**FACTA UNIVERSITATIS** Series: **Economics and Organization** Vol. 5, Nº 2, 2008, pp. 173 - 178

## SUSTAINABLE TOURISM DEVELOPMENT AS A TOOL FOR ELIMINATING POVERTY

UDC 502.131.1:338.48

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**Abstract**. As a result of its positive effect, sustainable development of tourism is considered to be a tool for eliminating poverty and enhancing the standard of life, especially on long term. Sustainable tourism is very important for the development of developing countries, especially for the least developed ones. Having in mind the positive effect of sustainable development of tourism, the basis of project ST - EP (Sustainable Tourism - Eliminating Poverty) have been established at The World Summit on Sustainable Development held in Johannesburg in 2002, with the main goal of decreasing poverty in the world up to for 50% until 2015.

Key Words: Sustainable tourism development, poverty, ST-EP, pro-poor strategies, developing countries, the least developed countries..

#### INTRODUCTION

Tourism represents a very complex and multidimensional phenomenon that produces numerous positive economic as well as non-economics effects in the receptive tourist countries. As a result of the positive effects, the sustainable tourism can be treated as a means for eliminating poverty and increasing the standard of life, especially on long term.

The sustainable tourism can bring higher and faster economic development and decrease poverty in more ways. That can be extremely important for all the countries in the world, especially for the least developed ones.

#### IMPORTANCE OF TOURISM FOR LEAST DEVELOPED COUNTRIES

Tourism is very important for development of developing countries, especially for development of the Least Developed Countries - LDCs. The importance of the tourism for these counties can be noticed from the following:

• Tourism is a principal export for 83% of developing countries.

Received July 20, 2008

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- Developing countries had 326 million international arrivals, an increase of 34,16% since 2000. The sub group of 50 LDCs had 9,5 million international arrivals, an increase of 48,44% since 2000. In 2005 in the world we notice an increase in international tourist arrival of 17,27%. The average annual growth rate in international tourist arrival in period 2000-2005 in the world is 3,3%, in developing countries 6,1%, and in LDCs 8,2% (table 1).
- For the OECD and EU country groups tourism constitutes around 28% of trade in services in 2000, which is significantly less than the 43% recorded for developing countries and 70% for LDCs. For the OECD and EU country groups tourism constitutes 6% of total Goods and Services in 2000, in the developing countries group it averages 6,5% and in the LDCs 15,3%. [1, p.27]
- The developing countries and particularly the LDCs secured a larger increase in the income per international arrival between 1990 and 2000 then the OECD or the EU did. The LDCs secured an increase of 45% between 1990 and 2000 and the developing countries nearly 20%, this compares with 18% for OECD countries and 7,8% for the EU. [1, p.27]

In 2005 income from international tourist arrival in the world noted an increase of 41,20% in reference to 2000. In the developing countries that increase is 62,69%, but in LDCs even 76,66%. The average annual growth rate of income per international tourism arrival in period 2000-2005 in the world is 7,1%; in the developing countries 10,2%; and in LDCs 12% (table 2).

• In 2000, tourism ranked third among the major merchandise export sectors for both developing countries and LDCs. If petroleum industry exports are discounted (and they are significant only for 3 LDCs), tourism is the primary source of foreign exchange earnings in the 49 LDCs. [1, p.29]

	Million			Market share (%)			Average annual growth			
	1990	2000	2005	1990	2000	2005	1990- 2000	2000- 2005		
World	439	689	808	100	100	100	4,6	3,3		
Developing countries	126	243	326	26,1	35,2	40,3	6,8	6,1		
50 LDCs	2,9	6,4	9,5	0,7	0,9	1,2	8,4	8,2		
Other low and middle income economy*	46,7	111,4	163,5	10,6	16,2	20,2	9,1	8,0		
High-level income economy*	76,0	124,7	152,7	17,3	18,1	18,9	5,1	4,1		
High income and other economy	313,4	446,2	482,6	71,4	64,8	59,7	3,6	1,6		

Table 1. International tourist arrivals

Source: World Tourism Organization (UNWTO), September2006 -According to World Bank classification (July 2006)

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	US \$ billion			Market share (%)			Average annual growth		As % of export of goods and services
	1990	2000	2005	1990	2000	2005	1990- 2000	2000- 2005	
World	273	483	682	100	100	100	5,9	7,1	5,7
Developing countries	50	126	205	18,1	26,1	30,1	9,8	10,2	6,3
50 LDCs	1,1	3,0	5,3	0,4	0,6	0,8	10,5	12,0	7,9
Other low and middle income economy*	22,7	63,0	102,1	8,3	13,0	15,0	10,7	10,2	5,8
High-level income economy*	25,8	60,1	97,5	9,4	12,5	14,3	8,8	10,1	6,9
High income and other economy	223,8	356,8	476,6	81,9	73,9	69,9	4,8	6,0	5,4

Table 2. International tourist income in LDCs, 1990-2005

Source: World Tourism Organization (UNWTO), September 2006 According to World Bank classification (July 2006)

As a sector of the economic growth, tourism has several advantages for the poor countries: [1, p.23]

- The consumer travels to the destination, providing opportunities for the sale of additional goods and services.
- Tourism creates important opportunities to diversify the local economy. It can often be developed in poor and marginal areas with few other export and diversification options. Tourists are often attracted to remote areas because of their high cultural, wildlife and landscape values. One of the assets of the poor is their cultural and wildlife heritage; and tourism presents opportunities to capitalize on those assets.
- Tourism offers better labour-intensive opportunities than all sectors except agriculture.
- Tourism helps promote gender equality, employing higher proportion of women than other sectors.

