

**FAIR TRADE
in TOURISM
project**

Tourism Concern / UNL / VSO

**Tourism, the Poor and Other
Stakeholders: Experience in Asia**

Kishore Shah
Vasanti Gupta

Edited by Charlotte Boyd



Overseas Development Institute

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The Sustainable Livelihoods Working Paper Series

This working paper is one of a series that cover practical applications of Sustainable Livelihood (SL) approaches within natural resources management. The papers provide substantial case study material of varied practical experiences, combined with reflection on the emerging findings concerning uses of SL. Some focus on specific types of application of SL approaches (e.g. project design, impact assessment) and some on their application to specific sectors (e.g. water, tourism).

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In addition:

Tourism, the Poor, and Other Stakeholders: Asian Experience, *Kishore Shah and Vasanti Gupta*, ODI-Fair Trade in Tourism Paper.

These are all being printed in February and March 2000. Copies can be ordered by contacting publications@odi.org.uk. The full papers and their summaries are also being placed on the ODI livelihoods website (www.oneworld.org/odi/rpeg/srls.html). Summaries of lessons learnt on uses of SL approaches are being placed on DFID's Sustainable Livelihoods Learning Platform (www.livelihoods.org). Several Natural Resource Perspectives on aspects of sustainable livelihoods are also available from ODI.

This set of Working Papers on livelihoods is co-ordinated by Caroline Ashley (ODI) and funded by the Department for International Development's Rural Livelihoods Department. Comments or enquiries should be sent to Caroline Ashley (c.ashley@odi.org.uk) or Kate Burke (k.burke@odi.org.uk).

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Foreword

This paper covers one of six pieces of research commissioned for the first phase of the Fair Trade in Tourism Project. The Project is an action research partnership set up, and funded, by Tourism Concern, the Centre for Leisure and Tourism Studies at the University of North London (UNL), and Voluntary Service Overseas (VSO). Its purpose is to understand how existing and future tourism – both mass tourism and niche tourism, including nature-based tourism – can be linked to support for and maintenance of sustainable livelihoods, so as to maximise tourism’s potentially positive effects and to minimise its often negative effects.

In addition to the work described here, the Fair Trade in Tourism Project has commissioned and funded five other pieces of research. These cover local level field studies in India, Uganda and Zambia; lessons to be drawn from fair and ethical trade programmes for commodities and other products; and national level tourism planning in the Philippines.

A synthesis report drawing together the findings of all six pieces of the research that the Fair Trade in Tourism Project has commissioned, will be published by the project partners in 2000¹. The synthesis report makes links between tourism and sustainable livelihoods. It draws substantive conclusions from the research, and makes recommendations for applying lessons from these conclusions. Areas are also identified where further work is necessary to fill the large gaps in current understanding of the effects of tourism on development and sustainable livelihoods.

There is growing enthusiasm amongst donor governments and international agencies for tourism to be viewed as having potential to contribute to pro-poor development. This paper focuses on the way in which tourism development has affected different groups of stakeholders in coastal and mountain regions of Asia. Understanding the experiences of different stakeholder groups is essential in any attempts to introduce tourism as a pro-poor development intervention. The Fair Trade in Tourism Project is the first major study of these issues and of the development dynamics that determine the conditions under which tourism development may contribute to sustainable livelihoods.

We are pleased to acknowledge the editing undertaken by the ODI with funding from DFID, which has enabled us to undertake joint publication of these preliminary results; the contributions of Kishore Shah and Vasanti Gupta, the researchers commissioned by the Fair Trade in Tourism Project to undertake the work that is reported here, and Trish Nicholson who constructed the tables at the end of this report based on her research in the Philippines; and the support of Tourism Concern, the University of North London, and Voluntary Service Overseas in funding this research.

Richard Tapper
Director, Fair Trade in Tourism Project

¹ A summary of the synthesis report will be made available on the Internet (www.tourismconcern.org.uk). The results of research commissioned by the Fair Trade in Tourism Project will also be disseminated in a forthcoming issue of the International Journal of Tourism Research.

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The views expressed in this paper are those of the author and do not necessarily reflect those of the Department for International Development (DFID), the Overseas Development Institute, the Fair Trade in Tourism Project or any of the individuals cited herein.

This research is funded by the Fair Trade in Tourism Project partners – Tourism Concern, the University of North London, and Voluntary Service Overseas; publication of this paper is funded by the Department for International Development. The financial support and interest of all these organisations is gratefully acknowledged.

1. Introduction

This Paper pulls together 27 case studies of local tourism development to identify what is known regarding impacts of tourism on stakeholders in different circumstances. The case studies have been drawn from two geographic clusters: Southeast Asia (Indonesia, the Philippines and Vietnam), and the mountainous regions of Nepal and northern India.

Tourism is a significant industry in these areas, as in many of the world's poorest countries. It can have important impacts on the livelihoods of the world's poor, but these impacts are rarely well understood and may often be negative. Strategies for enhancing impacts of tourism on the poor need to be developed.

This requires starting with understanding how different tourism approaches affect local people, how the wide range of costs and benefits are distributed among stakeholders and what factors affect benefits to the poor. However, there is a general lack of information on which to base such an understanding, despite a growing interest in promoting local benefits from tourism, particularly around nature conservation areas. There are numerous case studies, but they are rarely synthesised to identify common trends, contrasts and explanatory factors. They tend to focus either on economic benefits or on cultural/social damage rather than the full range of livelihood issues, and often ignore issues of distribution within and between local stakeholder groups, particularly impacts on the poor. This paper therefore aims to pull together evidence from a range of case studies on how tourism developments have affected livelihoods of different groups in a cross-section of tourism locations, and to identify some of the processes and influencing factors involved.

The case studies reviewed here cover a wide range of situations and tourism-related activities, with most focusing on the destination level. Some of the case studies give an in-depth view of what happens within village communities as tourism is introduced or expands. Some focus more on the processes of change, some on identifying impacts. Interventions that have enabled local communities to maximise gains and minimise losses from tourism activities are included though are not prominent. Some case studies deal with specific groups such as vendors and women and provide useful insights into processes and impacts affecting these groups. Given their different scope, methodologies, purposes, timing and scale, strict comparisons are difficult. Nevertheless, some instructive comparisons and contrasts emerge from a review of key points from each.

Given the destination focus of most case studies, issues at the national or regional levels or macro-economic issues are not addressed (with the exception of Nepal). Generally, economic linkages are not well explored in the literature that has been reviewed here, although those that do address linkages highlight their importance. The case studies are also limited in their analysis of private sector impacts, and of tourists' perceptions and preferences. There is also relatively little information on exclusive resorts and the impact they have on the immediate environment, though research indicates that a whole range of new issues emerge from the development of such resorts. This paper has tried to identify these issues – particularly those that have an important bearing on local communities.

Basic details of each case study are summarised in Table 1: country, location, author, type of tourism, and focus of the study. Section 2 provides a brief description of their findings for each country or destination. Section 3 draws together findings concerning impacts of tourism on different stakeholders in local communities, exploring economic, natural resource, and socio-cultural impacts. It also focuses on distribution and seeks to identify key factors affecting impacts. The discussion draws on analysis of the case studies supplemented by information from a number of other research reports, magazines and newspapers articles. An attempt is made in the final section to draw

conclusions and make recommendations for a way forward to maximise gains and minimise losses for the poor.

