messerli, H. R. (2016) “Inclusive growth versus pro-poor growth: Implications for tourism development”, Tourism and Hospitality Research. DOI 10.1177/1467355816638919.} Put simply, inclusive growth means economic growth that creates opportunities for all segments of the population. It is growth that fairly distributes the dividends of increased prosperity – both in monetary and non-monetary terms – across society.\footnote{Organisation for Economic Co-operation and Development (2016) Inclusive Growth. Paris: OECD. Available: \url{http://www.oecd.org/inclusive-growth/}} This approach places a particular emphasis on creating productive employment opportunities and entrepreneurship, for example, in destinations.

UNWTO applies the inclusive growth approach for poverty reduction through tourism in seven ways, through the ST-EP\footnote{The UNWTO Sustainable Tourism - Eliminating Poverty Initiative (ST-EP) focuses on enhancing sustainable tourism via activities that alleviate poverty, deliver development, and create jobs for people living on less than a dollar a day. UNWTO views the ST-EP Initiative as an effective tool to make a tangible contribution to the SDGs.} initiative:

- Direct employment of the poor by tourism enterprises;
- Supply of goods and services to tourism enterprises by the poor/by enterprises which employ the poor;
- Direct sales of goods and services to visitors by the poor (informal economy);
- Micro-, small-sized or community-based enterprises or joint ventures by the poor;
- Redistribution of proceeds from tourism-related taxes or charges;
- Voluntary giving and support by tourists or tourism enterprises; and
- Investment in infrastructure stimulated by tourism benefitting the poor directly or indirectly.  

**Box 2: Reducing Poverty by Diversifying Cultural Tourism in Tanzania**

A landmark ST-EP project in Tanzania offers a strong example of an initiative that has played a role in helping to reduce poverty by enhancing and diversifying the country’s cultural tourism offer, and increasing visitor spending for the benefit of rural communities. The project aided the establishment of 32 cultural tourism enterprises across the country – complementing an existing network of 25 such enterprises established by Tanzania’s Cultural Tourism Programme – which offer an array of immersive tourism activities. Regular training has enhanced the capacity of local people – many of whom are from disadvantaged segments of society – in business management, customer care, handicraft production, and working as tour guides. Bolstered by successful marketing initiatives, the cultural tourism enterprises have witnessed a two-fold increase in tourist visits – from 35,000 in 2007 to 70,000 in 2013. By 2014, some 3,000 local people generated a direct income from these tourism enterprises, each of which invests part of its earnings into infrastructure and community development – from improving primary schools or health centres, to renovating irrigation systems.

Such a holistic approach is crucial for tourism planning in destinations, with inclusiveness and poverty reduction guiding all aspects of sustainable tourism development.

In order to address poverty through tourism, it is also important to recall that a national tourism development strategy inevitably involves issues that extend far beyond the sector, encompassing a range of cross-sectorial linkages. Key priorities for action of tourism for development include:

- Integration within global tourism networks and practical actions to establish links with other economic sectors, as well as links throughout the tourism value chain. This wider perspective is essential if tourism development is to positively affect inclusion and poverty reduction.
- An integrated approach to poverty reduction through tourism, based on the successful application of mechanisms for increasing income and benefits to the poor as a result of tourism spending and investment.

### 2.2.2 Creating decent jobs

As a labour-intensive sector, tourism provides many and varied job opportunities for workers of all ages and skills sets. In particular, it offers opportunities for individuals to enter the labour market for the first time, be they young people or older individuals. In this way, the sector opens up new avenues by which to gain work experience and confidence, enabling scores of workers the chance to build careers in tourism or transfer their new-found skills elsewhere.

---


Direct employment within tourism enterprises has several strengths as a mechanism for inclusive development and poverty reduction. It provides a large number of people with job security, regular pay and makes provision for social security. As a labour-focused service sector, the employee-visitor interface is critical in providing non-economic benefits on both sides, depending on the nature of the employment contract offered.

Nevertheless, tourism’s ability to bolster “decent work”\(^\text{162}\) is a more complex issue. In both advanced and emerging economies, employment in tourism – compared with other sectors – is often characterized by higher levels of job turnover and greater proportions of part time, seasonal and temporary jobs.\(^\text{163}\) The extent to which this is problematic for poverty reduction is debatable, as it may be argued that such employment enables workers to diversify and supplement their incomes or pursue further education. More problematically, in some cases tourism jobs can be low paid, with limited training and career prospects, weak labour rights and poor employment conditions, including long working days and a limited number of days off.\(^\text{164}\) Such circumstances do not meet the International Labour Organization’s (ILO) definition of decent work. Some multinational companies may also favour the employment of expatriates in management positions rather than building the capacity of locals to fill these roles.\(^\text{165}\)

From an industry perspective, tourism businesses often face challenges in terms of human capital, related to the availability of skilled and unskilled labour, which can be a major barrier to growth (see under Theme 1, section 1.2.1). While improvements to pay and conditions might alleviate the situation, it may also have implications for profitability.

Therefore, **priorities for action** must be directed to two key areas:

- Governments, trade bodies, labour bodies and individual tourism businesses should cooperate to provide and implement the necessary frameworks or regulations, while promoting good practices, to ensure that all tourism-related employment provides an appropriate level of pay and conditions, meeting international human rights and ILO requirements.
- Training and capacity-building should be offered to all employees, and vocational training in tourism should be strengthened. Training programmes should be informed by an assessment of needs and skills gaps, for which teaching and training bodies need to work closely with stakeholders in the tourism sector.

### 2.2.3 Supporting local communities

Ensuring that the socio-economic benefits of tourism reach local communities is at the heart of sustainable tourism’s drive for social inclusivity. As a form of economic activity that is “consumed” on site, tourism often takes place within local communities, thus providing visitors with a richer experience. This can be equally true in emerging and advanced economies, as well as in both rural and urban areas. As such, tourism provides particular opportunities for delivering inclusive local benefits.

The employment and business opportunities that tourism offers – such as through the supply of goods and services to visitors – can directly benefit local communities. Communities can also obtain valuable indirect and collateral benefits from tourism through, *inter alia:*

---

\(^{162}\) According to the International Labour Organization (ILO), decent work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.


• Investment in essential services stimulated by tourism development, and sometimes funded by it, for instance new roads and water supplies;
• Support for education, health and other services within local communities, as a result of sponsorship by tourism businesses or through visitor contributions;
• The use of local taxes and charges related to tourism as a means of funding social services and other support mechanisms in local communities. Examples include the use of concession or admission income in national parks. Problematically, however, such income can go to general exchequer budgets rather than being used locally.

The merits of community-based tourism have been subject to criticism, including claims that tourism does not always deliver sufficient income and other benefits to locals, or fails to meet their expectations. When tourism is poorly planned and managed, communities can feel threatened. Tourism growth may engender negative impacts for locals, for instance by precipitating competition for resources – such as land and water – damaging local well-being and livelihoods, or fomenting exploitation, and environmental and cultural degradation. However, experiences vary in context and results, and even small levels of income can make a significant difference to poverty reduction and well-being in small communities.

To harness tourism’s benefits for local communities, priorities for action include:
• Ensuring that local communities and stakeholders are fully consulted and actively engaged in the tourism planning and development in their areas, so that tourism truly reflects their needs and aspirations.
• Aligning the approach of tourism development to the specific context at hand, paying particular attention to traditional social structures and dynamics, especially within indigenous communities.
• Basing community-based tourism on a strong understanding of visitor requirements, effective market access and sound business planning, supported by capacity-building. In this regard, links to established businesses can be very useful.

2.2.4 Empowering women and youth

Women are well represented in formal tourism employment. A global study of employment in hotels and restaurants found that women made up 49% of the workforce, although this proportion was substantially lower in Asia (35%) than in other regions. In the European Union, tourism is an especially prominent employer of women – in 2014, core tourism activities employed predominantly women workers (58%).

Tourism also presents significant opportunities for women to run their own businesses, as women are twice as likely to be employers in tourism than in other sectors. In fact, 36% of employers in hotels and restaurants are women, and entrepreneurship among women in tourism is generally high.

Nevertheless, levels of pay for women in tourism are typically 10% to 15% lower than for their male counterparts, and women are less likely than men to progress to higher income positions. Unpaid work undertaken by women is high, especially in family tourism businesses, which can make women vulnerable to exploitation.

With respect to youth, tourism can play an important role in offering opportunities for those who might otherwise be left behind in the labour market. For instance, the Artisans d’Angkor Handicrafts Programme in Cambodia is one of many examples of tourism offering promising opportunities to young workers. In this case, the initiative trains young persons between the ages of 18 and 25 years in handicraft skills, while connecting the workshop to the country's burgeoning tourism sector through daily tourist visits which enable the artisans to directly sell their handicrafts to visitors.\(^{171}\)

Enhancing the opportunities for women and young people requires positive and purposeful action by tourism businesses, supported by governments, trade bodies and the voluntary sector. **Priorities for action** include:

- Gender analysis and monitoring of employment conditions, especially in terms of the wages offered to women and men in the tourism sector;
- Setting and reporting on targets;
- Tailored recruitment policies;
- Tailored training and capacity building for women and youth;
- Positive social benefit and support packages (including maternity conditions);
- Codes of good practice; and
- Well-directed communication.

### 2.2.5 Providing tourism experiences for all

Inclusivity – affecting destination economies and recipient communities – should also be applied as a principle to tourists. In 2005, the UNWTO included “visitor fulfilment” as one of its twelve aims of sustainable tourism, stating that *“the great recreational and educational benefits brought by tourism should be made as widely available as possible without discrimination.”*\(^{172}\) The *Global Code of Ethics for Tourism* also promotes tourism as a vehicle for individual and collective fulfilment, with Article 7 specifically enshrining the “right to tourism”, including the provision of paid holiday periods as an entitlement of all workers.\(^{173}\)

A universal requirement is to provide a high level of access and quality experiences for people with physical, sensory and other disabilities, as well as for their care-takers and family members. As such, “accessible tourism” was the theme of World Tourism Day 2016.\(^{174}\) Barrier-free access is important not only for people with specific disabilities, but also for the elderly, pregnant women, families with very young children. In fact, fostering accessibility stands to improve the quality of tourism for us all – tourists and locals alike. Access issues affect a large market of potential travellers, which is associated with a significant economic value. According to the World Health Organisation, there are 1 billion people in the world with some form of disability.\(^{175}\) This means that one of every seven persons faces serious impediments to travel – effectively leaving their potential as tourists largely untapped. In the European Union alone, travel by persons with disabilities and senior citizens with access needs totalled 783 million trips within the EU in 2012, yielding a gross value added contribution to the European economy of 150 billion EUR.\(^{176}\)

---

\(^{170}\) Ibid.

\(^{171}\) World Tourism Organization (2012e) *Tourism and Intangible Cultural Heritage*. Madrid: UNWTO.


To champion universal accessibility in tourism, two key priorities for action are worth highlighting:

- Regular liaisons with disability groups and the application of relevant regulations, standards and codes of good practice on tourism accessibility. Actions should specifically include the use of appropriate design, the development of necessary physical infrastructure and the provision of dedicated information for visitors with special needs.
- The provision of opportunities for travel for people who are economically disadvantaged or experience other forms of social exclusion. In some countries this has involved joint initiatives by government, tourism business and NGOs to develop social tourism programmes.  

2.3 Questions for Comment and Discussion

<table>
<thead>
<tr>
<th>Theme 2: Social Inclusiveness, Employment and Poverty Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Questions:</strong></td>
</tr>
<tr>
<td>1. What further evidence is available on the issues addressed in this section?</td>
</tr>
<tr>
<td>2. What relevant aspects, if any, are missing from this section?</td>
</tr>
<tr>
<td>3. What specific changes in tourism policy, business practices and consumer behaviour are needed to address these issues and contribute to sustainable development?</td>
</tr>
</tbody>
</table>

| **Specific questions:**                                        |
| Q1 What are the main priorities to address to ensure that tourism creates decent work? |
| Q2 How can the part-time/seasonal nature of much tourism work be reconciled with the principles of inclusive growth and decent work? |
| Q4 What are the main skills gaps and training needs in tourism? |
| Q3 How can human capital and decent work issues be tackled, including via coordination between governments, businesses and labour organisations? |
| Q5 How can local economic benefits be furthered through the tourism value chain? |
| Q6 Should community-based tourism be encouraged and how can it be made more beneficial for local residents? |
| Q7 What kinds of interventions ensure that women enjoy equal opportunities in tourism – especially in terms of pay? |
| Q8 What are the main barriers to making tourism accessible to all? How can these be overcome? |

| **Possible topics for case studies – examples and evidence of:** |
| A. Tourism’s contribution to poverty reduction |
| B. Needs-based vocational training initiatives |
| C. Initiatives with non-traditional tourism business models (sharing economy) |
| D. Successful community-based tourism – delivering clear benefits to local communities |
| E. Improving gender equality and opportunities for women |
| F. Making tourism more accessible to all |

---

Theme 3: Resource Efficiency, Environmental Protection and Climate Change

Responsibility towards the environment is a fundamental requirement for sustainable development. Not only is environmental sustainability embedded across Agenda 2030, it is the specific concern of six Sustainable Development Goals. Tourism has multifaceted impacts on the natural environment, just as environmental considerations have a significant bearing on sustainable tourism development in the short- and long-term. As a sector which depends so much on the natural environment, tourism has a special responsibility towards the planet, with an impetus to harness this dependency as a means of promoting conservation. This section discusses tourism’s relationship to resource efficiency; environmental protection and biodiversity conservation; and climate change, with a view to better understanding how tourism can mitigate negative environmental impacts and contribute to protecting our planet’s invaluable natural resources.

