



## Improving Tourism: Environmental and Social Considerations of Sectoral Reform

The last quarter of a century has witnessed an unprecedented globalization of the world's economies and societies. This, in turn, has facilitated the rapid growth of tourism, which arguably is now the world's largest industry in terms of employment and gross domestic product. International tourism has been particularly important to poorer nations. Between 1990 and 2000, receipts increased 49 percent in European Union countries and 64 percent in countries within the Organization for Economic Cooperation and Development (OECD), as compared to 133 percent in developing countries and 154 percent in the smaller subset of 49 least developed countries.<sup>1</sup> During the current decade, it is forecast that the number of international visitor arrivals will grow five times more rapidly in developing countries than in more established destination markets such as Europe and North America.<sup>2</sup>

Tourism depends on a healthy environment, to an extent that is reflected by few other employment sectors. In order to be sustainable, it has to carefully balance commerce with the environment, its people and culture. Given this symbiotic relationship, the industry and its supporting partners would appear to provide the most capable and appropriate vehicle for reconciling tourism development with environmental protection. Increasingly, over the last few decades, the tourism sector has begun to shoulder this responsibility through national and international initiatives.<sup>3</sup>

It must be acknowledged, however, that tourism is part of a growing anthropogenic problem, contributing significantly to terrestrial, marine and atmospheric pollution. An increasing loss of biodiversity has occurred in many of the more popular and fragile tourist destinations, particularly in coastal areas. A partial reason for this degradation has been a once widely held and misplaced belief – by both public and private entities – that tourism can “look after itself”. It has only recently and generally been accepted that, for tourism to be substantially sustainable and provide the many potential benefits that can arise from a healthy sector – such as economic growth and poverty reduction, local empowerment and improvement in quality of life – the enabling environment itself must be protected through the implementation of sound environmental policies and practices at all levels.

### Economic Growth

For many less developed countries, relatively pristine and diverse ecosystems represent vital assets that can compete successfully in the global market. A thriving international tourism industry contributes greatly to a nation's balance of payments, promotes the development of physical

---

<sup>1</sup> World Travel and Tourism Council. 2004. *Travel and Tourism – Forging Ahead*. London: WTTC, <http://www.wttc.org>.

<sup>2</sup> World Tourism Organization, 2002. *Tourism and Poverty Alleviation*. Madrid: WTO.

<sup>3</sup> One such example is *Agenda 21 for the Travel and Tourism Industry: Towards Environmentally Sustainable Development*, issued jointly by the World Travel and Tourism Council, World Tourism Organization, and the Earth Council, 1995. <http://www.wttc.org/promote/agenda21.htm>.

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

infrastructure and services, strengthens international and domestic economic and institutional linkages, and helps distribute economic benefits to more rural areas that otherwise offer limited alternatives. It has served as a conduit for increased democratization and local governance in several countries. A few, such as Botswana and South Africa, have combined environmental and tourism policy setting within one governmental department to maximize synergies. The success of these synergies is especially noticeable in Botswana, which is the only nation, since 1974, to have removed itself from least developed country status, in large part because of the introduction of environmentally sensitive, nature-based tourism.

Policies that support the conservation and protection of natural and cultural resources can also help diversify and upgrade a nation's existing tourism product. The introduction of sustainable tourism development initiatives has broadened and financially strengthened the domestic product in, for example, several Eastern European and Middle Eastern countries, leading to the capture of a more affluent international clientele and resulting benefit to local economies.

### **Natural Habitat Preservation**

Biodiversity conservation has been a major objective of USAID, as witnessed by initiatives such as the Central African Regional Program for the Environment (CARPE) and the Parks in Peril (PiP) Program. Nature-based tourism has been an important component of many of these initiatives. Visitation fees can provide an important source of revenue for the management of established reserves and other protected areas. Also, an approach that integrates conservation and sensitive development activities helps promote new livelihood opportunities – including nature-based tourism and related employment – for local communities as an alternative to otherwise encroachment on protected areas for hunting, logging, farming, collection of rare species, and other deleterious actions. Consequently, the environment, local communities and the tourism industry all benefit.

### **Natural Resources Management**

Increasingly, in many places around the world, the Agency's focus has been on the remediation and mitigation of tourism's impacts on the environment, rather than merely on the preservation of relatively pristine ecosystems. Often, initiatives have addressed coastal zone areas, where past development has jeopardized the welfare of both natural and human resources. Given the projected increase in visitation over the coming years, it is inevitable that a number of environmentally sensitive areas will be subject to over-visitation and abuse, and that coastal communities will face a higher risk from natural extreme events because of stressed or altered natural protective systems.