Table 1 Summary details of case studies reviewed

Country	Location	Author/Year	Type of tourism	Focus and analysis
Indonesia	Bali	Wall (1996)	Recreational and cultural	Attitudes towards, and impact of, tourism in representative, sample villages; focus on varying perceptions.
	Bali	Maurer and Zeigler (1988)	Recreational and cultural	Cultural context in which tourism has developed and the dual nature of tourism in Bali.
	Bali	McBeth (1996)	Recreational (Sun Beach)	Impacts of mass resort tourism on the local community. A campaign agenda.
	Pangadaran	Wilkinson and Pratiwi (1995)	Conservation and recreational	Gender issues; the impact on a local community who begin to lose the gains previously made as a result of tourism becoming up-market.
	Yogyakarta	Timothy and Wall (1997)	Heritage	Detailed social science research on vending; focus on institutional analysis and tracing economic linkages.
	Bromo Tengger Semeru Park	Cochrane (1997)	Mass tourism (mountain scenery)	Dynamics of the tourism industry; socio-economic impacts in villages; response of park authorities.
Philippines	Marinduque Island	Nicholson (1997)	Cultural (festivals)	Process of change and continuity in a cultural representation; and opportunistic responses from the local economy.
	Boracay Island	Nicholson (1997)	Recreational (Sun Beach)	Impact on various stakeholders (especially accommodation providers) as policies lead to rapid growth.
	Samal Island, Mindanao	Nicholson (1997)	Recreational (Sun Beach) / upmarket	Investigative report on failed efforts to promote 'cooperative tourism' for beneficiaries of a land reform programme.
	Davao City, Mindanao	Nicholson (1997)	Mass recreational tourism	Sexual exploitation of children as a consequence of rapid industrialisation combined with tourism in a poor region.
Vietnam	Bai Chay, Ha Long Bay	Nicholson (1997)	Recreational and heritage	Gradual growth of tourism; inadequate linkages causing increasing disparity in the region.
	Sa Pa	Nicholson (1997)	Recreational and cultural	Impact of 'ethnic tourism', promoted to attract tourists, on the ethnic minorities, especially on cultural heritage.
	Sa Pa	Koeman (1998)	Recreational and cultural	Under-utilised potential for ethnic minorities to gain from tourism; lack of connection between conservation and tourism.
Nepal and India	General	Gupta and Shah (1999)	Mountain	Focus on good practice, especially in the context of nature conservation and tourism, and gains to local communities.

Nepal	General	CREST (1995a)	Mountain	An overview of importance of mountain tourism to national economy and local communities, and the impact on environment.
	General	Gurung, H. (1991)	Mountain	Environmental management issues and how policies and pilot initiatives have addressed these.
	General	Wells (1993)	Mountain / nature	Economic returns from tourism in conservation areas; makes a case for government strategies to maximise returns.
	General	Zurick (1992)	Mountain	Phenomenon of opening up new areas to tourism.
	General and Annapurna	Gurung, D. (1995)	Mountain and recreational	Gender issues at national and local levels, including an analysis of a women's programme.
	Annapurna and Gorkha	CREST (1995b)	Mountain	Relationship between conservation, tourism, community development and NGO and government interventions.
	Sagarmatha	Jefferies (1982)	Mountain	Documentation of early interventions in park management.
	Upper Mustang	Shakely (1994)	Mountain and heritage	Documentation of early impacts; policies limiting local participation and their impact.
	Upper Mustang	Gurung, C. (1998)	Mountain and heritage	Development of tourism in early years; context, intervention and impacts.
India	Western Himalayas	AME (1995a)	Cultural and recreational	Overview of tourism in the region (mostly domestic); impact on environment and local communities.
	Western Himalayas	AME (1995b)	Cultural, recreational and mountain	Case studies of tourism development in Kinnaur (Himachal Pradesh) and Badrinath (Uttar Pradesh); impact on environment and local community.
	Manali	Singh (1989)	Recreation	Research tourists and hotels; traced the growth of the town as tourism grew; initiatives for planned growth.
	Manali	Berkes et al. (1997)	Recreation	Sustainability of the mountain environment; impact on local communities and environment, (especially impacts of unplanned growth).

2. Case study areas

2.1 Indonesia

Tourism has become a major industry in Indonesia within the last three decades. Clientele and investments from Japan, Australia and other countries of Southeast Asia have also helped in fuelling the growth. To quote Cochrane, 'Visitor arrivals to Indonesia increased by more than 400% in the decade 1985–1994, and reached over 5 million by the end of 1996. The industry is the country's third largest foreign exchange earner, generating \$5,172 million in 1995' (1997: 6).

2.1.1 Bali

Two studies, 'Perspectives on tourism in selected Balinese villages' by Geoffrey Wall (1996) and 'Tourism and cultural minorities' by Jean-Luc Maurer and Arlette Zeigler (1988), are useful in understanding the impact of tourism in Bali. The first study examines the attitude towards tourism in eight sample villages, highlighting the concentration of tourism and patchy distribution of impacts despite deliberate policies to spread the benefits. The second emphasises the cultural context – small-scale tourism development has built on traditional institutions, in particular voluntary associations, but the resilience of Balinese society is now being tested.

Bali, with a population of about three million, is the most popular resort in Indonesia and received 1.9 million tourists in 1990. Tourism and the handicrafts industry (which is largely dependent on tourism) contribute significantly to the island's economy, estimates varying between 20–40% of GDP. The strongest impacts from tourism are felt in the southern part of the island – largely in the 'tourism triangle' of Kuta–Denpasar–Sanur, where resort tourism is dominant. In this 'triangle' major resorts, such as the 2,500 room complex at Nusa Dua are built with large investment inputs, generally require imported technology, materials and foreign-trained staff, occupy acres of valuable farmland and consume vast amounts of water. Gains to the local community from employment generated by the industry are limited, particularly when compared with losses – displacement can arise as a major issue when access to farmland and irrigation water is reduced, and the ability to earn a livelihood from a shrinking natural resource base is limited.

Deliberate policies and plans to spread the positive economic impacts of tourism without encouraging adverse socio-cultural impacts, have ensured that many traditions have been retained. For example, planning has concentrated on providing tourist facilities in Kuta, Sanur and Nusa Dua in the south of the island, but has also designated excursion roads to facilitate the movement of tourists from the three major accommodation nodes to various attractions in the interior of the island.

Geoffrey Wall's study allays fears that, with millions of visitors to the island, tourism dominates the economy and social development of Bali. Although tourism and tourists have a significant influence on the economy, social norms and aspirations in some areas, tourism remains a peripheral or non-existent activity in large parts of the island (Wall, 1996). Traditional institutions and occupations still govern a large number of the island's villages and in some, these cultural traditions have even been used to manage tourism-related activities. Lodges (*losmen*) are designed along similar lines to traditional houses, with rooms often built as an annexe of the central courtyard (*penkarangan*), and are generally family owned and run. Similarly, most restaurants are managed either by families or by voluntary associations or *sekaha* with clear principles for division of work and revenues. Voluntary

associations are also used for car and bicycle rentals and running minibus services. Many cultural activities have developed within the framework of mutual aid groups, known as *banjar*, which usually function around feasts. These activities require little capital and use mainly local technological resources, and are therefore well suited to the Balinese way of life (Maurer and Zeigler, 1988).

While most of Bali has retained its cultural roots, the resilience of the Balinese society is put to the test at large resorts, as the five star culture begins to take its toll. A subculture dominated by the unrestrained pursuit of money, drugs and sex is developing, especially amongst a minority of Balinese youth residing near the complexes (McCarthy, 1994).

These studies raise a number of questions that are repeated as other cases are examined and analysed. Are the negative consequences of tourism on the culture and environment dependent on the scale and the pace at which tourism grows? Are they more likely or inevitable at large resorts and can they be ameliorated? Evidence from the report by McCarthy cited above suggests that the resorts act as a catalyst in the process of cultural change, and the consequences are not always beneficial, in the short run.

2.1.2 Pangandaran

In 'Gender and Tourism in an Indonesian Village', Paul Wilkinson and Wiwik Pratiwi (1995) examine the social impact of tourism in Pangandaran, with a special emphasis on gender issues. The study outlines the negative impacts of land appropriation, and contrasts increased independence for women pursuing new opportunities in the informal sector with their increased workloads.

Pangandaran, a large Javanese fishing village with a population of about 7,500 is located between the rainforests of the Tamul National Park and Nature Reserve and the mainland of southern Java. It is visited mostly by domestic tourists. Fishing is the main local occupation, but both the local community and the significant migrant community of Muslims were making significant economic gains from tourism at the time of the study. However, the authors felt this was about to change, with the village having been identified as a priority area for tourism development by the national government. This had already led to negative impacts on the use and ownership of village common land (*tanah desa*). Village land traditionally used for grazing, repair of fishing boats and nets, and sports and festivals was sold to build a five-star hotel. Plans to develop tourism facilities on cemetery land were stalled only when 4,000 local people protested. Changes to roads and village entrances have also displaced labourers living on national commons (*tanah negara*), who now have to commute to their jobs. Other common areas currently used by the poor are also slated for further development. There is a fear that as tourism grows and moves upscale, the poor may lose sources of livelihood in the informal sector without compensatory gains from the increase in tourism.