3.1 Understanding the Context: Tourism and the Environment

Links between the SDGs and tourism’s role in resource efficiency, environmental protection and mitigating climate change

Tourism has a significant part to play in furthering Agenda 2030’s goals on environmental sustainability, particularly in terms of the following SDGs:

- **SDG 12** (sustainable consumption and production practices), which sets fundamental requirements for all economic sectors on the efficient resource use and waste reduction. Targets which are especially relevant for tourism include:
  - Target 12.B, on monitoring the sustainable development impacts of sustainable tourism;
  - Target 12.1, on the implementation of the 10-Year Framework of Programmes on Sustainable Consumption and Production (10YFP), which includes a Sustainable Tourism Programme;
  - Target 12.3 on food waste and Target 12.6 on sustainability reporting by companies.
- **SDG 6** (on water availability and management) and **SDG 7** (on sustainable energy), which set key targets for increasing the efficient use of resources, the use of renewable energy sources, and equitable access to water;
- **SDG 8** (economic growth), which stresses resource efficiency in consumption and production in accordance with the 10YFP (Target 8.4);
- **SDG 13** (on combating climate change and its impacts), which underlines the urgent need to integrate climate change mitigation and adaptation into sectoral planning and management;
- **SDG 14** (on marine resources) and **SDG 15** (on terrestrial ecosystems), most notably their targets on reducing pollution, ensuring protection, and promoting the sustainable use of ecosystems. Target 14.7 explicitly refers to the economic benefits which can arise from these resources and ecosystems through sustainable tourism management;
- **SDG 11** (on human settlements), which includes elements on the planning and management of urban areas, including providing green spaces and safeguarding natural heritage.

The relationship between tourism and the natural environment is complex. On the one hand, tourism depends – directly and tangibly – on natural assets. It a sector which gains immeasurably from the world’s natural resources, its diverse ecosystems and its rich biodiversity. Ultimately, a quality environment is the natural capital of tourism destinations, with the income from tourism providing the financial return from investment in that capital.

On the other hand, tourism uses up vast quantities of resources and is a generator of emissions and pollution which drive climate change. It has been estimated that tourism accounts for around 5% of global CO₂ emissions
but may contribute more to global warming if all greenhouse gas (GHG) emissions are accounted for.\textsuperscript{178} Transport in tourism, notably but not exclusively aviation, accounts for around 75% of these emissions. The accommodation sector is another significant source of emissions. Comparative studies have identified travel and tourism as a sector which often performs poorly in terms of greenhouse gas emissions (measured as a contribution to GDP per contribution to GHG emissions\textsuperscript{179}).\textsuperscript{180} Waste management is another key issue. It has been estimated that on average around 1–2 kg of solid waste may be generated per tourist per day.\textsuperscript{181}

Tourism’s impact on natural resources is a particular concern. While the sector accounts for a small share of global water use, tourism can place great strain on freshwater resources in areas where water scarcity abounds – both in developing economies, as in Bali, Indonesia\textsuperscript{182}, and in industrialized states, like Spain.\textsuperscript{183} Levels of water use vary considerably between types of facility – from 100 to 2,000 litres per guest, per night\textsuperscript{184} – and are often far higher than the quantities of water used by local populations. Food waste is another major concern in a sector which serves an estimated 73 billion tourist meals each year worldwide.\textsuperscript{185} The United Nations Food and Agriculture Organization (FAO) estimates that one-third of all food produced is lost or wasted along the food supply chain,\textsuperscript{186} particularly at the end of the supply chain, in hotels and restaurants. This has substantial implications for tourism’s ability to advance sustainable production and consumption patterns (SDG 12).

Similarly, energy use in tourist accommodations can be exorbitant, ranging from 35–40 Mega-Jules per guest, per night in certain hostels to over 1,500 in more luxurious hotels.\textsuperscript{187} Nonetheless, innovative approaches are being pioneered by a number of destinations, such as Montenegro, where projects are underway to minimize the carbon footprint of the country’s growing tourism sector.\textsuperscript{188}

Tourism’s rapid expansion offers major opportunities for economic growth (see Theme 1) but presents the considerable challenge of managing this growth sustainably, within emissions targets required to tackle climate change and without placing unacceptable pressure on the use of land, water and other resources. Addressing this challenge must be a key part of the tourism sector’s sustainable development agenda – one which needs to be taken up by governments, the tourism sector, individual businesses and tourists alike.

3.2 Key Areas for Action

An integrated, sustainable approach to tourism and the environment is needed, grounded upon strategies for decoupling tourism-related economic growth from environmental degradation and excessive resource use. The


\textsuperscript{179} The level of greenhouse gas (GHG) emissions per GDP is a metric of emissions intensity, which measures the ratio of greenhouse gases produced per US dollar of gross domestic product (GDP).


\textsuperscript{187} Ibid.

2011 Green Economy Report 189 makes the economic case for “greening” the tourism sector. For example, it points to the savings businesses could make from more efficient resource management and by sourcing local supplies, materials and services, which in turn would also benefit local employment. To bolster tourism’s contribution to environmental sustainability, action is needed in several key areas:

- Efficient resource use;
- Biodiversity and environmental protection;
- Climate change mitigation and adaptation; and
- Increasing knowledge and understanding of how various environmental issues are related to tourism.

The first three issues are discussed in greater detail below. In terms of this last point, systematic data collection, disclosure and sharing is essential, as is the integration of sustainable tourism in university curricula. With this goal in mind, UNWTO and the UN Statistics Division are working towards a Statistical Framework for Measuring Sustainable Tourism (MST) in a more integrated way (economic, environmental and social). This will involve building on the substantial body of research and testing sustainable tourism indicators by UNWTO and others.190

### 3.2.1 Using resources more efficiently

Ensuring that resources are used more efficiently across the global tourism sector is a demanding – but ultimately necessary – task that stands to yield immense benefits for our planet, people, and overall prosperity. Crucially, it requires carefully balancing a range of concerns. For example, with regard to land resources for new tourism developments, existing buildings and brownfield sites may be preferable for environmental reasons. However, this can also have an impact on property prices, the availability of housing, and other needs of local residents. Such issues would have to be acknowledged and reconciled by strategies to promote efficient resource use.

While the production and consumption of energy in tourism is linked to climate change, it also raises issues of cost efficiency and equitable supply. Tourism facilities often use a great deal of energy for heating, cooling, cooking, and occasionally for more specific requirements like desalination. While there are many good examples of successful initiatives to “retrofit” existing structures – e.g. improve building insulation, replace equipment, strengthen operations, and promote renewable energy – there is a need for a more consistent, holistic approach in many countries, especially among small businesses.

Similarly, disproportionate water use by tourist establishments underlines the need for strict impact assessments; careful planning; and effective water use management by tourism developments, particularly in areas of water scarcity. Strong examples exist of considerable water savings made by individual businesses, but there remains a need to share and replicate good practices.

This is also true of eliminating food waste and safeguarding food supplies, which has implications for hunger (SDG 2) and sustainable production and consumption (SDG 12). More action is needed to improve levels of awareness, evidence and knowledge about the issue, while identifying and sharing solutions. Tourism can play an important role in this drive, as a possible agent of change which could promote changes in food management and consumption. The high use and disposal of materials and consumable goods in the tourism sector could be tackled by universally applying the “reduce, reuse and recycle” approach, coupled with the provision of effective recycling services and green disposal in destinations. Effective waste management also requires that all tourism

---

190 For more information, please see: http://statistics.unwto.org/mst
facilities ensure effective treatment and disposal of liquid waste, recycling grey water and preventing pollution to water courses, through improved individual and communal treatment processes.

Box 3: Scaling-Up Efficient Resource Use

An opportunity to scale up action towards more efficient resource use throughout the tourism sector is provided by the Sustainable Tourism Programme of the UN’s 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP). The 10YFP Sustainable Tourism Programme (STP) is a collaborative platform which brings together existing initiatives and partnerships, facilitating new projects to accelerate sustainable consumption and production (SCP) in tourism. It promotes a life-cycle approach for continuous improvement, focusing on four areas of work that address the integration of SCP in tourism policies. The 10YFP STP promotes collaboration among stakeholders – including the application of monitoring frameworks; the application of guidelines, tools and technical solutions to mainstream SCP for destinations, enterprises and tourists; and enhancing investment and financing. The initiative involves over 100 stakeholders, led by UNWTO in collaboration with the 10YFP Secretariat at UN Environment, with the Governments of France, Morocco and the Republic of Korea as co-leads.191

While many businesses are highly efficient in resource management, efficiency should become more universal in the tourism sector, especially among small businesses. This will require the application of a range of approaches and tools, selected according to what is most appropriate in different circumstances. Priorities for action in order to make tourism businesses more resource efficient include:

- Applying and enforcing appropriate legislation and licensing;
- Requiring and encouraging higher levels of company disclosure and reporting;
- Economic instruments, including tax incentives and subsidies related to green materials and practices;
- Information and guidance, supported by readily accessible and well-promoted training and capacity-building;
- Working through existing business associations and establishing new networks, thus advancing business-to-business influence and mutual support; and
- Support and engagement from destination-level bodies, connected to promotion and marketing.

A more integrated and standards-based form of measurement, linking tourism to the environment, would support these efforts.

Promoting “green jobs” in tourism is another vital component of a more environmentally sustainable and resource efficient sector. As defined by the ILO,

“Green jobs are decent jobs that contribute to preserve or restore the environment, be they in traditional sectors such as manufacturing and construction, or in new, emerging green sectors such as renewable energy and energy efficiency.”192

“Green” across the tourism sector would contribute significantly to all three of the core dimensions of sustainability – economic, social, and environmental. UNWTO has highlighted that the jobs which “green tourism” can help to “support the local economy and reduce poverty”.193 While significant strides are already being made

---

the world over – most notably the Strategic Plan for Sustainable Tourism and Green Jobs in Indonesia\(^{194}\) – more remains to be done to make green jobs a core component of the tourism sector.

Increasing tourists’ awareness, and encouraging them to change their behaviour with respect to resource use, is another important means of bolstering sustainability. As a sector of human activity based on seeking new experiences and environments, tourism has a unique opportunity to act as an agent for change in the drive to make existing lifestyles and behaviours across a far wider field more sustainable. Through travel, visitors can not only hear about new ways of living but can also observe them on the ground.

Thus, the following key priorities for action with respect to resource efficiency in tourism are worth highlighting:

- Encouraging more consistent, holistic and wide-ranging approaches to energy efficiency and resource consumption, e.g. by applying the “reduce, reuse and recycle” approach;
- Undertaking water impact assessments to inform careful planning and management of water resources to reduce strains on local environments and communities;
- Prioritizing waste management to prevent pollution from tourism development, including the treatment and appropriate disposal of liquid and solid waste;
- Introducing a standards-based form of measurement on tourism’s impacts on the environment to incentivize and guide the resource efficiency measures of tourism businesses; and
- Engaging tourists directly with the issue of efficient resource use, particularly via awareness raising.

### 3.2.2 Conserving biodiversity and protecting the natural environment

The deterioration of the natural environment and the loss of biodiversity are serious global concerns with wide-ranging and unpredictable consequences. Natural landscapes and ecosystems are under threat – a critical issue, as they are source of our most prized natural resources, intimately influencing climactic conditions, providing precious habitats for flora and fauna, and are a source of livelihoods for millions of people.

In some areas, tourism is a cause of environmental damage and habitat loss. For instance, where uncontrolled tourism development directly degrades sensitive ecosystems, or when tourism places indirect pressures on ecological resources. However, tourism also offers an excellent opportunity to support conservation. Tourism clearly demonstrates the value of natural heritage and delivers economic benefits as a result, as well as providing more direct support. The SDGs emphasize the need to promote the sustainable use and management of ecosystems, in which tourism can play a significant part.

Fundamentally, what is required in most areas is a combination of careful protection alongside creative opportunities to promote the sustainable use and management of ecosystems, while supporting their conservation. This is in line with the approach adopted by the Convention on Biological Diversity, through its Guidelines on Biodiversity and Tourism Development and a more recent practical manual on their application.\(^{195}\)

It is also reflected in initiatives under the Ramsar Convention\(^{196}\), which recognize the considerable value of wetlands for tourism and the economic value that tourism can bring to wetland management.

In pursuing this balanced approach, priorities for action include:

---


• Ensuring that tourism is subject to careful planning and development controls in sensitive areas, including coastal areas. This should embrace zoning for different types of tourism development – including total exclusion – as well as requirements for impact assessments, the promotion of appropriate design with high quality environmental standards, and addressing a lack of regulatory enforcement;

• Setting and implementing guidelines on good practice for tourism operations – including all forms of access, activities and excursions – in sensitive marine and terrestrial ecosystems;

• Developing and implementing improved measurement of the environmental impacts of tourism activity and the dependency of tourism on natural capital. To this end, it would be useful to apply, wherever possible, internationally agreed standards and classifications;

• Paying particular attention to the significant potential offered by national parks and other protected areas as locations for high quality sustainable tourism. Partnerships between park authorities, local tourism businesses and local communities should be encouraged;

• Using the tourism argument more effectively as a compelling case for conservation. For example, as in the recent work supported by UNWTO on the collection and dissemination of data on the value of wildlife watching in Africa, in order to promote anti-poaching policies;

• Securing strong links between government ministries and other bodies responsible for tourism and natural resource management; and

• Seeking ways of raising more direct support for conservation from tourism businesses and tourists.

3.3.3 Mitigating and adapting to climate change

Tourism has an important role to play in mitigating the effects of climate change. The 2015 Paris Agreement, adopted by the parties to the UN Framework Convention on Climate Change (UNFCCC), will require concerted action to reduce greenhouse gas emissions across all sectors, including tourism – in line with the UNFCCC’s primary aim of “holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial level”.

The tourism sector has explicitly committed to reducing its impact on climate change. In 2007, UNWTO and other agencies identified climate change as the greatest challenge to tourism’s sustainability in the 21st century. In response, they committed the sector to a rapid response. In 2009, the World Travel and Tourism Council (WTTC) set aspirational targets for the sector, endorsed by UNWTO, of a 25% reduction in total CO₂ emissions by 2020 and a 50% reduction by 2035. While these targets are in line with the levels of reduction required by the Paris Agreement, they have not yet been reiterated. Nonetheless, a landmark agreement to mitigate emissions was reached in 2016, when delegates at a meeting of the International Civil Aviation Organization (ICAO) agreed upon a global market-based measure (GMBM) to reduce carbon dioxide emissions from international aviation.

The WTTC claims that the next 20 years will be characterized by the tourism sector fully integrating climate change and related issues into business strategies. A number of initiatives have been taken by the tourism

sector, governments and environmental bodies to encourage reduced emissions. However, these approaches, like the sector itself, are fragmented. There is a strong argument for a more wide-ranging, coordinated sector-wide response involving agreement on systematic sector-wide monitoring, targets and routes for achieving these aims. This may become inevitable in the light of the enhanced transparency framework entailed within the Paris Agreement, with more rigid requirements for sectoral and business reporting.

A number of approaches can be used to reduce emissions and net contributions to climate change while presenting particular opportunities for certain sub-sectors, such as aviation. These approaches may include, among others:

- Emissions trading schemes;
- The use of new and improved technologies;
- Improvements in operational efficiency; and
- The use of offsetting schemes.

