



World Tourism Organization

UNWTO



Tourism and Poverty Reduction

According to the World Bank, **an estimated 1.4 billion people were living in extreme poverty in 2005**. While progress has been made in tackling this alarming statistic, old and new challenges threaten to undermine poverty reduction efforts.

As international and domestic tourism continues to grow, there is stronger evidence that **tourism, if properly managed, can make a significant contribution to tackling poverty and fostering development**, especially in rural areas, where most of the poor live.

Tourism creates opportunities for local communities to benefit from their cultural and natural assets through employment in tourism activities and the supply of services and

goods, such as food, excursions or handicrafts, to tourism businesses or directly to visitors, without having to migrate to towns in search of a better life.

UNWTO statistics clearly demonstrate **the growing strength of tourism as a means for development** and the participation of the least developed countries in the global economy. International tourist arrivals in the 48 Least Developed Countries (LDCs) almost tripled between 2000 and 2010, reaching over 17 million in 2010. International tourism receipts, a vital source of exports for the LDCs, increased fourfold from US\$ 2.6 billion in 2000 to US\$ 10 billion in 2010.

As a major source of foreign revenue and employment, tourism has become one of the main engines of socio-economic progress for many countries worldwide and **a development priority for a majority of the LDCs**.

Did you know?

- Tourism is the first or second source of export earnings in 20 of the 48 LDCs.
- In some developing countries, notably small island states, tourism can account for over 25% of GDP.
- From 2015, emerging economies will, for the first time, receive more international tourist arrivals than advanced economies.
- By 2030, 58% of international arrivals will be to emerging economy destinations of Asia, Latin America, Central and Eastern Europe, the Middle East and Africa.

The work of UNWTO

Committed to make tourism work for development, UNWTO supports its Member States in their efforts to sustainably advance their tourism sectors. This work is carried out through UNWTO Technical Cooperation and the Sustainable Tourism – Eliminating Poverty (ST-EP) Initiative.

UNWTO Technical Cooperation is the operational arm of UNWTO, translating the Organization's technical expertise and knowledge of best practices from around the world into practical application in the field.



UNWTO's technical assistance includes supporting countries and destinations in the formulation of tourism policies, providing training in tourism management, the strategic positioning of a country as a tourism destination and product development. UNWTO also works with its Members in the collection and analysis of tourism-related statistics and improving the overall quality of products and services within the tourism sector.

The **Sustainable Tourism-Eliminating Poverty Initiative** is directly tied to the UN Millennium Development Goals (MDGs), which include the goal of halving extreme poverty by 2015. Through the 'seven ST-EP mechanisms', numerous ST-EP projects around the world provide invaluable assistance to developing countries.

The seven ST-EP mechanisms:

1. Employment of the poor in tourism enterprises
2. Supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor
3. Direct sales of goods and services to visitors by the poor
4. Establishment and running of small, micro or community-based tourism enterprises or joint ventures by the poor
5. Redistribution of proceeds from tax or charges on tourists or tourism enterprises
6. Voluntary giving and support by tourists or tourism enterprises
7. Investment in infrastructure stimulated by tourism also benefiting the poor in the locality, directly or through support to other sectors

Thanks to the support of the UNWTO ST-EP Foundation, established in Seoul with the support of the Government of the Republic of Korea and other donors, the implementation of ST-EP began towards the end of 2005 with a training programme for local guides in the village of Ebogo in Cameroon. Since then, the portfolio of ST-EP projects has rapidly expanded and now includes over 95 projects among 33 developing countries ranging from developing ecotourism products with local communities in Guatemala to developing and promoting the Great Himalaya Trail in Nepal, with a view to enhancing the local economic impact from tourism in the country.



FURTHER READING AND RESOURCES:

UNWTO Technical Cooperation Programme - cooperation.unwto.org

Sustainable Tourism – Eliminating Poverty Initiative (ST-EP) - step.unwto.org

Tourism and Poverty Alleviation - publications.unwto.org

Tourism and Poverty Alleviation: Recommendations for Action - publications.unwto.org

Tourism, Microfinance and Poverty Alleviation - publications.unwto.org

Poverty Alleviation through Tourism: A Compilation of Good Practices - publications.unwto.org

Manual on Tourism and Poverty Alleviation: Practical Steps for Destinations - publications.unwto.org