#### STRATEGIES FOR POVERTY REDUCTION THROUGH TOURISM

Having in mind the positive effect of sustainable development of tourism, the basis of project ST - EP (Sustainable Tourism - Eliminating Poverty) have been established at The World Summit on Sustainable Development held in Johannesburg in 2002, with the main goal of decreasing poverty in the world up to 50% until 2015.

According to this project, sustainable tourism should be a primary tool for eliminating poverty in the world's poorest countries (where people live on less than a dollar a day).

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ST-EP project is a tri-parties institutional framework.

The first leg is an International Foundation, whose purpose is to secure a sustained revenue source to advance ST-EP goals in the research, operational and promotional fields.

The second leg is the research base, where a small institute will organize the worldwide networks of academic communities, to focus research on the linkages between sustainable tourism and eliminating poverty.

The third leg are sustainable operations which seed small and medium sized projects to benefit the world's poorest countries. Those projects will be monitored and their performance certified. Finally, there will be an Annual Global Awards Ceremony to promote the ST-EP vision and its champions.

From the side of WTO there are the following strategies which can be used to enhance overall economic benefits in the receptive tourist countries: [1, p.40]

- growth and selection: attracting more of the most appropriate market segments;
- increasing tourist length of stay;
- increasing visitor expenditure;
- developing complementary products in the tourist destination;
- spreading the benefits of tourism geographically;
- infrastructure and planning gain;
- local management of tourism and partnerships;
- SMME development;
- reducing seasonality;
- employment and training.

Those are general strategies for tourism development in the receptive tourist countries whose purpose is the development of tourist sector in general.

There are 7 mechanisms, which will enable reducing poverty in those countries through tourism: [2, p.4]

- employment of the poor in tourism enterprises;
- supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor;
- direct sales of goods and services to visitors by the poor (informal economy);
- establishment and running of tourism enterprises by the poor e.g. micro, small and medium sized enterprises (MSMEs), or community based enterprises (formal economy);
- tax or levy on tourism income or profits with proceeds benefiting the poor;
- voluntary giving/support by tourism enterprises and tourists;
- investment in infrastructure stimulated by tourism also benefiting the poor in the locality, directly or through support to other sectors.

These 7 mechanisms can be named "pro-poor" strategies. Those are strategies that focus specifically on unlocking opportunities and generating net benefits for the poor through tourism. However, it is necessary to combine these strategies with general strategies for tourist development in order to achieve optimal effects.

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In addition, the cooperation between stakeholders should be adjusted, as it is very important for ensuring faster economic development of the tourist destinations. In this role are:

- Governments have crucial role creating and accomplishing strategies, policies, regulations, as well as ensuring coordination between stakeholders.
- The private sector is an essential player, as partner, facilitator, customer, marketing channel and advisor.
- The Poor have roles as producers, suppliers, workers, participants and decisionmakers.
- Civil Society (educational institutions at all levels, trade associations, journalists, community-based organisations) has an important part to play to facilitate inclusion by the poor.
- Donors must provide technical assistance, source funding to enable the further development of projects and expertise.

44 ST-SP projects have been implemented in the least developed countries (LDCs), including 2007.

The realisation of ST-EP project is ongoing, in order to point out its positive effects especially on long term.

#### CONCLUSION

On account of the total (and especially economic) positive effects that sustainable tourism can bring to the poor countries, it can be observed as a means for eliminating poverty, especially on long term. This is possible as a result of pro-poor strategies, which create opportunities and net benefits for the poor. One fact should be noticed: that sustainable tourism automatically cannot eliminate the poverty on its own. To arrange that, there should be rightly created tourist policy as well as developing plans in which eliminating poverty is a primary goal. Moreover, if punctiliously pro-poor strategies assisted by this goal are to be realized, it is needed to announce that the strategies must be coordinated with the general policy of the tourist development. It is necessary to have good cooperation between all stakeholders. Only in that way can it be accomplished for tourism to be an efficient means for eliminating poverty.

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# ODRŽIVI RAZVOJ TURIZMA -SREDSTVO ZA ELIMINISANJE SIROMAŠTVA

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Kao rezultat pozitivnih efekata, održivi razvoj turizma može se smatrati kao sredstvo eliminisanja siromaštva i povećanja životnog standarda građana, posebno u dužem roku. Održivi turizam je od velike važnosti svim zemaljama, a posebno najmanje razvijenim. Imajući u vidu prednosti održivog turizma za siromašne zemlje, na Svetskom samitu održivog razvoja održanom 2002. godine u Johanesburgu, postavljaju se osnove projekta ST-EP -a (Sustainable Tourism -Eliminating Poverty) sa ciljem smanjenja siromaštva u svetu za čak 50% do 2015. godine.

Ključne reči: održivi razvoj turizma, siromaštvo, ST-EP, pro-poor strategije, zemlje u razvoju, najmanje razvijene zemlje.