All of these measures would benefit from further research, alongside further agreement and coordination regarding their application.

More fundamentally, there may be a need to take a more strategic approach, looking at the tourism as a whole. The Green Economy Report contains a model showcasing major emissions reductions while retaining levels of growth in tourism receipts. Its key elements may be considered useful priorities for action for mitigating the effects of climate change through tourism:

- Decreasing the average length of journeys;
- Reducing trip frequency;
- Increasing the length of stay; and
- Encouraging shifts in modes of transport.

This has implications for market prioritisation by destinations, including greater emphasis placed on near-region and domestic markets. Clearly, the potential impact of such an approach on the overall functioning of the global tourism economy, on specific sub-sectors within it, and on different types of recipient destination, would need to be considered very carefully.

Whatever the outcome of mitigation, climate change will have increasingly serious consequences for tourist destinations in many parts of the world, especially in coastal areas. Damage from rising sea levels, desertification, extreme weather conditions, and more specific impacts on aspects of the visitor experience – such as from coral bleaching – is already occurring. As climate change gains pace, these impacts will grow more pronounced. In line with the Paris Agreement, priorities for actions in order to adapt to climate change include:

- Climate risk management through adaptation, based on a strengthened and coordinated approach across areas and sectors;
- Improving awareness of the threats and opportunities of climate change, so as to enhance the measurement and monitoring of environmental changes as they relate to tourism;

---


Using this strengthened understanding to build practical adaptation measures into future tourism strategies and physical master plans – with implications for product development, operations, activities and markets – as well as to publicize and share good practice.

3.3 Questions for Comment and Discussion

| Theme 3: Resource efficiency, environmental protection and climate change |
| General Questions: |
| 1. What further evidence is available on the issues addressed in this section? |
| 2. What relevant aspects, if any, are missing from this section? |
| 3. What specific changes in tourism policy, business practices and consumer behaviour are needed to address these issues and contribute to sustainable development? |

| Specific questions: |
| Q1 | What are the main environmental challenges that may arise from the predicted growth in global tourism to 2030 and beyond? How can these be addressed? |
| Q2 | What are the most effective ways of minimizing resource use in the tourism sector? |
| Q3 | How can issues of food waste, water use and waste management be more effectively addressed in the sector? |
| Q4 | How can sustainable tourism development and biodiversity conservation become more integrated and mutually supportive? |
| Q5 | Can the tourism sector meet the climate change targets set in the Paris Agreement 2015? If so: |
| - | - Can this be achieved through technological, operational and efficiency changes, etc.? |
| - | - Are changes required in terms of the form tourism takes (frequency, length, type of travel)? |
| Q6 | How can a more coordinated and systematic approach to climate change mitigation (including targets, monitoring and reporting) be achieved across the tourism sector? |

| Possible topics for case studies – examples and evidence of: |
| A. Effective planning and management of tourism development and activities in sensitive environments |
| B. Achieving sustainable, climate-friendly patterns of tourism consumption and production while maintaining revenue |
| C. Practical and innovative conservation and management of energy, water, and waste (including food waste) |
| D. Supporting biodiversity conservation through tourism, directly and/or indirectly |
| E. Practical climate change adaptation |
| F. Influencing tourists’ attitudes and behaviour towards the environment |
| G. Partnerships between tourism and environmental interests towards more sustainable tourism development |
Theme 4: Cultural Values, Diversity and Heritage

The global wealth of cultural heritage – both tangible and intangible – is one of the principal motivations for travel. At its core, tourism is based on cultural interaction – such interaction, in turn, prompts dialogue, and dialogue builds mutual understanding. The myriad links between tourism and culture can contribute to catalyzing inclusive, sustainable development. Tourism presents notable opportunities for safeguarding the world’s rich cultural heritage, while culture offers innovative means of gaining socio-economic benefits through tourism. This section reflects on tourism’s current role in preserving and promoting culture, before considering how to augment this contribution – including by championing cultural tourism; safeguarding tangible heritage; and supporting intangible, living culture and the creative industries.

4.1 Understanding the Context: Tourism and Culture

<table>
<thead>
<tr>
<th><strong>Links between the SDGs, tourism and cultural values, diversity and heritage</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tourism is intimately tied to diverse expressions of culture across the globe.</strong> The sector can bolster the promotion and preservation of cultural values, diversity and heritage, with a particular impact on the following SDGs:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>• SDG 11 (on cities and human settlements), which calls for strengthened efforts to protect and safeguard the world’s cultural and natural heritage (Target 11.4);</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>• SDG 8 (on economic growth and employment) and SDG 12 (on sustainable consumption and production patterns), which explicitly mention culture in relation to tourism, referring to the need to promote and monitor “sustainable tourism that creates jobs and promotes local culture and products.” Thus, two of the three direct references to tourism in the SDGs highlight its relationship to culture.</strong></td>
</tr>
</tbody>
</table>

**Defining culture and its relation to sustainable development**

Before discussing the relationship between tourism and culture, and its wider implications for the sustainable development agenda, it may be useful to define key concepts in this field.

• **Cultural heritage** is defined by UNESCO as “the legacy of physical artefacts and intangible attributes of a group or society that are inherited from past generations, maintained in the present and bestowed for the benefit of future generations.”

This heritage encompasses:

  o **Tangible cultural heritage** – physical representations of culture, including non-moveable, moveable and underwater sites, buildings, monuments, landscapes, works of art and other objects which are considered worthy of preservation for the future. These include objects significant to the archaeology, architecture, science or technology of a specific culture; and

  o **Intangible cultural heritage** – practices, expressions, knowledge, and skills – as well as in associated objects and cultural spaces – that are transmitted through generations and constantly recreated, providing humanity with a sense of identity and continuity. Manifestations of intangible heritage include handicrafts and the visual arts; social practices, rituals and festive events; music and the performing arts; oral traditions and expressions; gastronomy and culinary practices.

---


208 Ibid.

Contemporary culture and the creative industries – creative expressions, processes and outputs, through music, theatre, visual arts, design, fashion, architecture, and other creative activities.  

Like tourism, culture has been repeatedly highlighted as a key contributor to sustainable development. In 2013, the UN Resolution on Culture and Sustainable Development (68/233) acknowledged the contribution of culture to inclusive economic development. In the same year, the Hangzhou Declaration on Placing Culture at the Heart of Sustainable Development Policies reaffirmed that culture should be considered a fundamental enabler of sustainability. It lauded culture as a wellspring of meaning, energy, creativity and innovation, and as a resource to address development challenges and find appropriate solutions. In 2014, the Florence Declaration on Culture, Creativity and Sustainable Development called upon governments, civil society and the private sector to take action – through global partnership – to promote creative environments, processes and products.

The dynamics between culture and tourism

Cultural diversity has become a major catalyst of tourism, as travellers increasingly seek out new cultural experiences. A recent survey estimates that 40% of international arrivals are “cultural tourists”, that is, travellers who participate in a cultural visit or activity as part of their stay.211 Tourists for whom a specific, predetermined cultural activity or experience is the primary motivation for their trip form a smaller percentage of arrivals, yet they still represent a major economic force. The same survey suggests that cultural tourist arrivals are growing steadily compared to overall international arrivals.

Tourism generates substantial economic returns from investments made to safeguard cultural heritage, which can, in turn, be used to support conservation, local employment and prosperity. For instance, a 2011 UNWTO study found that tourism offers a powerful incentive for preserving and enhancing intangible cultural heritage, since the revenue it generates can be channelled back into initiatives to aid its long-term survival.212 The end benefit is not merely economic – intercultural dialogue lies at the heart of cultural tourism, entailing wider experiential and educational benefits for both visitors and communities.

However, unless it is well managed, tourism may threaten cultural integrity through physical pressure, damage to sites and the inappropriate commodification of cultural values. By contrast, sustainable tourism is well placed to further the culture sector’s pivotal role in sustainable development. This is specifically addressed by the Siem Reap Declaration on Tourism and Culture – Building a New Partnership Model (2015), which sets out a range of priorities and opportunities for action in the broad field of cultural tourism, discussed below.

4.2 Key Areas for Action

To bolster the relationship between tourism and the world’s cultural values, heritage and diversity, with a view to fomenting more inclusive, sustainable development, action is required on the following key issues:

- Positioning and championing “cultural tourism” as a tool for sustainable development;
- Safeguarding and promoting cultural heritage – both tangible and intangible; and
- Linking tourism to living, contemporary culture and the creative industries.

---

4.2.1 Championing cultural tourism as a tool for sustainable development

While there is no internationally agreed definition of cultural tourism, it is generally understood as tourism that is related to, or motivated by, culture. Its importance is increasingly reflected in the sheer size of this sub-sector – as noted above, 40% of international arrivals are generally defined as “cultural tourists” – as well as its rapid growth. Visitors’ burgeoning interest in cultural experiences is increasingly reflected in the content and marketing of tourism products. In addition to its size and growth, cultural tourism also has other advantages, such as:

- The potential to increase visitors’ length of stay in destinations;
- The ability to attract “higher-spending” visitors. For example, one study found that cultural tourists spend over 80% more on average per day than the average international tourist;
- Opportunities to diversify a destination’s tourism offer, bring tourism to new locations, and expand the tourist season – for example through the timing of events;
- Generating resources for conservation and motivating local communities to value their heritage and support its management;
- Nurturing a sense of pride and self-esteem, as well as territorial and cultural identity, within communities and destinations, thereby helping to keep local traditions and events alive;
- Restoring neglected or dilapidated historic buildings, bringing them back into productive use; and
- Increasing the use of local facilities and services, thus aiding their viability, particularly in smaller towns and villages.

At the international level, UNWTO and UNESCO have led the way in creating an effective partnership to champion cultural tourism worldwide. Their collaboration has hinged on information-sharing, capacity-building, joint communications and a range of actions, most notably through the UNESCO World Heritage Sustainable Tourism Programme.

In order to further strengthen the synergies between tourism and culture in the context of sustainable development, priorities for action include:

- Closer integration of cultural and tourism policies and planning, at all levels – within communities, provinces, countries, regions and globally;
- Further quantification and case studies on sustainable development outcomes from cultural tourism, including through enhanced collaboration with academic institutions, civil society and the media;
- Creating and expanding collaborative structures, networks and programmes which link tourism and culture at the national, regional and international levels;
- Increasing knowledge-sharing and data exchange between the cultural and tourism sectors at the national, regional and international levels;
- Encouraging inter-ministerial approaches and improving partnerships between tourism and culture stakeholders within governments at a national and local level, whether or not these issues are covered by the same ministry; and

---

- Strengthening private sector engagement – as well as engagement by conservation bodies, academia, civil society and local communities – in policy formation and implementation, with respect to tourism and culture.

4.2.2 Safeguarding and promoting cultural heritage

Tangible and intangible cultural heritage assets may be subject to a wide range of threats, including from tourism itself. Therefore, it is essential to preserve their authenticity and integrity in the way that they are managed, presented and promoted. Strategies for safeguarding and promoting cultural heritage ought to be complementary. At the same time, many destination countries see improved products and marketing as a priority so as to gain greater benefits from cultural tourism. Sensitive marketing and promotion is important in attracting interest in culture and heritage; raising awareness and support for conservation; and thereby, securing sustainable development outcomes.

Engagement and empowerment of host communities, including minorities and indigenous people, is also necessary. Their aspirations and concerns about the management and use of their cultural heritage must be understood from the beginning of any tourism venture, respected and reflected at all times. The Larrakia Declaration on the Development of Indigenous Tourism (2012) includes important principles on appropriate interpretation, the extent and nature of participation in tourism, intellectual property rights, and equitable partnerships, among other matters.

Formal recognition of cultural heritage sites and assets at the national or international levels, coupled with adequate protection strategies, are core requirements for conservation. This process should involve an assessment of a site’s carrying capacity and its tourism potential. A wide range of knowledge is already available on visitor management at cultural heritage sites, which is becoming more sophisticated through the use of information technology.

Possible priorities for actions, in order to ensure that tourism management in cultural heritage sites supports protection and sustainable development, are highlighted by various studies. These include:

- Preparing and implementing effective management plans for heritage sites and adjacent areas. This is especially important for highly popular and iconic sites which are often under severe and increasing pressure. Improved distribution of demand over space and time, including the promotion of alternative opportunities, should be encouraged. It may be necessary to place limits on site visitation at any one time, in line with periodic capacity assessments. This is vital not only for sites themselves, but also for the well-being of local communities and the overall quality of the visitor experience.

- Ensuring the availability of financial and human resources to meet the requirements of heritage site designation, while effectively implementing management plans.

- Strengthening the links between heritage sites, local communities and tourism businesses in the area. For instance, by training local workers to act as rangers and guides; improving the quality and availability of goods and services for purchase; reflecting intangible heritage values as appropriate; and improving local awareness and knowledge of the site, including via information and physical linkages.

- Improving interpretation, based on the range of good practice guides and material currently available.

• Dedicating ever greater resources generated by tourism towards site conservation and management. For example, through the use of admission fees, voluntary donations by visitors, and support from tourism businesses.
• Linking sites and associated intangible heritage, through the creation and promotion of cultural heritage routes. These may run within or between different countries and could be centred on themed trails.

**Box 4: Linking Tourism, Culture and Sustainable Development via the Silk Road Initiative**

The UNWTO Silk Road Programme is a strong example of both preserving and promoting cultural heritage through tourism. Developed jointly by UNWTO and UNESCO, the collaborative initiative is designed to enhance sustainable tourism development along the historic Silk Road route. With its richly diverse cultural heritage and its wealth of natural tourism attractions spanning 12,000 kilometres, the Silk Road offers visitors the opportunity to experience a unique network of destinations, replete with diverse cultural assets. The initiative aims to maximize the benefits of tourism development for local Silk Road communities, while stimulating investment and promoting the conservation of the route's natural and cultural heritage. Crucially, it promotes greater cooperation between Silk Road countries and regions, creating new business opportunities while working towards a more seamless Silk Road travel experience.220

### 4.2.3 Gaining value from living culture and the creative industries

New opportunities for sustainable development based on cultural tourism are increasingly focusing on intangible cultural heritage and, in particular, creative activities and experiences. These offer especially flexible opportunities in many destinations221, reflecting supply side considerations and new market trends. For instance, as creative industries and intangible cultural heritage are based on people and their creative skills, they are often more flexible and cheaper to develop than built heritage resources, particularly in areas without significant tangible heritage sites. Contemporary culture also appeals to many different market segments, including youth tourists and those without a concerted interest in traditional cultural tourism.222

Globally, the creative industries have grown faster than the economy as a whole, with trade in creative goods increasing by 8.6% per annum between 2003 and 2012.223 Tourism can augment this performance locally by exposing those involved to new or expanded markets. In tandem, creative cultural activities can enrich the tourism offer, enhancing its appeal to a wide range of visitors of all ages. Recently, significant attention has been paid to the role of contemporary culture in urban regeneration and renewal linked to tourism.224 This includes the role of the arts in reviving run-down former industrial areas, making them vibrant sites both to visit and to set-up new tourism enterprises.