While there is little evidence of development interventions aimed specifically at women, Wilkinson and Pratiwi conclude that they now have more control over their lives as they can be at least partially independent. Major gains have come from the informal sector, particularly informal trading. However, these have often come at the expense of very high workloads for poor women, with more women becoming self-employed, and on double and triple their normal workload (1995: 296).

2.1.3 Yogyakarta

'Selling to tourists: Indonesian street vendors' by Timothy and Wall (1997) gives valuable insights into vending and shows it is a relatively easy entry point into the tourism industry for the poor. The study emphasises the importance of domestic and regional tourists to vendors in the city of Yogyakarta, and shows how planned interventions and local organisations have assisted vending activities.

Yogyakarta has grown rapidly as a tourist centre in the last three decades and is the third most visited destination by international travellers in Indonesia (after Jakarta and Bali). The average stay in the city is short – less than two days – a large part of which is spent in the temple complexes of Borobudur and Prambanan, (both UNESCO world heritage sites). Buying from vendors is one of the most common encounters that tourists have with the local population. The vendors in the study (some of whom have been in business for up to 50 years) cater to both foreign and domestic tourists. Most income is earned from domestic and Southeast Asian tourists, as they tend to buy more from vendors than tourists from western countries. Women play a significant, though not dominant role in vending operations.

In general, interventions designed by or for international aid agencies have tended to ignore the importance of vending. Internationally, there are few documented examples where programmes or regulations to protect or promote the interests of vendors form an important part of tourism projects. In Yogyakarta, the local government has however taken a positive stance towards street vendors – vendors have been legally recognised since the mid 1980s and 90% of the vendors polled by the survey indicated that they had acquired a vending licence. Two organisations, Tri Dharma, a cooperative formed in 1984 and Pemplani, an association formed by smaller vendors in 1993, serve the interest of the vendors and also play an effective role in liaising with the municipal government. Tri Dharma also provides a savings and loan service to its members.

2.1.4 Bromo Tengger Semeru National Park

Janet Cochrane's 1997 study, 'Tourism and Conservation in Bromo Tengger Semeru National Park,' examines the relationship between tourism, the park and village communities. The study highlights the geographic dispersal of economic benefits from tourism in surrounding areas, the role of associations in ensuring equitable market access for members, and the importance of local land ownership in retaining local benefits.

Bromo Tengger Semeru Park covers 58,000ha, and is located in the centre of the province of East Java. It is one of the most successful parks in Indonesia, in terms of both income and visitor numbers. The tourists are attracted by the spectacular scenery of Mount Semeru and Mount Bromo and their surroundings. Visits to the park tend to be short, sometimes as short as two hours as in the case of organised tours for visitors from Hong Kong and Taiwan.

There are 167,255 people living in 51 villages bordering the park, the majority of whom is Hindu Tenggerese. Although accommodation and catering activities are concentrated in the twin villages, Ngadisari /Cemora Lawang, most villages in the region have made significant economic gains as a result of the growth in tourism activities. A large number of people from outside the main tourism centres gain additional income from opportunities such as working as horsemen for tourists, or collecting and selling fodder for the horses. These activities are organised through associations that ensure a fair share of the market for all its members. Earnings from these are sufficiently high that farmers now rely on migrants from the lowlands to provide casual agricultural labour.

It is extremely difficult for outsiders to purchase land in the area to build hotels or other tourist facilities. This is attributed to the separate religious and cultural identity of the Tenggerese, and their history of partial alienation from the surrounding lowland community. In one village – Wonokitri – villagers have turned down large sums of money offered to buy land for building hotels. None of the hotels or home-stays in Cemoro Lawang are owned by a non-Tenggerese, except where an outsider has married locally. However, the non-Tenggerese are responding to this by building hotel complexes on forest land leased out from the government, and by lowering accommodation prices in the nearby city of Surabaya to capture a part of the accommodation market for visitors to the area.

The case study did not find strong evidence of the negative cultural impacts often associated with tourism. Social and religious structures appear to be intact, and young people did not show signs of cultural breakdown such as occurs in parts of Bali. There is in fact very little social interaction between the visitors and residents. Many of the tourists who were interviewed commented favourably on the lack of ‘hassles’ and commercialism in Ngadisari compared to Bali.

2.2 Philippines

The following case studies in the Philippines and Vietnam are all from Trish Nicholson’s (1997) ‘Culture, tourism and local strategies towards development: Case studies in the Philippines and Vietnam’. The study focuses on the responses of tourism service providers to rapid industry growth over recent years, and provides good insights into how changes in the nature of the industry affect different categories of people providing services to the industry.

2.2.1 Marinduque Island

Marinduque Island in Luzon has a highly seasonal tourist trade which is important to the local economy but does not dominate it. Most impacts have tended to be positive. Tourism is based on a blend of indigenous traditions and Christian rites at Easter and Christmas, which attracts non-resident family members and friends, expatriates in the Philippines and foreign tourists. Informal accommodation continues to be important, and formal accommodation is confined to a relatively small part of the island. For the majority of the population, tourism is an additional, rather than principal source of income. Although, the study does not compare economic gains from tourism to other sectors, it appears to be relatively minor.

2.2.2 Boracay Island

In contrast to Marinduque Island, tourism dominates the economy of Boracay Island. This case study demonstrates how local benefits from tourism can be eroded by the uncontrolled expansion of the industry. The majority of tourists to Boracay Island were initially backpackers who sought ‘authentic’ native culture and a pristine environment, where it was cheap enough to stay for months. Some stayed for years, married Filipinos and set up their own resorts and restaurants, attracting custom from fellow nationals – particularly French, German, Italian and Swiss. The island, famous for its fine white sand and the crystal clear waters of its bay, now ranks amongst the country’s premier destinations and has been declared a tourist zone by the Ministry of Tourism.

Tourism initially had a beneficial impact on the local population, monitoring the out-migration compelled by an unsustainable economy based on subsistence fishing and farming. Tourism has

provided income-earning opportunities through providing accommodation in family-owned units, and employment in both the formal and informal sectors. Tourism has also indirectly increased the availability of jobs, such as carpenters, construction workers, shop assistants, security guards and labourers. These new sources of income have improved living standards, despite the erosion of purchasing power by high prices. Boracaynons have been able to monitor the trend of land alienation as a result of indebtedness, and build up their resource base. However, Nicholson doubts whether gains can be retained in the face of the stiff competition from non-locals that has emerged since the island was declared a Tourism Preserve.

In 1986, when tourism was already a major activity, the island's population was about 3,000, but this increased to around 9,000 by 1996. The local population was outnumbered by two to one, and were largely displaced from their land and traditional occupations of farming and fishing. During the same period, tourist arrivals increased from 27,000 to 150,000. By 1996, 18 owners owned 30% of the accommodation registered with the Department of Tourism, and only six of these were Boracaynons. In the last few years, approximately a quarter of the island has been bought by outside corporations. Non-locals now own the largest units with the best facilities, which tend to have good business almost throughout the year. This is also indicative of the pattern of ownership of other assets such as restaurants, boats, karaokes and boutiques. The majority of foreign tourists to the island are now Asians, particularly Koreans who tend to travel in groups, stay only for short periods and demand high standards of amenities. This has resulted in custom shifting from the smaller to the larger resorts, with many small businesses only attracting guests in the peak season when larger facilities are fully booked. Disparities in resource ownership have become stark, and many small resort owners struggle to survive or have joined those who had never owned land to become a part of the service sector. As new tourism demand is concentrated in larger hotels who demand higher educational standards than smaller resorts, skilled staff will continue to be recruited from outside the island. A tourism skills training scheme, part of the earlier development plan for Boracay, has not been implemented. The spin-off benefits of tourism in terms of infrastructure and environment have been minimal. The utility needs of large new projects are enormous and have brought to a head the island's chronic problems of sanitation and water supply.

2.2.3 Samal Island, Mindanao

The Samal Island case study documents an apparently well-intentioned but unsuccessful attempt by the government and the private sector to develop tourism in partnership with local people. Samal Island is a small island only a short distance from Davao City, the capital of Mindanao. Until the advent of tourism, the local economy, based on coconut plantations, farming on large haciendas and fishing, was characterised by low productivity and poverty. The Samal Island Tourism Estate Project (SITEP) was set up to promote the development of the luxury resorts as a satellite site for Mindanao. Early studies indicated that the rural community of Samal Island would be unlikely to withstand accelerated medium or large scale tourism development unless a corresponding investment was made in the social infrastructure necessary for the community to adapt.

