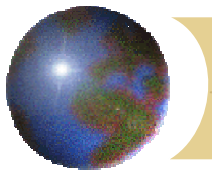


*Maximising the local economic
impact of tourism*

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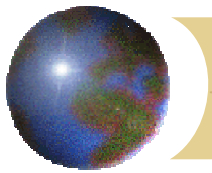


Maximising the local economic impact of tourism

1. Local Economic Development & Pro-Poor Tourism
2. The Business Case
- 3. Making Tourism Count for the
Local Economy in the Caribbean**

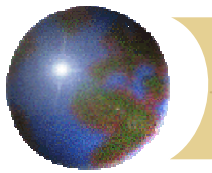
Pro-Poor Tourism Partnership and the
Caribbean Tourism Organization

Work funded by



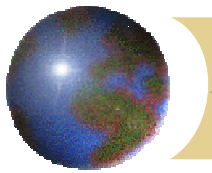
1. Local Economic Development and Pro-Poor Tourism

- From national to local economic development.
- Less focus on volumes of international arrivals, foreign exchange revenues and FDI.
- More focus on local economic development, length of stay and linkages for local community development.
- Pro-Poor Tourism has a particular focus on realising economic and other livelihood opportunities for the poor.



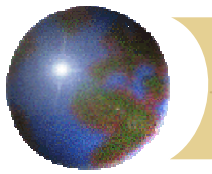
What is it all about?

- Developing tourism in a way that has more impact on:
 - - **poor people**
 - - **the local economy.**
- Pro poor tourism is NOT a product. Not just community based tourism. Not eco-tourism.
- It is an approach to any kind of tourism: doing business in a way that delivers *increased benefits for poor people.*
- In practical terms: creating *linkages* between tourism and local poor people.



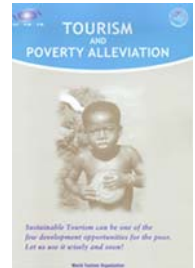
What is pro-poor tourism

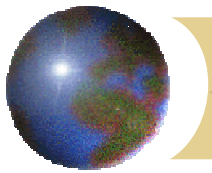
- Tourism that generates net benefits for the poor (there are negative impacts..)
- PPT is **not a specific tourism product** or sector, it is an overall approach **designed to unlock opportunities for the poor.**
 - ✓ Economic gain
 - ✓ Other livelihood benefits
 - ✓ engagement in decision making



Moving beyond “trickledown”

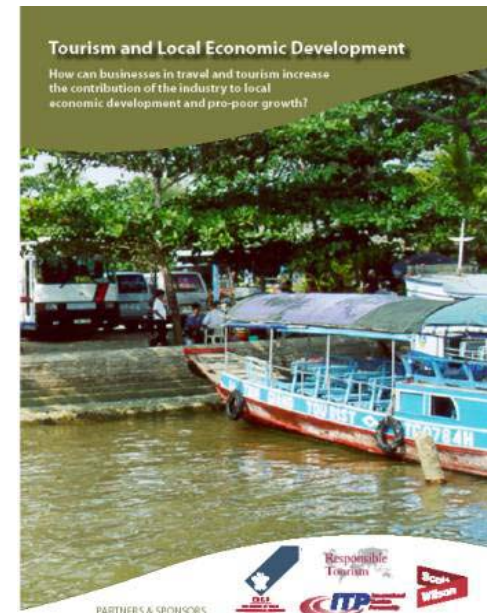
- facilitate local community access to the tourism market
- maximise linkages into the local economy and minimise leakages
- build on and complement existing livelihood strategies
- evaluate tourism initiatives for their contribution to local economic development not just the increase in international arrivals.

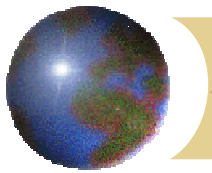




2. *The Business Case for Change*

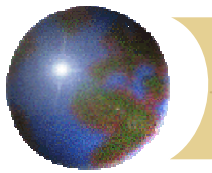
- **Corporate Social Responsibility**
- The **Business Case** for stimulating **local economic development** and **poverty reduction**





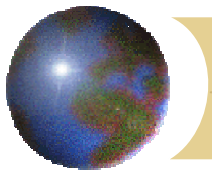
Minimising Risk

1. managing environmental risk for some time – Health and Safety
2. now **increasing emphasis on the economic and social aspects.**
3. brand image and value is one of the key elements for an industry where the **product is intangible at the point of purchase and where the experience is much more than the directly purchased** transport, accommodation and guide services.
4. **reputational risk** is a significant issue where **the product purchased by the consumer extends beyond what is owned and directly managed in the supply chain.**



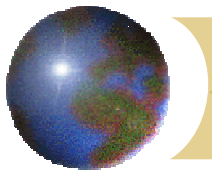
License to Operate

- 1. good relationships with local communities** – the alternative is hassle, crime and denial of public space
- 2. positive recognition** of demonstrable concern for the natural and cultural environment
- 3. maximisation of the contribution which the industry makes to local livelihoods, economic development and the reduction of poverty.**
- 4. Enterprises which contribute to local economic development, can improve the general environment for business** and stay ahead of legislation.