Creativity can be manifested in end products – such as music, cinema, gastronomy or art installations – but it can also be applied to all parts of the tourism value chain and services for visitors. Several destinations are spearheading innovative new approaches, for instance by inviting tourists to participate in “co-creating” their own

---

222 Ibid.
224 This was a particular theme in the UNWTO/UNESCO World Conference on Tourism and Culture, 2015, and formed a section in the resulting Siem Reap Declaration.
cultural experiences with their hosts.\textsuperscript{225} For instance, the Creative France programme offers visitors the chance to take part in creative workshops run by locals on handicrafts, gastronomy, fashion, perfumery and cosmetics.\textsuperscript{226} Destinations are seeking to reflect contemporary culture and demonstrate more creativity both in the products they present, and in the processes used in marketing, notably via digital technology.\textsuperscript{227}

A number of priorities for action can be identified\textsuperscript{228} for strengthening development outcomes via these new approaches to cultural tourism, including:

- Engaging local communities – as the guardians of intangible cultural heritage – in the planning and management of cultural tourism\textsuperscript{229};
- Encouraging tourism businesses to make appropriate use of intangible heritage, such as traditional music or language;
- Supporting content development in creative visitor experiences;
- Strengthening the link between creative activities (e.g. contemporary arts) and a destination’s identity, making these activities more place-specific and possibly linking back to the destination’s intangible cultural heritage;
- Building knowledge and capacity within local communities and tourism businesses, including their awareness of local cultural activities; and
- Strengthening networks and clusters of products and suppliers.

Gastronomy or food tourism presents a particularly strong, wide-reaching opportunity for reflecting intangible cultural heritage alongside contemporary creativity. This is the impetus behind the UNWTO’s Gastronomy Network, a collaborative stakeholder platform which seeks to position gastronomy as a key element in sustainable tourism development.\textsuperscript{230} It also has exceptional economic significance, with spending on food estimated to account for approximately one third of total tourism spending, while fuelling other sectors of the local economy such as agriculture.\textsuperscript{231} Notable priorities through which to strengthen this aspect of the visitor experience, and to secure greater benefits for the tourism value chain, include:

- Developing diversified products (speciality restaurants, visits to producers, food trails, etc.);
- Promoting iconic local products, reflected in the destination brand;
- Improving the availability and accessibility of supplies from local farmers and producers; and
- Improving training in culinary skills.

\textsuperscript{226} Creative France (n.d.) Creative Tourism. Available: \url{http://www.creativefrance.fr/en/content/creative-tourism-0}
\textsuperscript{228} Organisation for Economic Co-operation and Development (2014) Tourism and the Creative Economy. OECD Studies on Tourism. Paris: OECD.
\textsuperscript{229} Dedicated information is available on this subject, see for instance World Tourism Organization (2012e) Tourism and Intangible Cultural Heritage. Madrid: UNWTO.
### 4.3 Questions for Comment and Discussion

**Theme 4: Cultural values, diversity and heritage**

**General Questions:**
1. What further evidence is available on the issues addressed in this section?
2. What relevant aspects, if any, are missing from this section?
3. What specific changes in tourism policy, business practices and consumer behaviour are needed to address these issues and contribute to sustainable development?

**Specific questions:**

| Q1  | How aware is the culture sector of the opportunities presented by tourism and vice versa? How can awareness and linkages between these sectors be strengthened to support sustainable development? |
| Q2  | In what ways is pressure from tourism posing a threat to cultural heritage? How can this be overcome in the face of tourism growth? |
| Q3  | What are the main priorities for improved tourism management at cultural heritage sites, including strengthening links with tourism businesses and opportunities for local communities? |
| Q4  | Can cultural routes and other linkages deliver more sustainable development? If so, how can their ability to do so be strengthened? |
| Q5  | How can sustainable development benefit from links between tourism and the creative industries? |

**Possible topics for case studies – examples and evidence of:**

A. Coordination between the tourism and cultural sectors
B. Tourism management in cultural heritage sites leading to sustainable development and benefits for businesses and local communities
C. Tourism support for the conservation of tangible and/or intangible cultural heritage
D. The use of intangible culture and the creative industries in delivering innovative, sustainable and inclusive visitor experiences
E. Linking tourism and the creative industries for the regeneration of rural and urban areas
Theme 5: Mutual Understanding, Peace and Security

There is a natural link between tourism and peace. On the one hand, the very existence of tourism depends on peace and security. On the other, the transformative power of tourism – grounded upon billions of encounters that occur every day – paves the way towards dialogue, mutual understanding and tolerance, the cornerstones of a culture of peace. Beyond this, a sustainable, well-managed tourism sector contributes to the building blocks of peace – the “attitudes, institutions and structures” upon which peaceful societies are built, alongside economic development, democratization, social justice, education and reconciliation. This section explores the current and potential relationship between tourism and peace, highlighting the key issues of “culture of peace” and global citizenship; peace and reconciliation; and safety and security.

5.1 Understanding the Context: Tourism and Peace

<table>
<thead>
<tr>
<th>Links between tourism, peace and the SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peaceful societies are a central aim of Agenda 2030. Especially relevant in the context of tourism and peace is:</td>
</tr>
<tr>
<td>• SDG 16 (on promoting peaceful and inclusive societies), which specifically calls for the promotion of peace, including targets concerned with individual freedoms, participatory decision-making and the strengthening of relevant institutions.</td>
</tr>
</tbody>
</table>

Interest in the intricate relationship between tourism and peace is on the rise, both among academics and international organizations. With the Manila Declaration on World Tourism (1980), peace was explicitly recognized as a necessary pre-condition for tourism. Tourism’s potential to promote peace is increasingly attracting attention. It has been the subject of notable recent publications and prominent international gatherings and debates, from the 1967 UN International Year of Tourism – Passport for Peace to the 2016 UNWTO Conference on Tourism: A Catalyst for Development, Peace and Reconciliation. While these discussions represent an important step forward, more knowledge is required to truly appreciate and advance the links between tourism and peace.

Recent research reveals promising evidence of these links. Clearly, tourism alone cannot bring about peace. However, tourism’s transformative power to change attitudes and build cultural understanding – both central elements of lasting peace – has been repeatedly underlined. Its role in advancing peace has also been linked to its contribution to economic growth, poverty alleviation, cultural preservation and environmental conservation. A 2016 study on the correlation between tourism development and levels of peace in a country, based upon specially prepared indexes, found that:

- “A sustainable and open tourism sector brings about higher levels of positive peace: namely the attitudes and structures that create and sustain peaceful societies”;

---


234 World Travel and Tourism Council (2016b) Tourism as a Driver of Peace. London: WTTC.


238 World Travel and Tourism Council (2016b) Tourism as a Driver of Peace. London: WTTC.
The state of tourism is a good predictor of peace. “Countries that have more open and sustainable tourism sectors are more likely to enjoy higher levels of positive peace in the future”;

Countries with less violence and lower levels of conflict are more likely to have sustainable tourism sectors;

In countries that are generally not afflicted by conflict, tourism is resilient to short-term violence and even terrorist attacks targeted at tourists, although tourism is highly affected in countries suffering from protracted conflicts;

As a sector, tourism can recover quickly after conflicts cease.239

These findings suggest a strong, positive correlation between tourism and peace. If this correlation is adequately harnessed, it stands to benefit communities and nations across the world. The following sections highlight specific areas in which action is needed in this regard.

5.2 Key Areas for Action

In order to strengthen tourism’s ability to contribute to mutual understanding, peace and security, the following key areas require particular attention:

• Fostering a “culture of peace” and global citizenship through tourism;
• Harnessing tourism as an agent for peace and reconciliation; and
• Promoting safety and security across the tourism sector.

5.2.1 Creating a “culture of peace” and global citizenship

The concept of a “culture of peace”, as defined by UNESCO, refers to “a set of values, attitudes, modes of behaviour and ways of life that reject violence and prevent conflicts by tackling their root causes.” It is also linked to solving problems through dialogue and negotiation among individuals, groups and nations.240 In essence, creating a culture of peace is necessary for improving the chances of long-term harmonious coexistence between peoples and cultures.

Arguably, tourism can contribute to building a culture of peace, particularly through interaction between hosts and guests, which lies at the heart of the tourism and peace discussion. Nevertheless, these encounters cannot automatically be said to lead to better cultural understanding or greater tolerance – both of which are essential for peaceful societies. Fostering understanding and, by extension, peace, requires stakeholders to actively pursue “peace-sensitive tourism” – defined as a sustainable, responsible, ethical and inclusive tourism that takes into account local conditions and involves local communities in all decision-making processes.241 In order to make tourism truly “peace-sensitive”, it will be necessary to pursue a number of priorities for action to foster the following conditions:

• General experiences of “other” cultures, including host-guest encounters, which may be spontaneous or pre-arranged but should involve significant levels of interaction, engagement in joint activities, and accurate interpretation.
• Visits to sites related to conflict or peace. Examples include battlefield sites, war cemeteries and memorials. These visits may be made by individuals or groups with a special concern about war and peace, or by those with, initially, only a passing interest. The quality and sensitivity of interpretation at such sites is critical.

239 World Travel and Tourism Council (2016b) Tourism as a Driver of Peace. London: WTTC.


• Cross-border tourism experiences. For instance, thematic historical routes\textsuperscript{242} of organized events and exchanges, with the latter perhaps in more recent areas of conflict.

• Religious and faith-based tourism. The significant volume of visits made each year to religious sites\textsuperscript{243}, to attend festivals and engage in pilgrimages can provide opportunities for inter-faith dialogue and understanding. Several recent conferences and declarations have set a policy framework for addressing the social and cultural impacts of religious tourism, including implications for peace.\textsuperscript{244}

• Exchange visits by groups of all kinds. These can be especially valuable in generating deeper levels of understanding between people. Youth exchange programmes can also influence attitudes at an early age and engender a life-long commitment to peace.

• In addition to tourists themselves, recipient communities should always be engaged in the process of building mutual understanding. As well as gaining an understanding of the different cultures represented by the tourists they encounter, the experience of tourism should help strengthen self-esteem and cultural identity among individuals and communities, which are paramount to a culture of peace.\textsuperscript{245}

If tourism encounters provide particularly memorable and meaningful experiences, preferably with an educational component, tourism can help to develop a sense of “global citizenship”.\textsuperscript{246} This involves individuals reflecting on how they relate to the “other” and embracing diversity – particularly in cultural contexts – which, in turn, promotes exchange and the reaffirmation of “global values”.

Global citizens are individuals characterized by a sense of belonging to the “global community”. While the term allows for different interpretations, global citizens are arguably individuals who take responsibility for, and think critically about, global issues. They recognize the existence of universal values and have a distinct respect for cultural pluralism. Tourism is the ideal site for applying these ideals in practice, as a driver of cross-cultural-exchange. Global citizens are willing to share their own identity and culture, and seek out first-hand knowledge about the culture and identity of the destinations and communities they encounter – i.e. “the other” – through personal encounters. By exploring their own world – and the world of “the other” – through tourism, they are able to analyse issues in a local context and extrapolate these to the global level. This promotes experiential learning, personal enrichment, cultural reciprocity, and an understanding of global issues that ostensibly favours peaceful coexistence. Global citizens are among the main actors who make dialogue between cultures possible, taking human rights as the common ground for enabling understanding between different cultures and societies. Since the concept of global citizenship is based on rights, responsibilities and actions (Davies, 2006), it can help to create reciprocal linkages with which to seek solutions on global issues. This is particularly true in terms of issues of social justice – making global citizens’ key allies in supporting peaceful destinations.

To strengthen tourism’s role in driving a culture of peace and global citizenship, further priorities for action include:

• Ensuring that all stakeholders involved in “peace-sensitive” tourism are aware of its potential;

\textsuperscript{242} A case study on tourism and peace is included in UNWTO’s forthcoming publication on Transnational Tourism Routes.


\textsuperscript{244} Including conferences supported by UNWTO in Cordoba, Elche and Santiago de Compostella (Spain), Ninh Binh (Viet Nam), Bethlehem (Palestine), Maghdouche (Lebanon), and Utrecht (The Netherlands).

\textsuperscript{245} Tourism as a force for peace, human rights and mutual understanding is also a fundamental axis of the UNWTO Global Code of Ethics for Tourism, with Article 1 of the Code addressing “the understanding and promotion of the ethical values common to humanity, with an attitude of tolerance and respect for the diversity of religious, philosophical and moral beliefs.”

• Based on this understanding, designing and developing frameworks that proactively enable tourism’s peace-building role;
• Developing enduring, long-term partnerships between stakeholders based on clearly articulated common ideals and goals; and
• Encouraging educational institutions – particularly those which educate tourism professionals – to promote the values upon which global citizenship is grounded, including the universality of human rights, and respect for diversity and social justice.

5.2.2 Using tourism development as an agent for peace and reconciliation

Tourism development can be especially relevant in post-conflict situations, playing a role in re-building the economy, assisting in reconciliation, and helping to secure long-lasting peace. Given that tourism tends to recover quickly after crises247 and often does not require new investment, it has considerable potential to reinvigorate economic activity. The processes involved in sustainable tourism development – especially stakeholder dialogue and community engagement – can help rebuild relationships and trust248 between conflict-affected parties. In tandem, it can spark job creation, and thereby strengthen self-esteem and self-determination.