A complex process was proposed involving the establishment of a cooperative of 332 local beneficiaries (but excluding 53 potential beneficiaries). The process, which started in the early 1990s, was facilitated by a local NGO. 700ha of former hacienda land was transferred to the beneficiaries as part of the ongoing land reform process. 250ha of this land was then leased by the Department of Tourism for 47 million pesos (equivalent to US\$1.74 million) and sub-leased to the holding company responsible for building and operating tourism facilities. 10.7 million pesos was used to pay for the redistributed land and 9.3 million pesos for relocating 180 families. The cooperative was offered a

20% stake in this holding company in return for a commitment to invest a further 410ha of land and the remaining 27 million pesos, but this exacerbated existing schisms within the cooperative and was eventually turned down. Most of the 27 million pesos was eventually spent on litigation and other costs. In January 1997, the sale of the 410ha of land was proposed and agreed at the Annual General Meeting of the cooperative.

This case study raises a number of general issues, in particular:

- The problems associated with tourism development plans based on desirable resort locations, rather than the development needs of the area or an integrated approach to the needs and potential of the area as a whole;
- The difficulties of implementing a project of this size and complexity given limited experience of local people, lack of consensus between intended beneficiaries, exclusion of some intended beneficiaries, and poor management of the community institutional development components.

2.2.4 Davao City, Mindanao

This case study demonstrates how in a poor region, a strategy of rapid industrialisation including tourism can put children at risk of sexual exploitation, if the problem of entrenched poverty is not addressed. The Mindanao Islands are extremely poor with almost half the population being classified as being below the poverty line. President Ramos has been promoting tourism and fast track industrial development for the area (Far Eastern Economic Review, November 28, 1996).

Nicholson illustrates how the integration of sex tourism in the mainstream tourism market may be of greater concern than the operation of specific 'sex tours.' Legally registered hospitality women, who mostly attract custom by working as 'Guest Relations Officers' in the city's 80 or so entertainment establishments, must be over 18 years to register, although about 20% are not. They receive some protection which is not available to the remainder of 14–18 year olds, who are not legally registered and experience greater risks of disease and physical violence. Research conducted in 1992 identified 3,000 street children, with a majority under 14 years of age, and a third who had started work at the age of 8 years. The majority lived with their families and contributed to their income (Nicholson, 1997). One tour operator reported that 'sex tours' were not necessary because sex is readily available, and girls and boys as young as 13 are exploited by general 'prostitute users' not just focused paedophiles. Reflecting the significance of commercial sex, there is a growing sub-culture (not limited to street children) requiring 12 to 14 year old boys who wish to become part of a gang to undergo 'initiation by rape'.

The law for protecting children (persons less than 18) from sexual exploitation has been strengthened, though local authorities are unwilling to enforce it unless there are specific complaints. NGOs working in the area perceive poverty – the underlying cause of sexual exploitation – as a priority requiring greater attention than the issue of sex tourism itself.

2.3 Vietnam

Guided by a National Tourism Master Plan drawn up in 1991, the tourism industry in Vietnam has witnessed phenomenal growth in the 1990s, with the number of foreign tourists increasing from

about 250,000 in 1990 to about 1.6 million in 1996. Growth has been dominated by large-scale investments in joint ventures between foreign corporations and local state enterprises.

2.3.1 *Bai Chay, Ha Long Bay*

Since UNESCO declared Long Bay as a World Heritage Site in recognition of its unique coastal geology (numerous limestone islets rising from the seabed like pillars), it has developed into a major tourist destination, experiencing a seven fold increase in the number of tourists between 1992 and 1996. Nicholson's case study, based on a survey of accommodation, restaurants and informal sectors in Bai Chay, demonstrates that local entrepreneurs are keen to participate in tourism as entrepreneurs, and some have been able to maintain their stake in the rapidly expanding accommodation sector through access to capital and gradual investment.

Viet Kieu (overseas Vietnamese) own the two largest hotels surveyed by the research. The remaining ten are owned by local families. The 'mini-hotel' is also their home, and is part of a household income mix that reduces risk and allows incremental growth – in many cases they have expanded their capacity floor by floor. The families that run these hotels are mainly those with government employment or connections, because they have access to cheap housing lots. This link between access to resources and ownership of enterprises illustrates the importance of policies to support small business development, particularly credit.

Local residents estimate that seventy to 80% of the population is involved in tourism in some capacity. Those with neither land or jobs make opportunities for themselves in the informal sector – for instance, the six noodle (*com pho*) stalls on the pavement are run morning and evening by different women in shifts; numerous children and women work as ambulant vendors, and anyone with a motorbike or a boat hires them out or offers rides.

Along with prosperity, tourism has brought income disparities, both within the town, and between the town and surrounding areas. These are likely to widen as the 1991 National Tourism Master Plan, which emphasises 'dollar generators', has not included the development of mini hotels or local restaurants or the promotion of local products for tourists.

2.3.2 *Sa Pa, Lao Cai Province*

Ethnic minority villages surrounding Sa Pa town are the principal attraction. Nicholson's study and an assessment by Annalisa Koeman communicated to the Internet Conference on Community Based Mountain Tourism assess some of the inter-relationships between the ethnic minorities and tourism. They illustrate how restrictions on overnight stays in villages, designed to protect ethnic minorities from the impacts of tourism and control the movement of tourists and their interaction with minorities, have severely limited opportunities for them to benefit, and show how commercialisation of ethnic craft has both positive and negative results.

Sa Pa is a small town in the mountains on the border of Laos in a region characterised by poverty. More than 40% of the population of Lao Cai Province live under the official poverty line. High rates of population growth and low levels of literacy are characteristic. The main ethnic group in the Province, the Hmong, have a literacy rate of only 10%, falling to 3% among Hmong women. Modern tourism began in 1993 when the first guesthouses were built by the government. At the time of the study the town had 60 hotels and guesthouses providing accommodation for about 2,000

tourists, with about three-quarters of the accommodation provided by the private sector. The town's economy is now dependent upon tourism.

Tours to ethnic minority villages are the main attraction for both domestic and foreign tourists, with five or more groups visiting the villages during the peak season, especially on weekends. Villagers only gain economically from the occasional sale of handicrafts or when meals or accommodation are arranged in the village. In a communication to the Internet Conference on Community Based Mountain Tourism, Annalisa Koeman has identified issues that need to be addressed in order to maximise gains for tribal communities in the vicinity of Sa Pa. At present, there are severe restrictions placed by the government on home-stays in tribal communities. Ostensibly, these restrictions are designed to protect ethnic minorities from the negative impacts of tourism, but effectively they also limit opportunities to benefit from tourism (Koeman, 1998).

The Hoang Lien Son Nature Reserve, at the edge of Sa Pa, has not emerged as a tourist attraction probably because of limited investment in promoting nature tourism. Sa Pa does not have an information centre for the reserve and there are no trekking trails. Koeman argues 'the reserve could be used to generate income for the Reserve (and aid conservation), educate visitors about the environment and take the pressure off ethnic minorities as the major focus of Sa Pa'. The Reserve could be promoted for 'low impact trekking ecotourism that includes overnight stays in ethnic minority villages within the park. The villagers will gain from providing accommodation and food, and selling farm and sustainably cultivated non-timber forest products and handicrafts. The park and the local communities could both benefit from forming a partnership' (Koeman, 1998)².

The Nicholson study (Nicholson, 1997) concentrates on the impact of the commercialisation of embroidered dresses and indigo dyed cotton decorated with intricately embroidered panels made by ethnic minorities. Souvenir markets that have built up around ethnic embroidery in Sa Pa, Hanoi and abroad have helped the ethnic minorities supplement their income, but have also set off several negative trends. For example, the cultural values attached to embroidery are being lost, and the artistic quality of the craft is beginning to deteriorate as the market generates incentives for cheap mementos.