It is generally believed that the evolution of the tourism product in any given destination undergoes various phases of development. The first phase of the tourism "life cycle" is the "exploration" of a remote and unspoiled site. Next come the stages of involvement, development and consolidation as more facilities are built and mass tourism arrives. In time, the "well-heeled" move on and the tourism product stagnates; attempts to stop the decline with down-market tourism fail; and social and environmental deterioration begins.<sup>4</sup> Only stagnation or rejuvenation remains. Progression of a destination to less desirable stages in the tourism cycle generally connotes that its carrying capacity has been exceeded. Carrying capacity can be interpreted simply as the point where negative factors begin to outweigh the positive ones – when tourists vote with their feet and go elsewhere.

---

<sup>4</sup> Butler, R. 1980. "The concept of the tourist area cycle of evolution: Implications for management of resources." *Canadian Geographer*, 24 (1).

There are, however, many tools and instruments that can be brought to bear to prevent, or at least minimize, adverse impacts. Incorporation of environmental Best Practices at the design, construction, operation and eventual closure stages can dramatically reduce the pollutant “footprint” of a resort. Environmental management systems (EMS), such as ISO 14001 and Green Globe 21, provide voluntary standards for constant improvement of environmental policies, planning, implementation, checking for corrective action, and management review.

A relatively recent development has been to focus on the sustainable tourism destination as a whole, rather than an individual resort, through a comprehensive, integrated planning and management process. This process ideally should include, where appropriate, integrated coastal and watershed management that holistically resolves compatibility issues among various uses of the environment. Such an approach requires strong environmental governance and stewardship, institutional commitment and, perhaps most importantly, community participation. By and large, natural resources manage themselves extremely well; it is the human element that requires management. Whether in Jamaica’s Portland Parish or the nature-based conservatories of Namibia, active support by the community for the environment is critical to the sustenance of a tourism destination.

It is the tourism industry itself, however, together with supporting governmental institutions, which will need to be the leaders for stronger environmental governance. This should embrace improved pollution and waste control, increased participation in environmental decision-making, more integrated macro-level environmental policies, and assurance of an equitable and sustainable use of environmental resources.

### **Education and Public Awareness**

The “uniqueness of place” is at the heart of tourism, regardless of landscape, whether urban or rural, traditional resort or eco-camp. Too frequently, the resources that preserve that uniqueness are taken for granted by local inhabitants, as well as visitors, and not respected for their intrinsic values. Tourism initiatives typically contain strong training, educational and public awareness components to assist communities with acquiring new job skills and adapting to changing local economies and lifestyles. Raising both local and visitor awareness about environmental best practices, protected area management, and conservation and monitoring techniques, can significantly increase community acceptance, engagement and benefit in sound environmental governance through sustainable tourism.

### **Full Cost Accounting**

Tourism, intrinsically, is a borrowing of space and a consumption of resources in an area other than home. Common with almost all other economic sectors, its actual impact may not be reflected totally by the cost to the traveler. Environmental policy that fully accounts for the use and consumption of natural resources – whether terrestrial, marine or atmospheric – needs to be implemented in order for tourism to be truly sustainable.

For example, the issue of the use of the “commons” – universally owned resources – needs to be assessed and addressed. If international tourism projections prove to be correct, associated air travel alone will result in large-scale atmospheric pollution. Initiatives already are under way to provide financing mechanisms, mostly voluntary, to help redress adverse impacts. These include such simple techniques as the purchase of a tree, or a pollution fee commensurate with the length

of the journey. Still in their infancy, such mechanisms need to be refined. Similar mechanisms need to be developed for ocean cruise lines.

Within host countries, the act of borrowing and consumption need also to be fully costed with regard to sustainability. As far back as the early 1980s, international agencies such as the World Bank and the UNEP began work on a System of National Accounts (SNSA) to reflect issues of natural resources concern.<sup>5</sup> While Gross Domestic Product (GDP) is useful for gauging the size of savings and investments, factor productivity and comparative performance, it is distinctly less useful for gauging long-term sustainable growth – at least partly because natural resources depletion and degradation are ignored. Furthermore, GDP often is used inappropriately as an indicator of community or national “welfare”. The concept of welfare is much broader than a monetary measure of income, and covers many dimensions of subjective and environmental well being other than those that involve market transactions.

For gauging sustainable tourism growth, adjustments in GDP need to be made for at least two factors: so-called “defensive expenditures” to protect or restore the environment, and the depletion and degradation of the natural resources themselves. The costs associated with these factors would show how far a country or destination has drifted away from sustainable economic development. Ignoring such costs confuses the sale of commercially marketable natural assets with the generation of income, and promotes the idea that rapid economic growth can be obtained by exploiting a resource base that may be rapidly diminishing. If a country is exhausting its resources, the current income is inflated by the sale of natural assets that will eventually disappear. It is only through a total cost accounting approach that sustainable tourism will become a reality

---

<sup>5</sup> Ahmad, Y, S. El Serafy and E. Lutz (eds). 1989. *Environmental Accounting for Sustainable Development*. The World Bank, Washington, DC.