While tourism alone cannot bring about peace, the sector can contribute to peace and reconciliation efforts if tourism development is embedded in an on-going peace process. To further strengthen the role of tourism in post-conflict settings, the following priorities for action should be considered:

• Creating a broader base of evidence of tourism’s current and potential role in peace and reconciliation, in partnership with academia. This would require research, case studies, creating models and clearly distilling and disseminating lessons learned, including the elaboration of guidelines for peace-sensitive tourism in post-conflict settings.
• Increasing awareness and encouraging dialogue among international organizations and other entities on the role of tourism in peace. A particular focus should be placed on those institutions involved in cultural relations, as well as those more directly active in peace and reconciliation.
• Raising awareness of the relationship between tourism and peace among the private sector and civil society, identifying their specific roles and seeking engagement and support from both sectors.
• Ensuring that local and national governments are fully aware of tourism’s potential as an agent for peace, and well-versed on how this can be put into practice.

Box 5: Tourism as a Driver of Peace and Reconciliation in France and Germany

The Franco-German Youth Office is hailed as a model for international understanding. Founded in 1963 by the President of France and the German Federal Chancellor, the Office fosters cooperation and understanding between the countries, in order to overcome the hostility that led to three major wars between in the past century. Between 1963 and 2011, the Office enabled more than 8 million young people from France and Germany to take part in 300,000 exchange programmes. It has enabled successive generations to develop fresh access to their neighbouring country through student exchanges, language courses, study visits, internships and meetings for young people involved in science, academia, sport and the arts. These programmes are widely hailed as

248 Colombia, for instance, provides a strong recent example of such a situation – as described in Wohlmuther and Wintersteiner (2015).
successful and, alongside other measures, have helped to create a new climate between the two states.

5.2.3 Promoting safety and security

Ensuring safety and security – of visitors and locals alike – is essential for peaceful societies and a thriving, sustainable tourism sector. The need to provide for the safety of tourists can also play a part in maintaining generally more secure destinations and minimizing levels of local violence that could escalate into wider conflict. Countries can gain a great deal by working together on security issues, which would also be generally beneficial for regional peace.

While further research is required on these issues, certain useful models are being developed. For instance, a joint UNWTO and UNODC initiative – launched in 2015 to develop a “Tourism and Security Plan” for Central America – offers a model that may be replicated in other regions to address how security impacts the tourism sector and how to enable advancements towards safe, secure and seamless travel. The creation of a “High Level Task Force on Tourism and Security”, which was approved by the UNWTO Executive Council in 2016, is also worth highlighting.

In terms of addressing security issues across the tourism sector, the priorities for action highlighted by UNWTO’s High-Level Meeting on Tourism and Security in 2016 are especially worth highlighting. These include:

- Fully integrating tourism in international and national security systems;
- Ensuring a global response to security concerns, including via collective support for countries affected by insecurity;
- Coordination between the public and private sectors, as well as other actors, in terms of planning, communications and response;
- Issuing accurate, timely and regularly updated travel advisories; and
- Clear, accurate communication, including media engagement.

5.3 Questions for Comment and Discussion

<table>
<thead>
<tr>
<th>Theme 5: Mutual understanding, peace and security</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Questions:</strong></td>
</tr>
<tr>
<td>1. What further evidence is available on the issues addressed in this section?</td>
</tr>
<tr>
<td>2. What relevant aspects, if any, are missing from this section?</td>
</tr>
<tr>
<td>3. What specific changes in tourism policy, business practices and consumer behaviour are needed to address these issues and contribute to sustainable development?</td>
</tr>
</tbody>
</table>

---


Specific questions:

Q1 What level of awareness exists about tourism’s role in fostering mutual understanding and peace among international bodies, governments and the tourism sector? How can this be increased?

Q2 What forms of visitor and host experiences can help to establish a culture of peace?

Q3 How can sustainable tourism development be better used as an instrument for peace?

Q4 How can the provision of improved security for tourists in destinations be best achieved? How can this help in delivering future stability and peace?

Possible topics for innovative, evidence-based case studies with a proven impact:

A. Visitor and local experiences that have enhanced mutual understanding and awareness of peace issues

B. Creative interpretation and presentation of peace issues at tourist sites

C. Tourism development activities which support mutual understanding

D. Tourism recovery plans after periods of conflict

E. Tourism development activities which underpin reconciliation in post-conflict situations

F. Effective security provision in tourist destinations, with potential dividends for peace
Governance, Policies and Tools for Sustainable Tourism

Effective governance, policies and tools are the bedrock of sustainable tourism – essential for harnessing tourism’s contribution to sustainable development in terms of each of the five themes addressed in this Discussion Paper. This section builds on the previous chapters in order to address the cross-cutting issues which affect tourism’s contribution to development. Thus, it looks briefly at the governance, policy frameworks and instruments that need to be in place at various levels in order to plan, guide, support and coordinate sustainable tourism development.

Links between the SDGs and governance, policies and tools for sustainable tourism

The cross-cutting issues of governance which shape tourism’s role in sustainable development are particularly relevant to:

- **SDG 17** (on the global partnership for sustainable development), which covers the means of implementation of sustainable development. It has separate sections on finance, technology, capacity-building, trade and systemic issues. The latter include policy and institutional coherence, multi-stakeholder partnerships, data, monitoring and accountability. All of these topics are relevant to the effectively implementing sustainable development through tourism.

Effective governance for sustainable tourism

*International level*

UNWTO is leading at the international level should be provided by UNWTO, as the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism. Furthering effective governance at the global level will involve:

- **International partnerships**: UNWTO should continue to strengthen its partnerships with other UN agencies and international bodies, using the context provided by the *International Year* in 2017, and maintain this collaboration as an on-going relationship. These partnerships should be built upon the *UN Steering Committee on Tourism for Development*, which should be revitalized and further developed.

- **Liaisons between multinational bodies**: Close liaisons should be maintained with the World Bank Group and other multinational and bilateral bodies which provide financial and technical assistance. Every opportunity should be taken to increase their awareness of the opportunities provided by tourism as a development tool, particularly in terms of highlighting the value of their vital support for the sector.

- **Private sector and civil society engagement**: The critical importance of engaging the private sector in promoting sustainable tourism for development should be reflected by strengthening UNWTO’s partnership approach with the World Travel and Tourism Council (WTTC) and other bodies which represent the private sector. Close liaisons should also be pursued with relevant international civil society bodies and NGOs, notably in the environmental, social and cultural fields.

---


254 As of 2016, the Committee is comprised of UNWTO, ILO, ITC, UNCTAD, UNEP, UNIDO, UNESCO and the WTO.
National level

Arguably, adequate governance frameworks at the national level are among the most fundamentally important requirements for sustainable tourism. At this level, a number of elements will be essential for advancing tourism’s role in sustainable development, such as:

- **National-level recognition of sustainable tourism for development**: The opportunities presented by sustainable tourism as a development tool should be recognized by national governments at the very highest level, for instance the office of the national President, Prime Minister, or equivalent Head of Government. Its important should also be reflected in all the key ministries whose activities have a bearing on tourism, especially ministries of the economy, trade, transport, the environment and culture.

- **Inter-ministerial liaison groups on tourism**: Ensuring that tourism is taken into account in all relevant government ministries can be considerably assisted by the formation of an inter-ministerial liaison group – or a related process – specifically on tourism. Many such groups have already been put in place in a number of countries.

- **National multi-stakeholder bodies on tourism**: Such bodies should be established at a national level, featuring strong representation of the private sector, as well as input from relevant civil society organizations. These bodies should be engaged with formulating and implementing national tourism policies, strategies, action programmes and measurement initiatives, as well as providing an essential space for liaising with different stakeholder interest groups.

- **Adequate budgetary resources**: Sufficient human and financial resources should be provided by governments to the above bodies and to delivery agencies to ensure that they can be effective.

This emphasis on inter-institutional collaboration is reflected in the development of Tourism Satellite Accounts and related tourism statistics. The UN/UNWTO recommendations255 highlight the “importance of institutional arrangements in developing a System of Tourism Statistics”. UNWTO has recommended the establishment of an “Inter-institutional Platform”, comprising representatives of all bodies involved in the “collection, production and/or use of statistics relating to tourism”, including National Tourism Administrations, National Statistical Offices, Central Banks and others. The successful development of a System of Tourism Statistics (STS) is based on a culture of collaboration among stakeholders, who pool their financial, human and technical resources, knowledge and interests, with a view to creating a common data set. All institutions associated with tourism statistics, either as providers of information or as users, are called upon to participate.

The advantages of such institutional cooperation include:

- The project taking on the status of a “state or national initiative”;
- Stakeholders understanding their fundamental role within the statistical process, making them more willing to provide information on time and in the exact format required;
- Facilitating access to necessary funding from within or outside the country;
- The provision of results marked by legitimacy and credibility;
- Furthering maximum efficiency in the compilation and dissemination of tourism statistics; and
- A greater guarantee that efforts to improve the national System of Tourism Statistics will be sustainable.

Local destination level

Much of the necessary action to plan, promote and manage sustainable tourism development must occur at the local destination level. Local destinations may be towns or cities or wider areas, including notable rural and coastal areas, with a coherent brand identity, and a significant cluster of tourism products and services within a functioning tourism value chain.

Local governments play a key role in providing leadership and a wide range of functions essential for the successful development and promotion of tourism, as well as the management of its impacts. Spearheading effective governance at the local level involves:

- **Effective coordination:** As with national governments, local governments must ensure effective coordination between their functions – in terms of developing, promoting and managing tourism – and should provide the necessary structures to ensure such coordination.
- **Multi-stakeholder governance and management structures:** These bodies, involving tourism businesses and other stakeholder interest groups, have an essential role to play at the destination level. This role is increasingly played by Destination Management Organizations (DMOs). One major challenge is to ensure that such bodies address planning, development and management issues, including the sustainability of destinations, rather than solely focusing on marketing. On-going local government engagement in DMOs, and support for them, is essential.
- **Financial and human resources:** A common problem, especially in developing countries, can be a lack of funding and insufficient human resources and skills to adequately deliver effective destination management. This needs to be addressed by pursuing a range of public and private funding options and providing capacity-building and training for relevant personnel.
- **Community engagement:** Some aspects of governance and sustainable tourism management need to occur “on the ground” within destinations, involving the engagement of local communities in the planning and management of tourism within their areas. Local community participation and consultation processes are especially essential. For instance, in the case of indigenous communities, “free, prior and informed consent” (FPIC) mechanisms should be employed. FPIC’s aim is to establish bottom up participation and consultation with indigenous populations prior to developments in their areas, and is enshrined within ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples.

Vertical coordination

Coordination across the international, national and local levels is another core component of effective governance in sustainable tourism. Key elements to consider include:

- **Aligning international assistance with national priorities:** Coordination between international and national level governance should be based on aligning international assistance for sustainable tourism with national government policies and priorities, through negotiation between the parties in the context of wider country programmes to support sustainable development.
- **Effective coordination across all levels:** Within individual countries, it is extremely important to ensure effective coordination between the national, regional and local destination levels. It is important to recognize that while tourism is “seen and felt” at the destination level – and that tourism management ultimately occurs at this level – broader policy direction and resource allocations are often determined at national levels. Moreover, policy implementation is often the role of regional authorities.
- **Data harmonization:** This mix of roles at different levels is a strong rationale for harmonization between data at the national, regional and destination levels, in order to facilitate policy coherence.
• **Vertical policies and support systems:** While sustainable tourism requires an approach that is based on needs, priorities and opportunities identified locally, it should also be supported through national policies and top-down support systems, creating a framework for integrating local and national action. Structures for networking between local destination bodies and with national agencies should be created and supported.

**Policies, plans and tools to support sustainable tourism for development**

Globally agreed development priorities highlight the need for policy frameworks and tools to monitor and manage sustainable tourism. In 2015, the *Addis Ababa Action Agenda* of the Third International Conference on Financing for Development called for the elaboration and implementation of “tools to maintain sustainable development as well as to monitor sustainable development impacts for different economic activities, including for sustainable tourism”. **SDG 12** on sustainable consumption and production, specifically **Target 12.8**, refers to the need to “develop and implement tools to monitor sustainable development impacts for sustainable tourism.”

This section discusses the vital elements needed to support sustainable tourism development:

- Policies and plans;
- Data collection, analysis and monitoring;
- Tools to influence tourism development, investment and operations; and
- Issues of funding.

**Policies and plans**

In terms of policy frameworks within individual countries, the following elements are essential:

- **Integrating tourism in national policies and plans:** In parallel with the coordination of governance nationally, it is important that opportunities for sustainable tourism – and the needs of sustainable tourism development – are specifically recognized and addressed within different areas of national policy. For instance, within high level policies and plans, especially those for the economy, trade and sustainable development as a whole. It is also important to integrate tourism into policies and plans for topics which have a particular impact on sustainable tourism, including the environment, natural resources, transport, culture and national security.

- **Linking tourism promotion with national policy frameworks:** The development and promotion of tourism within countries should be driven by national tourism policies, strategies and action plans, based on thorough consultation and agreement. These should embrace sustainability principles, involve a careful assessment of assets and markets, be informed by data on tourism performance and impacts and set out priorities for action over a specified period.

- **Management plans at the national or local levels:** In some countries it is appropriate to establish national tourism master plans which reflect national policies and strategic directions while providing a more spatially specific plan for development. However, establishing a series of locally determined destination management plans is increasingly seen as a more sustainable and inclusive approach. It may be helpful to produce national level guidelines for the formulation of local destination management plans.

- **Aligning local plans with national policies:** Local destination management plans, or local tourism strategies, should reflect national policy. The process of preparing these local-level plans should adhere to the same standards as the formulation of national tourism policy. However, the former should be locally determined and based on a comprehensive and realistic assessment of local aspirations, needs and opportunities. Particular attention should be paid to considering resource capacity, for example, with respect to land, water, energy and the handling of waste. Destination management plans may subsequently be reflected in spatial land use plans, marketing plans and other thematic action plans. They should be the key documents for directing and guiding future tourism development.
Data collection, analysis and monitoring

The lack of consistent, comparable data on the social, environmental and economic impact of tourism is a challenge for evidence-based policy making. In order to strengthen the measurement and analysis of tourism’s impact and sustainability at the national level, UNWTO has been pursuing actions to:

- Facilitate the development of international statistical standards for measuring tourism. The two standing internationally agreed standards are the International Recommendations for Tourism Statistics 2008 (IRTS 2008) and the Tourism Satellite Account: Recommended Methodological Framework 2008 (TSA RMF 2008). These guide the production of tourism statistics and tourism economic data in individual countries. They provide a common language for the consistent measurement and understanding of tourism the world over, for both developing and developed states.