2.4 Nepal

International tourism in Nepal has grown from a trickle in the early 1960s to about 300,000 visitors per year in the early 1990s, growing at about 6% each year between 1976 and 1992. An ambitious Tourism Master Plan was drawn up and a Ministry of Tourism was established in 1977 (CREST, 1995a). Tourism is now a major foreign exchange earner for Nepal, and the average contribution of tourism earnings to GDP increased from 1% in 1974 to nearly 4% in 1992. The share of tourism in the total value of merchandise exports more than trebled from 19% in 1973–74 to about 60% in 1989, decreasing again to 36% in 1992. Asians (primarily Indians) and Western Europeans constitute more than two-thirds of the incoming tourists. Since the 1980s, the Asian market has grown more quickly than the West European market (CREST, 1995a).

Nepal is known for mountain tourism – mountaineering, trekking and rafting – though less than a third of visitors (mostly westerners) partake in these activities. The majority of Indians spend time in recreational and religious activities in the Kathmandu Valley, and on relatively short drives to Pokhara and the Chitwan National Park or other protected areas in the *terai* (foothills) region.

² Since 1998, the district has introduced entrance fee stations to four villages, including Cat Cat village. Cat Cat is in the nature reserve, yet the reserve does not benefit from the revenues. The villages do not receive any of the revenue directly, rather it goes to district coffers and the district decides what to do with it (Koeman, pers. comm.).

Twelve case studies were analysed for Nepal, all of which focus on issues related to mountain tourism. Four of these analyse general trends: the Centre for Resource and Environment Studies (CREST) of the International Centre for Integrated Mountain Development (ICIMOD) synthesises existing literature to provide an overview of mountain tourism, and includes an analysis of community related issues as well as national level economics. It also examines the relationship between government departments and ministries, especially those dealing with tourism, forests and nature conservation (CREST, 1995a). Wells analyses the economics of nature tourism and focuses on the concept of consumer surplus: 'the difference between what an individual pays and what they would have been prepared to pay' (1993: 447), and on how this could be reduced to pay for nature conservation activities. Zurich attempts to build models to describe the movement of adventure tourism to remote frontiers, and the impact this has on 'destinations located among isolated, subsistence populations' (1992: 608), using Nepal as an example. Ditya Gurung (1995) examines gender issues in the context of tourism, with case studies in the Annapurna region providing useful insights.

The other eight studies focus on specific destinations. The Jefferies report (1982) describes the beginnings of nature conservation efforts in the region around Mount Everest (Sagarmatha National Park), especially in the context of tourism impacts and the efforts by the park management to address community related issues. CREST (1995b) looks at the Annapurna and Gorkha regions. Three studies assess Upper Mustang, where tourism has been planned with an emphasis on conserving cultural heritage (Shakely, 1994; Gurung, 1998; Banskota and Sharma, 1998c). Banskota and Sharma also examine the initiative to link conservation and mountain tourism around the Lantang National Park (Banskota and Sharma, 1998a) and the impact of tourism on the Pehwal Lake, near the fast-growing town of Pokhara at the gateway to Annapurna (Banskota and Sharma, 1998b).

2.4.1 Mountain tourism

Tourism is the dominant source of income in areas that have become popular for trekking, mountaineering or wildlife, but impacts have also been felt in other regions through backward and forward linkages. With the introduction of fees for trekking and mountaineering, tourism has become an import source of revenue for the government.

Development of tourism activities in Sagarmatha National Park took place in the context of a society that was undergoing rapid transformation. With the closure of the border between Tibet and Nepal in 1959, trading activities which were the most important source of income for the Sherpas were suspended (Jefferies, 1982). The loss of income was soon compensated for by economic gains from tourism according to Wells (1993). By 1986 two thirds of the families living in the park were participating in the tourism industry. Locally owned and operated lodges were established. By 1991 the number of lodges had increased to 82. Wells also gives a graphic description of Namche Bazaar to illustrate the pace of economic growth, 'Namche Bazaar, the tourist centre in the park, includes new tourist lodges, grocery stores, tea shops, a bank and a telegraph office, a scene of apparently unbounded small-scale capitalism. A remote and somewhat poor rural society has rapidly become affluent and cosmopolitan with considerable economic aspirations, although the resilient Sherpa society and culture has (remained) remarkably cohesive' (Wells, 1993: 456–457).

The impact of mountain tourism appears to have been more beneficial for host communities than cultural and recreational tourism (when the tourists visit Nepal primarily to relax and enjoy themselves). A large number of women tend to get involved in the tourism industry in mountain

tourism areas, often in a position of control. A survey conducted by the Nepal Rashtriya Bank in 1990 showed that less than a sixth of those employed in Nepal's tourism were women. However, female employment was greater than male employment in Sagarmatha, Annapurna and Latang, the three main destinations for mountain tourism, which account for over three quarters of mountain tourism (CREST, 1995a; Gurung, 1995). Lodges owned and managed by families from local communities dominate the accommodation and catering sectors in these regions. In contrast, larger hotels, where self-employment becomes less important, dominate the accommodation and catering sectors serving cultural and recreational tourism (CREST, 1995a).

Tourism is confined to small regions. Large areas, especially in northern Nepal, have a high tourism potential but have not been able to realise it due to the lack of proper development. In most conservation areas, there has been little consultation with people residing in and using the conservation areas, and there are conflicting interests that have not been resolved, resulting in the army having been deployed to protect these areas. The Annapurna Conservation Area, whose management plans were designed after extensive consultation, is the exception. Managed by the King Mahendra Nature Conservation Trust (KMNTC), the Annapurna Conservation Area Project (ACAP) has succeeded in integrating tourism with local community development (CREST, 1995a).

There is a strong link in Nepal between conservation and mountain tourism. The areas visited by tourists outside Kathmandu are largely protected areas. Jefferies (1982), who was the project leader of the New Zealand Sagarmatha National Park Project provides valuable insights into how various initiatives to control the impact of tourism on the environment were first conceived and implemented. One example of efforts to reduce the impact on the environment focused on finding alternatives to wood as the main source of fuel at trekking lodges along the Sagarmatha route. It seems to have had a significant demonstrative effect. The idea of opening visitors centres to introduce visitors to the natural and cultural heritage was first tested at Sagarmatha. Traditional land use practices were given due consideration while planning and implementing park management activities (Jefferies, 1982). This was a relatively new concept at the time and had still not been fully adopted in many protected areas, even in protected areas where people's participation was an important objective. This has now become a standard recommendation for effective park management.

In recent years, further progress has been made in minimising environmental impacts through regulations and environmental education. However, despite the successful demonstrations and efforts to enhance people's participation, environmental issues in the popular trekking and mountaineering areas remain problematic, particularly deforestation induced by trekking and an unchecked spread of litter. The level of integration between tourism departments, industry, and the conservation agency responsible for the management of protected areas, is very poor. There is a need for further institutional strengthening and development. Efforts are being made to learn and build on successes such as Sagarmatha and Annapurna, and to institutionalise participatory methods within the Department of National Parks and Wildlife Conservation (DNPWC) (Banskota and Sharma, 1998a).

2.4.2 Upper Mustang

Upper Mustang, on the other hand, illustrates a case where the vested interests of its organised tourism industry, especially tour operators based in Khatmandu, have prevented local communities making significant gains from tourism. Strict regulations, made in the name of protecting local communities and cultural and natural heritage, have minimised participation of the local community

in the industry. The local people have gained little from the growth of the industry (Shakely, 1994; Gurung, 1998; Banaskota and Sharma, 1998a).

This remote and underdeveloped region, which was closed to western visitors until March 1992, is significant because it is one of the last remains of untouched Tibetan art, architecture, religion and culture. Living conditions are harsh. Most of Mustang remains under snow for four to five months a year and basic necessities such as drinking water, health services, schools and alternative sources of energy are virtually non-existent (Gurung, 1998).

There are strict regulations that control the flow of tourists to the area. Initially, only 200 visitors were to be allowed entry into the region, but under pressure from travel and trekking agencies the number of visitors rapidly increased and over 500 visitors were allowed into the area in the first eight months. Within less than a year of opening the area, the number of tourists allowed to visit the area was increased to 1,000 a year, and there are fears that the number of tourists is already too high for an area with only 1,000 or so households scattered in 32 hamlets.

