Harnessing the Potential of Nature-Based Tourism for Poverty Reduction

NATURAL ASSETS PROVIDE A VALUABLE PLATFORM FOR GROWTH LED BY TOURISM

Tourism is an important economic sector the world over and has emerged as a robust driver of growth for emerging economies. This growth is driven by low-cost air travel to a much greater number of destinations combined with the development of tourism sites (natural and cultural), better infrastructure, and improved tourist amenities and services in-country.

Nature-based tourism—sun and sand tourism, wildlife viewing, and mountain and desert camping, among other adventures—is a significant sub-sector of tourism for developing countries. In Tanzania, for example, tourism is largely nature-based, and contributes 10 percent to GDP. In Namibia, similarly, 19 percent of all employment (direct and indirect) has been attributed to nature-based tourism. Coastal tourism is a key component of small island state economies. The value of nature-based tourism is expected to increase over time as the supply of pristine natural assets declines while demand, which seems impervious to economic shocks, increases with rising GDPS.

Nature-based tourism can be a significant source of income for local communities, who often live in

- **Jobs**: One out of every 11 jobs globally is in the tourism sector and jobs indirectly supported by the industry.
- **Gender**: About 50 percent of the world’s hotel and restaurant employees are women.
- **Opportunity**: In the mid-1990s, low and middle-income countries’ share in international tourism receipts was only 17 percent of the world’s total. By 2012, that share had grown to 28 percent.
marginal areas with few pathways out of poverty, when projects are well designed.

The World Bank’s Environment and Natural Resources Global Practice (ENR GP) helps countries harness the potential of nature-based tourism through integrated landscape approaches that better manage multiple land-use options and layer revenue streams for both governments and communities. In coastal areas, a wide range of interventions ensure the integrity of tourism assets through pollution management, prevention of coastal erosion, protection of coral reefs and other marine habitats, and sustainable fisheries management. Long-term assessment of the carrying capacity of specific tourism destinations underpins planning to safeguard these assets.

ENR’s portfolio includes projects that support biodiversity conservation, strengthen protected area management and tackle wild-life poaching, while incorporating carefully designed private-sector concessions and local benefit-sharing arrangements. This approach helps countries secure markets for high-value wildlife tourism while reducing poverty. ENR also works across sectors to offer an integrated approach that builds on the capabilities of the WBG in governance, investments, competitiveness, and sustainability. Finally, by working across different scapes—urban, rural, land, and sea—to improve the quality of the environment through air quality, water pollution and solid waste management, ENR supports developing countries as they create an attractive space to embed all forms of tourism—cultural, religious, gastronomic—extending its impact beyond nature-based tourism.

### Nature-Based Tourism and Poverty Reduction

The relationship between nature-based tourism and poverty reduction is not straight forward. Local communities near protected areas sometimes carry a large share of the costs of protected areas in the form of restricted access to land and natural resources and crop damage due to raiding wildlife.

In terms of local employment, there is typically a mismatch between the high-skill labor-related demands of the tourism industry and resource endowments of local communities, giving rise to significant “revenue leakage” away from those who need it most. Employment opportunities for local communities tend to be in lower-skilled and lower-paid positions. Rather than feeding the local economy, revenues are often absorbed by nearby urban centers where package tourism is offered, or leak abroad to non-national owners of resorts.

The WBG group supports carefully designed interventions that strengthen the linkages between nature-based tourism and poverty reduction, and help communities who often have few other economic opportunities. Three components, in particular, are emphasized from best practices and lessons learned:

- **Protect the assets**: The natural assets underlying the nature-based tourism sector need to be well managed to ensure that they are maintained. Revenues will be short-lived if the tourism venture exceeds the carrying capacity of the natural ecosystems resulting in natural resource degradation.

- **Grow the business**: The natural site must attract a sufficient number of visitors and generate sufficient revenues to be economically viable and attractive to the private sector.

- **Share the benefits**: Local communities must benefit directly from the tourism activity be it through jobs and other economic opportunities, revenue-sharing arrangements, or the targeted provision of public goods (schools, roads, clinics, for example).