- Support countries to develop their System of Tourism Statistics (STS), an important basis for collating information on tourism’s impact in economic, environmental and social terms. UNWTO’s Compendium of Tourism Statistics256 provides the basic set of tourism data and indicators for the purposes of international comparability. Coverage varies greatly among countries and is still a challenge in many developing countries. Areas that require renewed efforts include domestic tourism, tourism industries and employment.

- Support more countries in the preparation of Tourism Satellite Accounts (TSAs) to provide credible measures of tourism’s economic contribution. TSAs also provide a dataset that can be used as input in macroeconomic analysis, in order to glean information on tourism’s indirect and induced economic effects.257

- Advance towards a Statistical Framework for Measuring Sustainable Tourism (MST)258, in collaboration with the UN Statistics Division, to support the integrated measurement of the multiple dimensions of sustainable tourism at the global, national and sub-national levels. These efforts have concentrated on economic and environmental dimensions, with social components to follow shortly. Such a common language and organizing structure can help harness the richness of the data already available while identifying additional data required. A statistical framework for sustainable tourism is the national evolution of current statistical standards on tourism statistics – the TSA and the IRTS – and a means of complementing these standards. The starting point involves bridging the economic and environmental dimensions of sustainable tourism by linking two UN standards, namely the TSA and the System of Environmental Economic Accounting (SEEA). It looks at a range of environmental information in relation to tourism flows, including water, energy, emissions and waste.

Other significant priorities on the collection, analysis and monitoring of data include:

- Measuring and monitoring tourism’s sustainability: It is important to keep abreast of tourism performance and impacts against measures of sustainability, both at the local and national levels. To this end, UNWTO is seeking to expand the International Network of Sustainable Tourism Observatories (INSTO). Launched in 2004, the INSTO supports the continuous improvement of sustainability and resilience in the tourism sector through measurement and monitoring, thereby fostering the evidence-based management of tourism.259 Various projects have identified tourism sustainability indicators for businesses

---


258 For more information, please see: http://statistics.unwto.org/mst

259 Since 2004, a total of 16 UNWTO Observatories have been established – eight in China, one in Greece, one in Mexico, one in Brazil, three in Indonesia, one in Croatia and one in South Florida, USA.
and destinations, which may be applied nationally or locally. They provide a much-needed basis for monitoring management processes and outcomes over time, in addition to changes in economic, social and environmental conditions and performance.

- **Continual, participatory data collection**: The monitoring and measurement of tourism performance and impact must be kept up-to-date. Only in this way can we ensure that timely evidence of change is collected, and thus enable speedy corrective action. Data gathering in destinations should be a participatory process, supported by local working groups.

- **Using existing statistical frameworks**: The use of data from existing statistical frameworks and infrastructures is extremely valuable for negotiating the challenging process of the data collection. For instance, the challenge of gathering statistics, evidence and data in cost-effective ways, while simultaneously satisfying the basic condition of data that is “fit for use” – balancing quality criteria as varied as relevance, accuracy and reliability, timeliness, accessibility and clarity, coherence and comparability and impartiality. Standardized surveys of businesses, tourists and residents have proven to be especially useful. Increasing opportunities also abound in terms of using other data sources. These include administrative sources and “new” or “big” data sources, such as GIS-based applications and the analysis of consumer feedback obtained through social media. Such approaches could be considered to feed into statistical production, either in their own right or to complement “traditional” data gathering.

- **Formulating needs-based, coordinated indicators**: The use of indicators and monitoring should, first and foremost, be nested in the context of user needs and priorities. However, in general, further coordination and shared learning is required on data gathering and monitoring for sustainable tourism. This would lead to greater consistency in the indicators and processes used, thus facilitating global comparability.

- **Using data to inform tourism management**: Tourism businesses and destinations should better employ data use and analysis to inform policy and support management decisions. This may be facilitated through, for example, the use of performance dashboards. There may be a need for further guidance and training in this regard.

**Tools to influence tourism development, investment and operations**

A wide range of tools can be used to influence tourism development and operations, so as to achieve more sustainable outcomes. These include:

- **Ensuring compliance with regulations**: A range of regulations are important in ensuring compliance with environmental and social legislation. A key principle is to ensure that all regulations, as well as related compliance assessments and inspections, are purposeful and clear. Crucially, they must also be fairly and consistently applied.

- **Land-use planning**: Such planning, alongside associated development control and requirements for impact assessments, is arguably the most important form of regulatory control for sustainable tourism development. As well as being used to prevent damaging and intrusive development, positive planning processes should be used to stimulate and guide appropriate investment. They can do so by identifying suitable locations for new development and encouraging high quality, sustainable design and construction.

- **Key economic tools**: Economic tools include the provision of discretionary financial assistance, tax incentives and other forms of commercial advantage, such as promotional coverage, for certain forms of

---


development and operations. Further research-based evidence and examples are required about their influence in terms of stimulating more sustainable tourism development.

- **Voluntary standards and certification schemes:** Voluntary tools include the setting of sustainability standards, coupled with schemes to certify the compliance of tourism businesses – and more recently of destinations – with these standards. For instance, the Global Sustainable Tourism Council262 has established a set of Global Sustainable Tourism Criteria, which are being used to guide the sector generally, while strengthening consistency in the standards and processes used by sustainability certification schemes. Certification schemes have proved successful in influencing sustainability performance among those who sign up to them. Nevertheless, overall levels of engagement remain low. Initiatives to strengthen awareness of current standards and certification options should be pursued, in order to strengthen cohesion and increase participation in such schemes. Similarly, although voluntary reporting by tourism businesses on their sustainability performance and actions has risen, it remains lower in tourism sector than in many other sectors.263 Levels of reporting by enterprises, and the visibility of such reporting, should be strengthened.

- **Codes of practice:** Simple codes of good practice have been used successfully to influence the behaviour of tourism operators and visitors, so as to reduce the negative impacts of certain tourism activities, such as wildlife watching.

- **Marketing and social media:** In general, visitor awareness of sustainability issues can be most simply influenced through marketing messages, information, and personal interactions during their travels. Social media presents a potent vehicle for spreading messages, not only via individual posts but also through the work of bloggers, which supplements more traditional travel media. However, it must be acknowledged that there is a wide gap between awareness and consequent behavioural change. Concerted efforts are needed to truly change behaviours, backed by consumer research and the application of incentives and tools.

**Funding sustainable tourism for development**

In terms of the design and delivery of official development assistance, a relatively low proportion of funding is directed at tourism, compared to other sectors. The amounts of assistance provided to individual tourism projects are also relatively low.264 To enhance the levels of funding accorded to sustainable tourism, the following priorities should be pursued:

- **Raising awareness of sustainable tourism among investors and donors:** Governments, development agencies, financial institutions, and private investors should be made aware of the myriad benefits – including sizable financial returns – of sustainable tourism. Specifically, they should be encouraged to pay more attention to supporting tourism development as a route to regeneration and job creation. Specific action should be taken to raise awareness among donors. Opportunities include:
  - Awareness raising through communication and events during the International Year and beyond;
  - Achieving greater coordination between agencies, with opportunities to work together on larger projects; and
  - Assembling more evidence of the impact of financial support on sustainable tourism, including in terms of strengthening trade relations and benefits felt reciprocally in donor countries.

- **Focusing on SDG-related projects:** Funding for sustainable tourism for development, whether from public or private sources, should be directed at projects that are best placed to deliver against the SDGs. These

---

262 The Global Sustainable Tourism Council was set-up in 2010 with the support of UNWTO, UN agencies, tourism trade bodies, and leading private sector companies. For more information, please see [http://www.gstcouncil.org](http://www.gstcouncil.org)


could be multifaceted programmes, individual strategic projects, or tailored funding schemes. Examples include:
  o Preparing national tourism strategies to achieve sustainable development, and supporting their implementation over time;
  o Strategic infrastructure projects;
  o Funding innovative sustainable tourism projects that are scalable and trend-setting;
  o Schemes-testing and delivering alternative funding options suited to the needs of clusters of micro- and small-sized enterprises. In addition to more traditional credit and micro-credit schemes, these could include funding models tailored to local circumstances, including public-private partnerships, joint ventures, social enterprises, community interest companies and crowdfunding schemes; and
  o Funding the development and implementation of statistical frameworks in countries. This would enable stakeholders to better understand and monitor sustainable tourism, facilitating more effective policies and management.

Questions for Comment and Discussion

<table>
<thead>
<tr>
<th>Governance, policies and tools for sustainable tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Questions:</strong></td>
</tr>
<tr>
<td>1. What further evidence is available on the issues addressed in this section?</td>
</tr>
<tr>
<td>2. What relevant aspects, if any, are missing from this section?</td>
</tr>
<tr>
<td>3. What specific changes in tourism policy, business practices and consumer behaviour are needed to address these issues and contribute to sustainable development?</td>
</tr>
<tr>
<td><strong>Specific questions:</strong></td>
</tr>
<tr>
<td>Q1 How can coordination between the international organizations, the public and private sectors be improved to further support sustainable tourism for development?</td>
</tr>
<tr>
<td>Q2 What are the most useful structures for inter-ministerial and multi-stakeholder coordination for sustainable tourism at the national level?</td>
</tr>
<tr>
<td>Q3 What are the most useful structures for sustainable tourism governance and management at a local destination level, including public-private and wider stakeholder engagement? How can these be effectively resourced and supported?</td>
</tr>
<tr>
<td>Q4 How can we achieve effective between the international, national and local levels of tourism governance?</td>
</tr>
<tr>
<td>Q5 Is tourism sufficiently well covered in policies for sustainable development, and vice versa? If not, how can it be further integrated and aligned into such policies?</td>
</tr>
<tr>
<td>Q6 What skills and resources are needed for effective destination management planning at the local level?</td>
</tr>
<tr>
<td>Q7 What are the main gaps in data on tourism’s performance and impact? What kinds of resources, training and other measures are required to ensure that adequate data is available and used to guide sustainable tourism development?</td>
</tr>
<tr>
<td>Q8 Are voluntary tools or formal legislation and regulations needed to promote tourism’s sustainability? How can voluntary tools, such as reporting and certification, be made more effective?</td>
</tr>
<tr>
<td>Q9 Beyond awareness raising of sustainable tourism, how can behavioural change among tourists be achieved?</td>
</tr>
<tr>
<td>Q10 What kinds of funding schemes and programmes are best suited to support sustainable tourism development? How can these be pursued?</td>
</tr>
</tbody>
</table>

Possible topics for case studies – examples and evidence of:

A. Effective multi-stakeholder structures for sustainable tourism governance and management at the national and local level, including relationships between the two levels
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>B.</td>
<td>Successfully implemented national policies and plans for sustainable tourism development</td>
</tr>
<tr>
<td>C.</td>
<td>Successfully implemented local sustainable tourism strategies and/or destination management plans</td>
</tr>
<tr>
<td>D.</td>
<td>Practical data collection, analysis and monitoring which has guided sustainable tourism</td>
</tr>
<tr>
<td>E.</td>
<td>Effective use of formal regulations and/pr voluntary tools to foster sustainable tourism development</td>
</tr>
<tr>
<td>F.</td>
<td>Awareness raising among tourists leading to behavioural change</td>
</tr>
<tr>
<td>G.</td>
<td>Well-designed and implemented funding schemes to further the course of sustainable tourism</td>
</tr>
</tbody>
</table>
Conclusions

This Discussion Paper has explored tourism's contribution to sustainable development, underlining where we stand today and what the priorities for action are in key areas to ensure progress towards truly inclusive, sustainable tourism. This concluding section highlights key takeaways related to the five pillars of the IY2017, as well as a number of cross-cutting points drawn from the analysis above. In closing, it considers how the tourism sector can take forward the spirit of the International Year of Sustainable Tourism for Development (IY2017) beyond 2017.

Key Takeaways

Tourism offers significant opportunities as a tool for sustainable development. Harnessing these opportunities in each of the five areas highlighted by the International Year of Sustainable Tourism for Development (IY2017) will require concerted, coordinated efforts by stakeholders at all levels to overcome remaining challenges and harness tourism's full potential as a catalyst for positive change.

Effective governance, policies and tools need to be in place in order to plan, guide, support and coordinate sustainable tourism development – at the international, national, and local destination levels. Pursuing sustainable tourism for development also involves a number of cross-cutting components:

- Effective coordination structures between public, private and civil society players at the international, national and local destination levels;
- The integration of tourism in sustainable development policies, and vice versa, at all levels, coupled with the implementation of sustainable tourism strategies or destination management plans;
- Improved measurement and monitoring of tourism performance, impact and sustainability, using tools and mechanisms developed by UNWTO and others; and
- Further development and application of policy and management tools, including appropriate regulations, standard setting, certification, capacity-building and adequate funding.

In terms of the five pillars of the International Year, the following key takeaways are worth highlighting:

1) Sustainable Economic Growth

Capitalizing on tourism’s strong economic potential will hinge on cultivating an enabling favourable business environment, characterized by stability and supportive policies. This will require efforts to address the existing constraints of a weak business environment, especially in developing countries – including labour and skills shortages; limited access to finance; and low levels of investment including Foreign Direct Investment (FDI). Reforming the policy, legal, institutional and regulatory conditions that govern business activity is an important first step. This must go hand in hand with raising awareness of tourism among investors and support services, incentivizing them to invest in MSMEs, and integrating tourism within trade policy and agreements. Investing in human capital is equally essential, in order to bridge the sector’s significant skills gap. It is also imperative to strengthen connectivity, particularly transport links, visa regimes and internet accessibility. Innovation and new technologies can be useful allies on the path towards a more inclusive, sustainable tourism sector. Risk and crisis management will also have to be effectively applied to support the sector’s resilience to shocks of all kinds.
2) Social Inclusiveness, Employment and Poverty Reduction

To harness tourism’s potential for inclusivity, employment and poverty eradication, a holistic, “inclusive growth” approach should be pursued – via effective policies, planning and action – to ensure that the dividends of prosperity generated by tourism are fairly distributed across societies. This will ultimately depend upon fostering “decent work” and entrepreneurship opportunities, which would redress the sector’s skills gaps while ensuring fair, productive employment. It is imperative to focus on women and youth, taking up the substantial prospects the sector offers for their employment and empowerment. Similarly, local communities must be at the heart of the drive towards sustainability, securing benefits through direct employment and business opportunities, as well as through indirect and collateral means such as investment in local infrastructure. Universal accessibility is equally key to securing inclusivity and providing barrier-free access that benefits both visitors and locals alike.