High tourism fees are imposed: US\$700 for up to ten days of trekking and US\$100 per day for each day thereafter (Shakely, 1994; Gurung, 1998). However, direct economic gains to the region have been limited by the regulations governing tours, which leave little room for local entrepreneurs to thrive. TANA, a tour agency association with considerable clout in Nepal, played a significant role in drawing up guidelines for trekking. Travellers are not allowed to visit the area independently, but must visit with a tour operator, who generally provides accommodation in tents as well as food. The regulations also require that the agencies must recruit their full complement of porters before reaching Upper Mustang, thus denying another income earning opportunity to the local population. An innovative initiative to bring in substantial revenue by building up the existing tradition of inn keeping was reported by Myra Shackley. However, Gurung's article and Banskota and Sharma's study, both written almost four years later, do not mention the existence of such a programme (Shakely, 1994; Gurung, 1998; Banskota and Sharma, 1998a).

2.5 India

Tourism in India has grown significantly since the 1970's, through both international and domestic tourism. The two destination areas analysed here, Himachal Pradesh and the hill areas of Uttar Pradesh, are both in the Western Himalayas and so focus on mountain, recreational and religious tourism. They provide interesting comparisons with developments in Nepal. Unlike Nepal, tourism is not a major sector of the economy of these destination areas. Domestic tourism provides up to 95% of the market in these regions, with 60–70% coming from the northern region of India. Pilgrimages form an important market segment, especially in the UP Hills, where 70% of domestic tourists are pilgrims. Large crowds, often concentrated in small towns, are common in both areas during the peak season (AME, 1995a). 'Mountain Tourism in Himachal Pradesh and Hill Districts of Uttar Pradesh: An Overview' by the Academy of Mountain Environments (AME, 1995a) provides information and a general analysis for both these regions. This overview is complemented by case studies of specific destinations within the two areas.

2.5.1 Himachal Pradesh

Himachal Pradesh, east of Kashmir, has become a major tourist destination in the Indian Himalayas. Recent political instability in Kashmir and the UP Hills has contributed to the increasing number of tourists visiting this area. Other factors attracting tourists to Himachal Pradesh include the international popularity of His Holiness the Dalai Lama and the growing interest in trekking in the

Himalayas. Case studies for two destinations, the Kullu Valley and Kinnaur, supplemented by the information from the AME overview (AME, 1995a), to provide an in-depth perspective on the impact of tourism on local communities. Singh's study (1989) developed resort and tourist profiles for Kullu Valley and analysed community perception of tourism's impact on their lives and the environment. The University of Manitoba studies (Berkes et al., 1997) focus on sustainability issues around the main tourist centre of the valley, Manali. A case study on Kinnaur, a destination at a higher altitude north of Kullu Valley, is included in another report by the Academy for Mountain Environics (AME, 1995b).

Kullu Valley

Kullu Valley, especially the town of Manali, is perhaps the most important tourist destination in Himachal Pradesh after the capital city of Shimla. The Kullu Valley has historically formed a part of important trade routes, though unlike many other areas of the Himalayas, it has experienced a relatively long period of social and political stability (Berkes et al., 1997). The growth of tourism in the valley, particularly in Manali, has been phenomenal since the 1970s. Improved transportation networks, construction of accommodation facilities (aided by state subsidies) and vigorous marketing by the state government facilitated this growth. The number of visitors grew from 38,000 per year in 1975 to 130,000 in 1985 and visitations were projected to be 250,000 by 1990. Domestic tourists now dominate the tourism market by a ratio of 20:1 and total tourism revenues were estimated at Rs2–2.5 billion (approximately US\$6.2–7.7 million)³, about a fifth of the state's domestic product (AME, 1995a).

The rapid growth in tourism has had significant impacts on society and the environment in and around Manali (Singh, 1989; Berkes et al., 1997). A small cluster of villages has rapidly become a semi-urban area, with large in-migration from elsewhere in the state, the country and even from other countries. While the social structure continues to be relatively unaffected, there is a visible change in individual behaviour. Environmental impacts as a result of population and infrastructure growth have been more dramatic and are likely to increase as options for construction in areas not prone to floods and erosion become fewer. In one of the studies for Kullu Valley (Singh, 1989), local residents expressed a strong dislike for agency tourism as it brought little benefit to them.

The Himachal Pradesh government has tried to control the development of Manali as a tourist resort, through the development of Master Plans. Singh (1989) raises questions about the concentration of tourism that is taking place around Manali and makes recommendations for a more integrated approach to tourism development that would disperse tourism activities more evenly throughout the region. He is critical of the second Master Plan for Manali, prepared in 1984, which took no account of the pace at which tourism was growing and the rapid urbanisation that was taking place around Manali. He questions the concept of allowing rapid growth of urban areas, a growth that is likely to radically alter the way in which the people live in the rural-pastoral valley. He would have preferred a plan, which focused on disbursing tourism activities.

An analysis of the findings of the Berkes and Gardner study (1997) shows that Manali has continued to grow rapidly since Singh conducted his research, though is not clear to what extent this is a result of master plans. Two of the positive features of more recent policies of the State Government, noted by AME (1995a) are the dispersal of tourism to areas that have a potential, but are yet to be developed as tourist destinations, and constant appraisals of tourism activities (involving both residents and tourists). The State Government's policies also emphasise private sector provision of

³ US dollar amount calculated using the exchange rate for that particular year as obtained from the International Monetary Fund's International Financial Statistics (1996).

accommodation, catering and transport facilities, so that it can concentrate on building up infrastructure (AME, 1995a).

Kinnaur

Kinnaur is a relatively prosperous district as a result of horticulture, and is known for its cultural diversity and the better status that women here enjoy than in most other parts of the state. The district was only opened to tourism in 1992, and attracts mostly middle and upper-middle class Indians, who tend to stay for a relatively long time, and return several times. The Himachal Pradesh Tourism Development Corporation (HPTDC) has a five year Master Plan to develop tourism in the district, which includes plans to set up a complex with accommodation facilities, improve infrastructure and provide civic amenities in important towns. The plan also proposes the introduction of paying guest accommodation, providing roadside facilities for catering and vending, and for promoting local handicrafts.

The paying guest scheme, which was developed by the state, is identified as a positive aspect of tourism in the area by AME (1995b), but recommendations are made to improve it further. The existing paying guest accommodation is close to the tourist centre itself, and is approached when government accommodation is not available or at the suggestion of earlier visitors. The study recommends that, if the paying guest scheme expands, the government will provide a centralised system for disseminating information on the availability of accommodation, and prioritises the provision of telephones to houses within the scheme. With a large number of repeat visits, a guesthouse with accommodation for about eight to ten persons could develop a regular clientele and ensure viability. The risks would be low as most guesthouses are being run as an adjunct to orchards.

The same study (AME, 1995b) also considers the role of outside tour agencies, operating from Delhi. At present, tour agencies operating in Kinnaur prefer to accommodate their groups in camps, which raises the question of whether there is scope for an alliance between the tour operators and guesthouse owners, or whether they are best left to develop as different forms of tourism in the area.

The Kinnaur study (AME, 1995b) also mentions the lack of benefits to poorer sections of the community, though there is little detail about how they earn their livelihoods. In most orchard areas in the state, labourers demand a good wage for a significant part of the year and activities such as vending would have a high opportunity cost.

2.5.2 Uttar Pradesh Hills

The hill districts of Uttar Pradesh (UP) are best known as pilgrim centres, revered and visited for centuries by people from the rest of India. Prior to road access, pilgrims trekked up, staying in local rest houses called *Chattis* and significantly supporting the local economy. Estimates made in the late nineteenth century show that about half of the total income of the region was earned from tourism. The number of pilgrims has increased hugely with increasing access to road transport. The hill resorts, established by the British, have become popular with the middle class residing in the north Indian plains. Two nature reserves in the foothills, the Jim Corbett National Park, the first park to be gazetted in the country, and the Rajaji Park, are also popular destinations. The number of foreign tourists is increasing, attracted by the yoga and meditation centres. The overview of AME for Himachal Pradesh and the hill districts of UP (AME, 1995a) is complemented by a case study on Badrinath, the major pilgrimage centre of the UP hills (AME, 1995b).

Now that road transport predominates over walking, pilgrims contribute much less to the local economy in the smaller villages *between* major towns or pilgrim centres (AME, 1995a). Tourism continues to generate about half of the domestic product of the region, but now a large proportion of this goes to entrepreneurs who have recently moved into the area. Many pilgrim centres have now become starting points for trekking tours, which are often controlled by people from outside the region. Most accommodation is now provided by the state and private sectors, and is frequently managed by recent migrants (AME, 1995a).