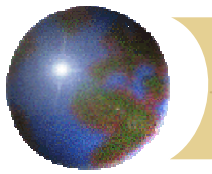
Product Quality and Cost

1. commercial advantage in **differentiation** and **non-price competition**
2. commercial advantage operating in, and to, destinations which offer **a rich mixture of experiences and activities.**
3. traditional provision of resort activities increasingly needs to be supplemented with **complementary product much of which will be locally owned and provided by SMEs – partnerships.**
4. **co-operation between businesses makes the strategy easier to achieve, reduces cost and avoid the freeloader problem.**



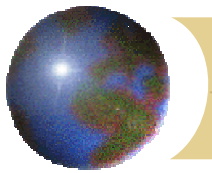
Market Advantage

- 1. PR benefits:** build reputation, particularly for those companies that establish a leadership role.
2. market is changing to reflect socially, environmental and culturally **aware holidaymakers.**
- 3. These market trends require a richer experience,** generally beyond the confines of the hotel or resort.
- 4. There is market advantage, and repeat business, to be secured by enabling clients to enrich their experience and this will increase the local economic benefit**



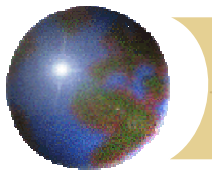
Change is taking place in holidaymaker aspirations

- Companies are making explicit responsible tourism commitments.
- When asked whether or not they would be more likely to book a holiday with a company if they had a written code to guarantee good working conditions, protect the environment and support charities in the tourist destination
- **1999 45% said yes** + 7%
- **2001 52% said yes.**



The purchasing decision

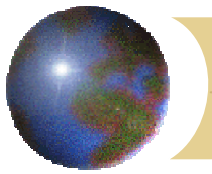
1. **Destination/activity**
2. **Price**
3. **Availability/ trip length**
4. **USP or “added value”- non-price competition**
 - **For some consumers and retailers that can be a **responsible tourism element.****
 - **Brand positioning and repeat business**
 - **Market trend towards more experiential holidays – travellers/holidaymakers want more from their precious time off, they want more experience of/ engagement with the people and places they travel to visit.**



Federation of Tour Operators

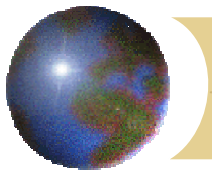
1.1. We commit to work towards developing, operating and marketing tourism in a sustainable manner; ie. **tourism which makes a positive contribution to the natural and cultural environment, which generate benefits for the host communities,** and which do not put at risk the future livelihood of local people.

January 2004



Federation of Tour Operators

- 2.6.5 We are committed to **involving, and co-operating with**, local communities and people
- 2.6.6. We are committed to **using local products and skills** wherever practicable.
- 2.7 We will **encourage our partners, suppliers and sub-contractors to improve their contribution to sustainable development** and management of tourism, and will work with them and share information to assist in this.



3. Making Tourism Count

Making Tourism Count
for the Local Economy in the Caribbean
Guidelines for Good Practice

Pro-Poor Tourism Partnership and the Caribbean Tourism Organisation
Funded by UK Travel Foundation

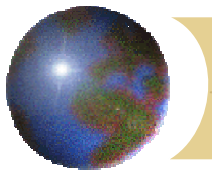
With assistance from CRSTDP and EU
First Choice and TUI

April 2006
Caroline Ashley, Harold Goodwin, Douglas McNab, Mareba Scott, Luis Chaves

- Caroline Ashley
- Harold Goodwin
- Douglas McNab
- Mareba Scott
- Luis Chaves
- Builds on previous work with ASSONAHORES in the Dominican Republic

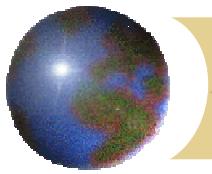


www.propoortourism.org.uk/caribbean
www.thetravelfoundation.org.uk
www.onecaribbean.org



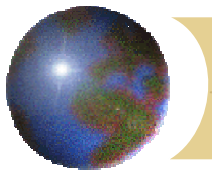
1. Tourism and the local economy – building linkages

1. Tourism is not flush with cash – but it is a major purchaser & influence over a large number of consumers.
2. Tour operators and hoteliers
 1. Require secure, attractive & hospitable neighbourhoods
 2. Need to innovate and develop product
 3. create linkages with local people in order to upgrade the tourism experience



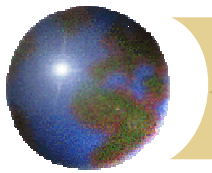
1. Bringing local producers into the supply chain

- Use local products to differentiate the hotel environment and enhance tour operator brand
- Increase range of activities & motivation to stay
- Cost savings on local products
- Build networks of local collaboration



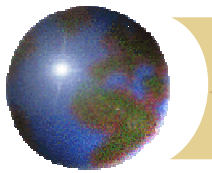
2. *Bringing local producers into the supply change*