3) Resource Efficiency, Environmental Protection and Climate Change

In line with the 2015 Paris Agreement, the tourism sector requires more rigorous efforts to monitor, report, and reduce resource consumption and emissions via strategies for decoupling tourism growth from environmental degradation and excessive resource use. Resource efficiency can be facilitated by impact assessments; careful planning; water and energy management; and replicating good practices in areas like retro-fitting. A “reduce, reuse and recycle” approach is needed to address excessive resource use and food waste. Improved waste management and treatment are equally necessary. In addition to engaging tourists to evoke environmentally-friendly behavioural change, biodiversity conservation must be balanced with creative opportunities for the sustainable use and management of ecosystems. The sector must also adhere to internationally agreed targets to mitigate climate change, while pursuing innovative strategic means of reducing its carbon footprint.

4) Cultural Values, Diversity and Heritage

Positioning “cultural tourism” as a tool for sustainable development requires greater integration between cultural and tourism policies at all levels, facilitated by collaborative structures, networks and programmes. Strategies for safeguarding and promoting cultural heritage ought to be complementary, both to preserve the integrity of cultural assets and to secure support for conservation. Community engagement is necessary to ensure that their concerns are reflected across all aspects of tourism planning and management. Formal recognition of heritage sites and assets at the national or international levels, coupled with adequate protection strategies, such as assessments of carrying capacity, are vital for conservation. Given the rapid growth of the creative industries, the time is ripe to link contemporary culture and creative cultural activities to tourism in order to enrich tourism offer, facilitate urban regeneration, encourage host-guest interaction, and promote local creativity.

5) Mutual Understanding, Peace and Security

The transformative power of tourism, being a people-centred activity, can be harnessed as a force for peace. Memorable, educational experiences can help create and sustain conditions for a “culture of peace” through “peace-sensitive tourism” – marked by meaningful visitor-host interaction, cross-cultural encounters and sensitive interpretation at sites associated with peace and conflict. Tourism development in itself can be an agent for peace, by improving local prosperity, strengthening cultural and territorial identity and self-esteem, and providing an incentive for dialogue and reconciliation in post-conflict settings. In tandem, it is necessary to maintaining safety and security across the sector – through collaboration between and within countries; integrating tourism into international and national security systems; and ensuring timely, accurate, updated travel advisories.
Taking forward the spirit of IY2017

The International Year of Sustainable Tourism for Development aims to support tangible change in policies, business practices and consumer behaviour towards a more sustainable tourism sector that can further the global development agenda’s 17 Sustainable Development Goals. It is a pivotal moment to mobilize stakeholders to take action at all levels to support sustainable tourism’s capacity to accelerate sustainable development. In line with these aims, UNWTO is working to engage stakeholders across the globe in discussions, collaboration and concerted actions to champion the course of sustainable tourism development.

A challenge for the International Year is to build on recognition of tourism’s role in development and convert this into substantial, coordinated support for action. Taking forward the spirit of the International Year beyond 2017, in order to contribute to the 2030 Development Agenda, will require all key players in the sector – from international bodies to regional entities, governments, the private sector, academics, civil society, the media, and travellers themselves – maintain this momentum for change. Ultimately, this change must be based on tangible, wide-ranging evidence which can only be collected through collaboration and dialogue. This document is an important first step. By offering a framework for discussing tourism’s role in sustainable development, it seeks to stimulate further debate. UNWTO trusts that all stakeholders will heed this Paper’s call to provide further inputs, data and case studies on the themes discussed in this Paper. Through collaboratively compiling current evidence and good practices, this process will feed into the development of a UNWTO flagship report on sustainable tourism for development to shed new light on how to make the tourism sector a bastion of sustainable development worldwide.


References


Seminar, 5 August 2016, Bandung, Indonesia


World Tourism Organization (2015a) *Affiliate Members Global Reports, Volume twelve – Cultural Routes and Itineraries*. Madrid: UNWTO.


World Travel and Tourism Council (2016b) *Tourism as a Driver of Peace*. London: WTTC.


International Civil Aviation Organization (2016) *Historic agreement reached to mitigate international aviation emissions*. 65


World Tourism Organization (2011c) *Tourism Towards 2030.* Madrid: UNWTO.

World Tourism Organization (2011c) *Tourism and Intangible Cultural Heritage.* Madrid: UNWTO.


World Travel and Tourism Council (2014) Travel and Trade Linkages. London: WTTC.


World Travel and Tourism Council (2015b) Global Talent Trends and Issues for the Travel and Tourism Sector. London: WTTC.

World Travel and Tourism Council (2015c) Travel and Tourism 2015 – Connecting global climate action. London: WTTC.


World Travel and Tourism Council (2016b) Tourism as a Driver of Peace. London: WTTC.
Annex 1: Recognition of the Role of Tourism for Development

United Nations Resolutions and International Programmes

Since 2012, four major UN Resolutions, have accorded specific, strong recognition to tourism’s role in contributing to job creation, income generation, education, poverty reduction and the three dimensions of sustainable development, by building on its linkages with other sectors. These resolutions are:

- **Resolution 66/288**, the outcome document of the UN Conference on Sustainable Development, or Rio+20, entitled *The Future We Want* (27 July 2012). This provided a roadmap for the coming decade, laying the foundation for the 2030 Development Agenda.

- **Resolution 69/233** on the *Promotion of sustainable tourism, including ecotourism, for poverty eradication and environment protection* (19 December 2014).

- **Resolution 70/1** on *Transforming Our World: The 2030 Agenda for Sustainable Development* (25 September 2015). The main text refers to promoting sustainable tourism (Article 33), which is also referred to explicitly in three of the 17 Sustainable Development Goals – SDGs 8, 12 and 14. UNWTO has outlined how tourism relates to each of the SDGs.

- **Resolution 70/193**, which designated 2017 as the *International Year of Sustainable Tourism for Development*.

### Specific References to Tourism in the Sustainable Development Goals

**SDG 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

- **Target 8.9**: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

**SDG 12 – Ensure sustainable consumption and production patterns**

- **Target 12.b**: Develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products.

**SDG 14 – Conserve and sustainably use the oceans, seas and marine resources for sustainable development**

- **Target 14.7**: By 2030 increase the economic benefits to SIDS and LDCs from the sustainable use of marine resources including through sustainable management of fisheries, aquaculture and tourism.

Tourism’s role has also been identified in other UN resolutions on particular sustainable development contexts and programmes:


---

• The SIDS Accelerated Modalities of Action (SAMOA) Pathway, adopted by the International Conference on Small Island Developing States (Resolution 69/15, 14 November 2014).

• The Vienna Declaration and Programme of Action for Landlocked Developing Countries for 2014-24 (Resolution 69/137, 12 December 2014).

Additional UN Resolutions also provide important background and recognition of sustainable tourism. Of particular note are Resolutions in 2001, 2005, 2010, and 2015268 endorsing and encouraging the dissemination and adoption of the UNWTO Global Code of Ethics for Tourism, which enshrines many of the principles and approaches that are central to sustainable tourism. The resolutions establishing and stemming from the International Year of Ecotourism 2002269 also help to contextualize the advancement of sustainable tourism.

Tourism has been recognized and integrated in a variety of UN policies and programmes in associated fields, where it can help to form a bridge to sustainable development, including:

• The 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP), coordinated by UNEP, with a Sustainable Tourism Programme (STP) led by the UNWTO and co-led by the Governments of France, Morocco, and the Republic of Korea, forming one of five thematic programmes.

• The UNESCO World Heritage and Sustainable Tourism Programme, which involves an integrated approach to tourism planning and heritage management, in order to safeguard natural and cultural assets while facilitating sustainable tourism development.

• The work of the Secretariat of the Convention on Biological Diversity (linked to UNEP) to promote good practices on sustainable tourism development in sensitive natural areas.

• Actions in the field of trade, investment and employment, wherein a number of UN agencies and other organizations – including UNCTAD, the International Trade Centre (ITC), ILO and WTO – have been working individually and jointly with UNWTO to integrate tourism into their development activities.

• The creation of a Statistical Framework for Measuring Sustainable Tourism (MST), a joint undertaking by UNWTO and the United Nations Statistics Division, endorsed by the UN Statistical Commission (UNSC). This seeks to develop standards-based, integrated measurement of tourism in its various dimensions (economic, environmental, and social) and at the relevant spatial levels (global, national, and sub-national).

In order to stimulate interest in tourism among international bodies and improve coordination, UNWTO facilitates the Steering Committee on Tourism for Development, which brings together the ILO, ITC, UNCTAD, UNEP, UNIDO, UNESCO and the WTO. Since 2010, Ministers of Tourism of G20 countries have met regularly, and held talks with other bodies, to identify priorities for strengthening tourism’s contribution to sustainable development.

National Level Recognition and Response

A recent study by OECD270 reveals that many industrialized countries have positive policies on tourism development in place, supported by tourism strategies and action plans. The extent to which tourism is recognized at a higher level as an economic force, within overall economic and development policies, varies across countries. Nonetheless, an encouraging trend is emerging, involving the establishment of inter-departmental liaison structures for tourism within governments. The level of financial support for tourism has generally declined in recent years, arguably reflecting the strained overall economic situation. This underscores the need to continue to raise awareness of the sector’s contribution to employment, prosperity and well-being.

268 UN Resolutions 56/212, 60/190, 65/148, and 70/200, respectively.
269 UN Resolution 53/200.
In many developing countries, tourism is identified within national policies as an important – current and potential – contributor to sustainable development. However, this may not be reflected in action. Although tourism strategies and master plans are prevalent, some are out-dated, while others are weakly implemented, hampered by insufficient skills, or are limited by insufficient financial resources to enable delivery.

The references made to tourism in formal studies and development frameworks agreed with international agencies are a key indicator of the fact that tourism is recognized as a development tool in developing countries. Previous studies have shown variations in this trend (80% of former Poverty Reduction Strategy Papers referred to tourism as of 2010\textsuperscript{271}; 40% of UNDAF reports referred to tourism as of 2012\textsuperscript{272}). More recently, research\textsuperscript{273} by UNWTO and the Enhanced Integrated Framework (EIF) on Diagnostic Trade Integration Studies (DTIS) in 2015 found that 45 out of 47 Least Developed Countries (LCDs) identify tourism as a principle sector for development. In general, while there may be references to tourism in relevant reports and studies, there is considerable variation in terms of the level of detail provided and knowledge demonstrated.

Annex 2: How Tourism can Contribute to the Sustainable Development Goals

Reproduced from the brochure *Tourism and the Sustainable Development Goals* by UNWTO (2015):

As one of the largest and fastest growing economic sectors in the world, tourism is well-positioned to *foster economic growth and development* at all levels and provide income through job creation. Sustainable tourism development, and its impact at community level, can be linked with national poverty reduction goals, those related to promoting entrepreneurship and small businesses, and empowering less favoured groups, particularly youth and women.

Tourism can spur agricultural productivity by promoting the *production, use and sale of local produce in tourist destinations and its full integration in the tourism value chain*. In addition, agro-tourism, a growing tourism segment, can complement traditional agricultural activities. The resulting rise of income in local communities can lead to a more resilient agriculture while enhancing the value of the tourism experience.

Tourism’s contribution to *economic growth and development* can also have a *knock-on effect* on *health and well-being*. Foreign earnings and tax income from tourism can be reinvested in health care and services, which should aim to improve maternal health, reduce child mortality and prevent diseases, among others.

A well-trained and skilful workforce is crucial for tourism to prosper. The sector can provide incentives to invest in *education* and *vocational training* and assist labour mobility through cross-border agreements on qualifications, standards and certifications. In particular youth, women, senior citizens, indigenous peoples and those with special needs should benefit through educational means, where tourism has the potential to promote inclusiveness, the values of a culture of tolerance, peace and non-violence, and all aspects of global exchange and citizenship.

Tourism can *empower women* in multiple ways, particularly through the provision of jobs and through *income-generating opportunities* in small and larger-scale tourism and hospitality related enterprises. As one of the sectors with the highest share of women employed and entrepreneurs, tourism can be a tool for women to unlock their potential, helping them to become fully engaged and lead in every aspect of society.

Tourism can play a critical role in achieving *water access and security, as well as hygiene and sanitation for all*. The efficient use of water in the tourism sector, coupled with appropriate safety measures, wastewater management, pollution control and technology efficiency can be key to safeguarding our most precious resource.

As a sector that requires substantial energy input, tourism can accelerate the shift toward renewable energy and increase its share in the global energy mix. Consequently, by promoting sound and long-term investments in sustainable energy sources, tourism can help to reduce greenhouse gas emissions, mitigate climate change and contribute to innovative and new energy solutions in urban, regional and remote areas.
Tourism is one of the driving forces of global economic growth and currently provides for 1 in 11 jobs worldwide. By giving access to decent work opportunities in the tourism sector, society—particularly youth and women—can benefit from increased skills and professional development. The sector’s contribution to job creation is recognized in Target 8.9 “By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products”.

Tourism development relies on good public and privately supplied infrastructure and an innovative environment. The sector can also incentivize national governments to upgrade their infrastructure and retrofit their industries, making them more sustainable, resource-efficient and clean, as a means to attract tourists and other sources of foreign investment. This should also facilitate further sustainable industrialization, necessary for economic growth, development and innovation.

Tourism can be a powerful tool for community development and reducing inequalities if it engages local populations and all key stakeholders in its development. Tourism can contribute to urban renewal and rural development and reduce regional imbalances by giving communities the opportunity to prosper in their place of origin. Tourism is also an effective means for developing countries to take part in the global economy. In 2014, Least Developed Countries (LDCs) received US$16.4 billion in exports from international tourism, up from US$ 2.6 billion in 2000, making the sector an important pillar of their economies (7% of total exports) and helping some to graduate from the LDC status.

A city that is not good for its citizens is not good for tourists. Sustainable tourism has the potential to advance urban infrastructure and universal accessibility, promote regeneration of areas in decay and preserve cultural and natural heritage, assets on which tourism depends. Greater investment in green infrastructure (more efficient transport facilities, reduced air pollution, conservation of heritage sites and open spaces, etc.) should result in smarter and greener cities from which not only residents, but also tourists, can benefit.

A tourism sector that adopts sustainable consumption and production (SCP) practices can play a significant role in accelerating the global shift towards sustainability. To do so, as set in Target 12.b of SDG 12, it is imperative to “Develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products”. The Sustainable Tourism Programme (STP) of the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP) aims at developing such SCP practices, including resource efficient initiatives that result in enhanced economic, social and environmental outcomes.