The Badrinath Tourist Zone

The Badrinath Tourist Zone covers the Alknanada Basin, catchments in the Greater Himalayas and a small part of the Zanskar Range. The tourism season is short, determined by the open and closing dates for the main temple at Badrinath. Other important pilgrim centres include Kedarnath, and Char Dahm for Hindus and Hem Kund for Sikhs, with other attractions of trekking to the Valley of Flowers, and skiing at the resort developed at Auli.

The study on Badrinath Tourist Zone (AME, 1995b) states that the local population is fairly small and therefore almost all could benefit. Hindu religious bodies used to manage all of the pilgrim centres, but the fact that management is now in the hands of bodies appointed by the government has meant that the interests of local communities are disregarded. As a result, traditional systems have come to a halt and the government is left to cope.

The development of infrastructure connected with modern tourism has not extended to smaller settlements en route to the pilgrim centres, and they have therefore lost some of the income they earned before road transport changed the nature of pilgrimages in the area. There is a paying guest scheme supported by the government, though it is a poor attempt to replicate the *chattis* managed by village communities where the pilgrims were accommodated before the advent of roads. The AME study reports that individuals often misuse the scheme to increase their physical assets. Garhwal Mandal Vikas Nigam (GMVN), a state government enterprise plays a major role in providing accommodation facilities and transport. The study also warns against the government's proposal 'to acquire land and distribute it at very low prices to outside business interests...as it will deprive the local people of benefits'. The study also warns against further road construction, as this would lead to environmental degradation. Improvement of foot routes to the interior villages in the Zanskar Range is recommended instead, together with the organisation of outlets to facilitate marketing of woollen carpets and other woollen goods from this region, and the training of youth from these villages as guides.

Growth in tourism activities has also been accompanied by a number of negative environmental impacts. Sanitation facilities at Badrinath and Joshimath, another important pilgrimage centre further downstream, have failed to keep pace with the ever-increasing pilgrim traffic despite constant efforts and seasonal preparations. The problems have been further accentuated in Badrinath by the lack of a regular source of finance for the municipality. A road network providing easy access to these centres, has led to phenomenal growth in the number of tourists. This has resulted in a depletion of forest cover mainly as a result of trampling that has occurred along the Lakshman Ganga leading to Ghangaria, from where one visits Hem Kund, and at the Valley of Flowers, an important biosphere reserve of the country. Fortunately, as night camping is not allowed in the Valley of Flowers, this has helped in limiting the damage, confining it to the entrance and fringes of the Reserve (AME, 1995b).

3. Analysis of impacts on stakeholders

3.1 Context

In most cases, tourism is part of a wider phenomenon of globalisation, modernisation, and development. The factors necessitating or facilitating the development of tourism may differ from country to country. The pressure of demand from tourists has been a significant factor in opening up tourism, often despite an absence of suitable facilities. Highway expansion, tourism promotion by national and international agencies, development of a domestic tourism segment, or disruption of local livelihoods necessitating a switch to new activities are other factors that have played a part in some cases.

International aid agencies, notably the International Monetary Fund and soft-loan organisations, have often supported the development of the industry as an important means of earning foreign exchange. Emphasis has often been placed on building luxury facilities to attract foreign tourists, while domestic tourism, which can and often does provide a more sustainable market and better income opportunities for the local communities, has rarely been given priority. Tourism development plans have tended to ignore the negative impacts that can be inflicted. In the tourism planning process in most Southeast Asian countries in the 1970s and 1980s, it was assumed that any economic gains tourism brought to local communities would more than compensate any losses. Little attention was given to the impact that diversion of natural resources for tourist facilities would have on local communities or the environment.

Most of the case studies focus on local impacts and do not give adequate attention to the wider picture. Therefore, it is impossible to assess how local costs and benefits from tourism should be weighed against wider national economic objectives. Information on gains at the national level was only available for Nepal, where tourism only contributed around 40% of GDP in 1992 but was a leading export industry and employment generator (CREST, 1995a). The details suggest that benefits of tourism to national economies can be quite limited in practice. Nepal has a dual economy, with the modern sector (incorporating tourism) concentrated in certain pockets. A low proportion of tourism expenditure is retained in Nepal as the ratio of import content is 65.2% of goods and services provided for the tourism sector and 55.3% for tourism related activities (the 'tourism sector' includes accommodation, catering, transport and other facilities, while 'tourism-related activities' include handicrafts, carpets and garments). Profits generated by the tourism sector have leaked out partly due to the capacity constraints of the domestic economy. However, as black market earnings are underestimated, leakages tend to be overestimated (CREST, 1995a).

The case studies do not consider the duration or cyclical fluctuations of the impacts of tourism. Most of the case studies analysed were conducted before the impact of the current economic crisis in Asia was felt, so analysis is based on a time of large and increasing number of tourists from other Asian countries.

The following sections review the evidence from the case studies concerning different types of impacts, their distribution and the key factors affecting them. The focus is on economic, livelihood and socio-cultural impacts at *local* level, because this is the focus of the case studies reviewed. However, the role of macro-economic factors, governmental and other institutions is considered (in 3.6), in terms of how they influence impacts at local level.

3.2 Economic impacts

The way in which local people are economically affected by tourism depends critically on whether and how they participate in the industry. While definitions may blur, it is useful to distinguish between participation in the formal sector (such as hotels), the informal sector (such as vending, boating) and in the secondary enterprises which have linkages with tourism (such as food supply). As indicated below, the case studies suggest local participation in the formal sector is highly variable, participation in the informal sector is often considerable and very important, while linkages are often critical in handicraft production but variable or limited in other sectors.

3.2.1 Formal sector

The better-off segments of local communities tend to dominate **accommodation** provision, but do not always monopolise it. As tourism is introduced, the relatively better-off households can begin by offering hospitality through home-stays, in many places only charging for food. Home-stays also become an important source of income in more developed destinations during peak seasons when accommodation in guest houses, lodges and hotels is not easily available. In Cemoro Lawang/Ngadisari (Indonesia), some accommodation is provided by poorer people, especially in households beside the road leading up to the caldera rim (Cochrane, 1997). Similar evidence was found in other case study areas. Backpackers and domestic tourists often provide a market for poorer households.

As tourism grows, lodges and hotels begin to replace home-stays. In some cases, this marks an increasing involvement of outside investors, as in the Boracay (Philippines) case study reported earlier. In other cases, local entrepreneurs maintain a key role – such as the local apple orchard owners in Kinnaur (India) and locals who have expanded their premises in Marinduque (Philippines). Once luxury resorts develop, as in Bali (Indonesia), the scenario becomes more complex with international investors beginning to play an increasing role.

Transport tends to fall into a grey area between the formal sector and informal sectors. Most destinations have a fleet of taxis, jeeps or other motorised transport, often driven by the owners. In Kinnaur, the number of taxi drivers increased dramatically within two years of travel restrictions to the area being relaxed. In 1992, there was only one taxi in Reng Peo, an important town in the region, but this increased to 50 by 1994. Remote villages now also have taxi operators (AME, 1995b).

Owners' associations, operating on rota systems are becoming a common phenomenon. This is well documented for taxis and horse rides in the Bromo Tennger study in Indonesia where horse and jeep owners' associations provide a contact point for tour operators and hotel owners, as well as standardised prices and practices. Unfortunately, the jeep owners suffered a setback when a road was constructed, allowing tour buses to reach a car park just below the caldera ring, the main tourist attraction (Cochrane, 1997). In other places, taxi drivers have lost custom as organised tours have begun to replace independent travel (Kalisch, 1997).

Information on **employment** in formal sector tourism is scattered and not very systematic. There is mention of high placed jobs in resorts going to non-locals, expatriate staff, or foreign trained nationals who are unlikely to integrate into the local community. However, there is almost no mention about who gets the middle and lower ranking jobs. Cleaning and driving may be dull and

grim, but they can be significant sources of employment and livelihood improvement locally. Given the potentially large scale employment in mass tourism, this area needs more attention.