- Dominica Coconuts Products – soap to cruise liners
- Earth Mother Botanicals Barbados supplies Sandy Lane Hotel & Spa.
- Local floristry in St Lucia – frustrated by payment schedules
- Curtain Bluff Hotel Antigua – local produce to enhance the local character of the hotel
- Ocean Terrace Inn St Kitts – local food



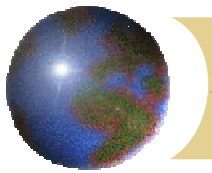
3. *Building links with local farmers*

- Challenges
 - Supply side: quality, quantity, reliability, seasonality, Health & Safety, packaging, transportation.
 - Market linkages between producers & hoteliers
 - Chef & purchasing manager inertia and resistance
 - Local availability
 - International market pressure for product re-orientation is mounting



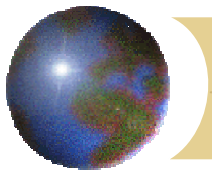
3. *Building links with local farmers*

- Tobago – adopt a farmer
- St Lucia – Oxfam
- Sandals – Jamaica & St Lucia
- Windward and Leeward Islands ECTAD
- St Vincent and Grenadines – bottled fruit
- A Taste of Jamaica & Hedonism III
- Barbados Oristins Fish Fry



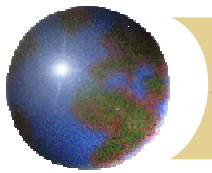
4. *Employing Local Staff*

- Employing local people as new entrants
- Are you paying living wages – are the health and welfare benefits fair?
- Is there adequate training and progression?
- Are you dealing with HIV?
- Sandals, Jamaica Montego Bay
 - **START (Flanker)**
 - **120 hrs training /year**
 - **Workplace HIV/AIDS programmes**
- Curtain Bluff Resort, Antigua/Old Road Fund
 - **Top and middle management positions locally filled**
- St Lucia Village Inn & Spa



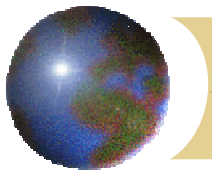
5. Involving local people and products in tours, packages and excursions

- Market demand for more fulfilling experiences beyond confines of hotel/resort
- More than Sun, Sand and Sea (and slot machines?)
- Excursions provide memorable experiences and stories to tell encouraging repeat visitors and referrals – non-price competition?
- Increased income without increasing the lead price.



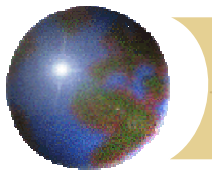
5. Involving local people and products in tours, packages and excursions

- Challenges
 - Inertia
 - Self-interest
 - Free loaders
 - EU Package Travel Directive
 - Health & Safety
- Dominica Republic "Ruta del Cacao"
- Belmont Estate Grenada
- Dominican Republic Bechata
- Windward Islands – Mamiku Gardens



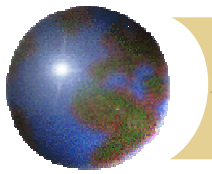
Who benefits:

- Hoteliers – extended length of stay; repeat business, viral marketing
- Tour Operators – increased business from excursions, more distinctive offer
- Local communities – employment and income opportunities
- All – better experience, customer satisfaction, increased spend enhanced brand
- “better places to live in, better places to visit”
 - **Cape Town Declaration of Responsible Tourism in Destinations**



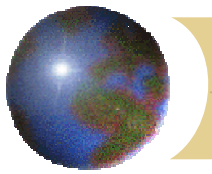
6. *Encouraging tourists to spend in the local economy*

- Tourists need to feel comfortable outside hotels and resorts – hassling and crime
- Visible and accessible goods and services – better marketing strategies
- Assurance on quality & health & safety
- *St Lucia Jazz Festival & Sea Food Friday*
- *Jamaica Misty Bliss in the Blue Mountains*
- *Barbados Blackbelly Sheep*
- *Dominican Republic Outback Safaris excursions*



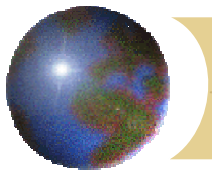
7. *Building Neighbourhood Partnerships*

- Enrich the destinations – increase sense of place
- Boost local communities – license to operate
- Reduce hassle and sense of risk
- Reduce negative impacts of tourism
- Working in partnerships with operators, other hoteliers and communities



7. *Building Neighbourhood Partnerships*

1. Rodney Bay St Lucia - a public space offering local food, music and art
2. Laborie Development Foundation St Lucia – linking cultural festivals to accommodation sector
3. Boca Chica in Dominican Republic fried fish on the seafront



Looking to make change?

- More detailed information and international examples in the Appendix
- Is there more? – I would like to think that we had missed a lot.....
- Pro-Poor Tourism Partnership publishes and promotes good practice examples at WTM annually
- Keen to work with people wanting to make change – harold@haroldgoodwin.info