Tourism contributes to and is affected by climate change. It is, therefore, in the sector’s own interest to play a leading role in the global response to climate change. By lowering energy consumption and shifting to renewable energy sources, especially in the transport and accommodation sector, tourism can help tackle one of the most pressing challenges of our time.
Coastal and maritime tourism, tourism’s biggest segments, particularly for Small Island Developing States’ (SIDS), rely on healthy marine ecosystems. Tourism development must be a part of Integrated Coastal Zone Management in order to help conserve and preserve fragile marine ecosystems and serve as a vehicle to promote a blue economy, in line with Target 14.7: “by 2030 increase the economic benefits to SIDS and LDCs from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism”.

Majestic landscapes, pristine ecosystems, rich biodiversity, and natural heritage sites are often main reasons why tourists visit a destination. Sustainable tourism can play a major role, not only in conserving and preserving biodiversity, but also in respecting terrestrial ecosystems, owing to its efforts towards the reduction of waste and consumption, the conservation of native flora and fauna, and its awareness-raising activities.

As tourism revolves around billions of encounters between people of diverse cultural backgrounds, the sector can foster multcultural and inter-faith tolerance and understanding, laying the foundation for more peaceful societies. Sustainable tourism, which benefits and engages local communities, can also provide a source of livelihood, strengthen cultural identities and spur entrepreneurial activities, thereby helping to prevent violence and conflict from taking root and consolidate peace in post-conflict societies.

Due to its cross-sectorial nature tourism has the ability to strengthen private/public partnerships and engage multiple stakeholders – international, national, regional and local – to work together to achieve the SDGs and other common goals. Indeed, public/public cooperation and public/private partnerships are a necessary and core foundation for tourism development, as is an increased awareness in the role of tourism in the delivery on the post-2015 Development Agenda.
Annex 3: Research Studies on the Relationship between Tourism and Development

A considerable body of literature has investigated the nature of the relationship between the extent and growth of tourism in a country, on the one hand, and its overall economic growth and level of development, on the other.

Many theoretical and empirical studies have involved the use of statistical tests on panel data from different sets of countries, including time series data. These have sometimes involved statistical analysis to identify the level of correlation between different measures and indicators. Other studies have gone further, employing more sophisticated methodology and modelling to identify causality – i.e. the amount and direction of influence between various economic and social factors in different countries, including levels of tourism.

Relating economic growth to tourism growth

A number of studies have concentrated on economic performance and the extent to which this correlates with, or may indeed be partly driven by, tourism.

While some studies have suggested that countries with a strong tourism base do not necessarily grow at a higher rate than other countries (e.g. Figini and Vici, 2010), a large number of studies have identified a strong correlation between levels of tourism – in terms of the number of arrivals and visits – and economic growth, mainly measured through GDP. Examples include studies by Lee and Chang (2008), Proenca and Soukiazis (2008), Dritsakis (2012), Brau, Lanza and Pigliaru (2007), and Aslan (2013).

Causality tests have found that the direction of influence varies. In a number of countries, it has been demonstrated that tourism has been a driver of economic growth, leading to what is known as the “tourism-led growth (TLG) hypothesis”. Examples include Mauritius (Durbury, 2004), Greece (Dritsakis, 2004), four Mediterranean countries (Proenca and Soukiazis, 2008), four Pacific Island countries (Narayan et al., 2010), Nicaragua (Croes and Vanegas, 2008), Taiwan (Lee and Chien, 2008), and Kenya (Kibara, Odhiambo, and Njuguna, 2012).

Other studies have demonstrated a causal relationship that lies in the other direction, with tourism expanding in the wake of a generally growing economy – known as the “economic-driven tourism growth hypothesis”. Examples include the Republic of Korea (Oh, 2005), Tanzania (Odhiambo, 2011), and Croatia (Payne and Mervar, 2010).

Studies have also found situations where the relationship is bi-directional between tourism and economic growth, for example in Turkey (Ongan and Demiroz, 2005) and 19 island economies (Seetanah, 2011), with a degree of bi-directionalism also reported in a number of the studies cited above.

The characteristics of countries that may affect the strength and the direction of the relationship between tourism and economic growth are not clear from this body of research. However, several factors may be at play, such as:

- **Level of development**: For example, a much cited work by Lee and Chang (2008) found a greater impact of tourism on GDP in non-OECD countries, especially states in sub-Saharan Africa. The relationship was bi-directional in these countries. However, they also found uni-directional tourism-led growth in OECD countries, albeit at weaker levels. These findings led the authors to conclude that “all governments should commit to helping their tourism sector expand as much as possible” based on long-term policies.

- **Size of the economy**: It has been observed from past studies that tourism growth can have a greater effect on overall economic growth in smaller economies (Chou, 2013), especially small developing countries (Dritsakis, 2012). Tourism's significant impact on the economies of Small Island Developing States (SIDS) is also apparent from the literature.
• **Relative level of tourism in the economy:** A positive correlation has been found between tourism specialization and growth, with small states growing at a faster rate only when they are highly specialized in tourism (Brau, Lanza and Pigliaru, 2007).

In considering the processes behind the relationship between tourism and growth, several studies have looked at the role of tourism as an export sector and a source of foreign currency earnings. This can, in turn, be used to finance imports and growth more generally in the economy, following the model of export-led growth. This was found to be an important factor behind tourism-led and bi-directional growth, notably in studies focusing on Spain and Italy (Balaguer and Cantavella-Jorda, 2002; Nowak et al., 2007; Cortes-Jimenez et al., 2009).

A number of studies underline the positive correlation between tourism’s relative contribution to exports and economic growth. An IMF Working Paper based on a cross-country study concluded that an increase in one standard deviation in the share of tourism in exports leads to a 0.5 percentage point additional annual growth (Arezki, Cherif and Piotrowski, 2009).

**Relating tourism to development outcomes**

While most studies have shown a positive and often strong, causal relationship between tourism and economic growth, this does not necessarily translate into equivalent results in terms of development in a wider sense.

A number of studies, referred to below, have directly measured the relationship between tourism and indicators of a local population’s well-being, such as the Human Development Index (HDI) and levels of relative poverty (e.g. GDP or income per capita). Results have been mixed.

An initial seminal study of the effect of tourism expansion on welfare concluded that, while tourism is a major export earner, an increase in tourism can reduce welfare if the flow of repatriated earnings is sufficiently large (Copeland, 1991). A more recent theoretical study which investigated whether inbound tourism benefits developing countries also concluded that tourism can incur economic costs that sometimes lead to a deterioration of national welfare and result in wage distortion, depending on levels of relative labour intensity in different sectors (Sahli and Nowak, 2007). This outcome was demonstrated in the case of Thailand, where the tourism boom was found to have increased levels of inequality, partly because tourism is not an especially labour intensive sector in Thailand, particularly when compared to agriculture (Wattanakuljars and Coxhead, 2008).

In Brazil, a study of the economic and distributional impacts of tourism, considering the relationship with poverty at the household level, found that the effects on all income groups were positive (Blake et al., 2008). However, the lowest income groups benefitted least, leading to the conclusion that policies were needed to redistribute greater shares of revenue to the poor. By contrast, in Nicaragua a considerable causal link between tourism growth and poverty reduction was identified, leading the authors to remark on the “economic muscle of tourism to seriously tackle poverty at scale” (Croes and Vanegas, 2008). More recently, a panel data study in five Central American countries found that tourism growth had a greater impact on poverty reduction than other sectors in three of the countries, underlining the opportunities it presents for combating poverty (Vanegas, 2014). A study in Indonesia revealed more mixed results, with a rise in tourism leading to a reduction in poverty, but also precipitating an increase in income inequality in rural and urban regions (Mahadevan, Amir and Nugroho, 2016).

Studies that have attempted to relate tourism growth to a country’s score on the Human Development Index have tended to find only a weak relationship. Even in small island developing states (SIDS), where tourism often accounts for significant proportions of GDP, the correlation to HDI was quite small. Moreover, it was partly attributed to high levels of economic leakage and imports within the sector, supporting a general conclusion that tourism had not fully delivered on its expectations and potential as a development tool (Singh, 2009). A study of 46 countries with medium or low HDI scores found no correlation between tourism levels and HDI scores for the most important elements of the Index, leading the authors to conclude that it was essential for countries to
address welfare and distribution issues – such as health, infrastructure, training and the control of resources – alongside policies to promote tourism growth (Pulido-Fernandez, Cardenas-Garcia and Sanchez-Rivero, 2014).

**Conclusion**

The studies analysed to inform this Discussion Paper provide an objective set of evidence on the relationship between tourism and economic development, based on empirical data from a range of countries. On balance, the evidence confirms that there is a positive relationship between levels of tourism and economic growth in many countries, which is an encouraging result that can be built upon. However, the studies also reveal a less clear relationship between tourism and levels of development, with some evidence of limited or negative effects on equality and welfare alongside other evidence of positive impacts on poverty reduction. This underlines the need for policies and actions that focus on the inclusiveness and sustainability of tourism-related development.

**References – Annex 3**


Mahadevan, R. (2016) “Regional impacts of tourism-led growth on poverty and income: Inequality”, *Tourism Economics* [published online, July 2016].


Annex 4: Tourism and Development Assistance

Despite the economic significance and growth potential of tourism, as well as its frequent recognition in development policies and priorities, the level of Official Development Assistance (ODA) aimed at the sector remains disproportionately low. Nevertheless, the Table below reveals an upward trend of ODA by donor countries allocated to the tourism sector over the last 15 years. In addition to ODA, bilateral donors allocated an annual average of US$ 27 million to other official flows for tourism (non-concessional funding) between 2011 and 2015. Multilateral organizations, meanwhile, spent annually another US$ 130 million on financing tourism development in developing countries over the same period.

Table A: 5 year averages of bilateral ODA for tourism

<table>
<thead>
<tr>
<th></th>
<th>2001-05</th>
<th>2006-10</th>
<th>2011-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average annual bilateral ODA for tourism (USD millions)</td>
<td>29</td>
<td>73</td>
<td>125</td>
</tr>
<tr>
<td>% of total bilateral ODA specified by sector</td>
<td>0,06%</td>
<td>0,10%</td>
<td>0,14%</td>
</tr>
</tbody>
</table>

Source: The author, based on OECD-DAC statistics.
Note: Figures exclude ODA that is not allocated to a specific sector, such as multi-lateral ODA, multi-sector ODA or administrative costs.

Levels of bilateral assistance have also fluctuated over time and between providers. For example, the Netherlands Development Organisation (SNV) previously prioritized tourism as sector for support. Now, however, it no longer does so. In 2015, notable providers of assistance for tourism included USAID and the Government of Japan.

Policies on the inclusion of tourism as a priority sector by multi-lateral donors have also fluctuated. Following a period of withdrawal from tourism in the 1980s, the World Bank Group has rebuilt its portfolio of assistance to the sector. It currently supports a wide range of regional and country strategies, programmes and individual tourism projects, in line with its twin goals of ending extreme poverty and boosting shared prosperity.

Figure A: ODA for tourism between 2010 and 2015 from the five main bilateral donors

![Graph showing ODA for tourism between 2010 and 2015 from the five main bilateral donors]

Source: The author, based on OECD-DAC statistics.

Despite these apparently low figures, some programmes have increased the share of funding they direct at tourism. For example, the Enhanced Integrated Framework (EIF), a multi-donor Aid for Trade (AfT) programme aimed at least developed countries (LDCs). While Tier 1 EIF funding is used to finance “Diagnostic Trade
Integration Studies”, Tier 2 funding is used to support priorities identified in such studies, including – but not limited to – tourism. According to their end of year statistics in 2014, tourism accounted for 9% of EIF’s Tier 2 portfolio – a 50% increase compared to 2013. UNWTO works closely with EIF to promote the inclusion of tourism in trade strategies.

While the information presented in this Annex relates to the position of tourism within the broader picture of development assistance, sustainable tourism may be supported in different ways as part of programmes which are not primarily focused on tourism. An example is the inclusion of tourism initiatives within integrated rural development and conservation projects.
Annex 5: Strengthening Linkages and Opportunities in the Tourism Value Chain

Given the size of the tourism multiplier – as well as the contribution of indirect and induced components to tourism GDP and jobs – there is a particular need to strengthen linkages in developing countries where they are less established, often resulting in high levels of leakage. This is especially true in least developed countries (LDCs) and small island developing states (SIDS).

The Figure below illustrates a simple tourism value chain, based around the components of a visitor’s journey, illustrating the complex pattern of opportunities that exist across this chain.

**Figure B: A simple illustration of a tourism value chain**

![Tourism Value Chain Diagram](image)

(Source: UNWTO (2010)).

The OECD, WTO and the World Bank have recognized tourism as one of five key sectors which are of particular importance to developing countries, as it achieve a significant development impact by connecting local firms with lead firms along the value chain.

A systematic analysis of the tourism value chain at the local destination level can be a useful tool to trace income flow in the tourism sector. This would enable an assessment of which part of tourism income goes to

---


disadvantaged groups, while identifying possible interventions to enhance tourism’s local economic impact.\textsuperscript{276} This can be supplemented by market assessments and working with stakeholders to identify future opportunities for engagement, supported by capacity-building.

A number of actions can be taken to work with established tourism enterprises in order to strengthen their local supply chains — for instance, for agricultural products or handicrafts. This requires engagement with the businesses in question so as to encourage the auditing of supplies and new sourcing. It also necessitates working with local suppliers to strengthen their capacity, taking into consideration issues of quality, quantity and continuity. Surveys of lead firms in tourism have identified that uncertainty about the quality and the regularity of service from local suppliers can present a major operational challenge.\textsuperscript{277}

Since tourism offers potential for new enterprise formation — requiring relatively low levels of technical skills or financial resources compared with other sectors — particular opportunities exist for the establishment of micro businesses in both direct and indirect parts of the value chain. This could include handicrafts, tour guide services, catering, maintenance, food supplies, cleaning and various other activities. Priority should be given to supporting existing and newly-established MSMEs through capacity-building, including training on business skills, market access, ICT skills, accessible finance, standard setting and marketing.

Non-traditional tourism-related businesses — such as Uber and Airbnb — can help to spread tourism income, while simultaneously affecting the formal economy and the local communities in which their business takes place. Areas for possible intervention include: standard setting, quality checking and regulation; development support; and coordinated promotion.