It seems that middle-ranking jobs often go to urban migrants, many of whom are likely to gradually integrate into the local society, or form a separate community with the possibility of boundaries merging between the two (Singh, 1989; Nicholson, 1997). But the longer the resorts have been established, the more likely it is that local populations will pick up the skills to fill these positions. The potential for employment of local staff also seems to improve as one moves away from the luxury resorts to less upmarket tourism. This potential is highlighted in the study on livelihood security in two villages near Manali in India where unprecedented growth of tourism and subsequent urban expansion has led to increased employment opportunities (mainly for men) (Laurie Ham in Berkes et al., 1997).

3.2.2 *Informal sector*

Several case studies indicate the importance of the informal sector for enhancing local benefits. The informal sector includes tourism-related activities such as collection and sale of fuel wood for the tourism industry, vending, and running tea stalls. The income generated by the informal sector can be quite staggering. 1979 estimates for Pagboche, a small village in the Khumbu region of Nepal, showed an income of NR120,000 (approx. US\$10,000)⁴ from the sale of fuelwood alone. Comparisons with income from formal employment have not been made, but it appears likely that the contribution to total income would have been very significant for 1979 (Jefferies, 1982).

In some instances, the poor can gain significantly from the informal sector related to tourism, – in Pangandaran (Indonesia), for instance, ‘informal sector activities are particularly attractive to lower class people (and women) for a number of reasons: they do not usually require special skills or education; they need little capital investment; they can be undertaken as a secondary occupation in addition to routine occupations; and they do not require government permits or follow government regulations’, (Wilkinson and Pratiwi, 1995: 92). In particular, **vending** provides a relatively easy entry into tourism-related trades for the poor, particularly women. It is often a seasonal activity, providing a substantial boost to the income of poor.

However, the informal sector tends to get the least attention when interventions are planned, and interventions are frequently detrimental to this sector – particularly to vendors whose access to tourists can be restricted. For example, in Sa Pa (Vietnam), the district aim of moving all ethnic minority craft sellers inside a ‘concrete market’ and off the streets will be detrimental to the image and feel of Sa Pa. The market has traditionally been outside, but the authorities have built on the space once occupied by the ethnic minorities (Koeman, pers. comm.). It is rarely recognised that vendors are sometimes the only point of contact between the local community and tourists, and are hence crucial to a tourist’s impression of a place, as well as to the expansion of economic opportunities for the poor. One documented exception is the initiatives in Yogyakarta in Indonesia, where a flexible licensing system, cooperative and an association have been established, though the authors also note that ‘during the same time period and for the same reasons, similar associations were established in other developing countries’ (Timothy and Wall, 1997).

Casual labour and **self-employment** provide major avenues for local communities to enhance livelihood opportunities from tourism. Unlike formal employment, self-employment tends to

⁴ US dollar amount calculated using the exchange rate for that particular year as obtained from the International Monetary Fund’s International Financial Statistics (1985).

highlight the entrepreneurial spirit of village communities. Villagers are used to stringing together a livelihood from a variety of sources, often giving them a natural knack for enterprise, and the range of case studies highlight a wide variety of ways in which local people have exploited their opportunities.

Casual labour or self-employment linked to formal sector tourism emerges as important. For example, there is evidence that agencies organising trekking and mountaineering activities in Nepal depend on a well-organised labour market to employ porters, cooks and guides on a seasonal basis, often with labour contractors acting as intermediaries (CREST, 1995a). An estimate made in 1989 showed that trekking alone generated 0.5–1 million man-days of employment in a year (CREST, 1995a).

The seasonal nature of tourism in most destinations can be a disadvantage, especially if the dependency on tourism is significant. However, seasonal opportunities can also be beneficial. They could be an additional source of income, providing a cushion in time of need. In Marinduque Island there is a large influx of tourists during Easter, many of whom stay in private homes, providing an extra income for the owners (Nicholson, 1997). Or, as it happens sometimes, the tourist season coincides with the lean season, when the availability of other income earning opportunities is low.

In most regions near the sea, fishing boats divert their activities to tourism in peak seasons, ferrying people or providing pleasure rides. In Pangadaran, ‘many canoe owners switch their boats from fishing to conveying tourists to the game park, a much more remunerative activity than fishing. For the longest trip (lasting several hours) the price was Rp40,000 (US\$21) in 1992’ (Wilkinson and Pratiwi, 1995: 293). The lodges of Nepal, the *losman* of Bali and the hotels and restaurants in Boracay and Sa Pa and the vending stalls of Yogyakarta also create jobs, either seasonal or more continuous. Much of the literature lacks specific focus and quantification, making analysis difficult.

3.2.3 *Linkages with the local economy*

Agriculture

Significant gains may accrue from economic linkages between tourism and other economic sectors such as horticulture, dairy and handicrafts. Agricultural economic linkages are not well explored in the literature, although the impact can be quite dramatic. In Nepal, income from tourism combined with horticulture, poultry and dairy has often helped to reverse the trend of out-migration. The CREST (1995a) study found that profits from fruit cultivation in the Rasuva district (where the Langtang National Park is situated), have been much higher than those from grain crops. Per hectare yields from a fruit orchard was worth ten times that from a paddy field and more than thirty times than that from a maize crop. Tourists provide the main market for fruit harvests, both in Kathmandu and the local area. In the Kullu Valley in India, the local government made special arrangements for the semi-nomadic Gujjars to use the forests for grazing and milk production, as the tourism industry was facing milk shortages. As it became more lucrative over time, local villagers used it as an important supplementary activity, and many are now keen for the grazing rights given to the Gujjars to be withdrawn.

The Bromo Tennger Semeru National Park in Indonesia shows how expansion of the informal sector can lead to further linkages in surrounding areas. There are 450–500 horses in Ngadisari/Cemoro Lawang, with around one-third owned by people in neighbouring villages. Grass is brought in from other villages to fulfil their fodder demands, creating further employment (Cochrane, 1997).

The environmental impacts of agricultural change vary. In parts of Nepal, tourism has provided the impetus for a change in land use on highland slopes from unsustainable dryland agriculture to horticulture, reversing the trend of gradual degradation. In Bromo Tengger, the cropping pattern has also changed to vegetable growing, but accompanied by increased fertiliser and pesticide use. This change has been facilitated by an injection of money from the tourism industry. In Vietnam in Sa Pa, tourism has increased the demand for non-timber forest products so ethnic minorities have experienced an increase in their income, but at the expense of the environment.

Handicrafts

The growth of the handicraft industry around tourism has been better documented, and it clearly can be a very significant source of economic benefits. The 1990 Nepal Rashtriya Bank report showed that 14.7% of tourist expenditure was spent on shopping, mostly on handicrafts, curios, jewellery, carpets, garments and books. A survey in the Kullu Valley showed that on average a visitor spent Rs420 on gifts, compared with Rs600 spent on food and accommodation (approximately US\$24 and US\$34 respectively)⁵ (Singh, 1989). In Yogyakarta, the handicrafts market supports a web of communities in and around the city with complex systems that have evolved for production, distribution and sale of handicrafts (Timothy and Wall, 1997)

In Kullu, the craft industry, which initially received a boost from tourism, now provides significant income in its own right. Shawls and caps constitute the valley's souvenir industry and are also an important export item. Native costumes such as *pattoos*, *patti*, *namda*, *gudma* and *pullans* are popular with residents and domestic tourists, and basketry and wooden toys are also popular cottage industries. The government has set up training and technical centres to build on this success (Singh, 1989).

The Sa Pa case study points to possible dangers when local crafts become a tourist attraction. Initially, ethnic minority women earned attractive income from selling traditional embroidery. With the growth of the industry, competition from imitators has made the market more competitive and has undermined the cultural value of the crafts. The embroidery is done intermittently between other tasks, at home and in the market. Crafts are often sold at very low prices, undervalued in relation to the time and skills involved, because the women need cash. They are exploited as primary producers, and the value added is reaped by others, further along the market chain (Nicholson, 1997).

Interventions may be necessary to prevent the emergence of such negative impacts. An innovative intervention in Irian Jaya (Indonesia), with the craftsmen being paid adequately for their highly skilled labour, has helped to preserve traditional skills and helped traditions evolve in a modern context. The Asmat Art Auction, organised in October every year for the past fifteen years, generates high profits to traditional wood carvers on the island. Wood carvers from more than sixty villages crafted around 200 artefacts each, all of which were auctioned in 1995 and 1996, fetching an average of US\$ 10 per piece. In addition there were competitions that gave away valuable cash prizes (McBeth, 1996)

In India, handicraft markets in major cities and tourist centres are being organised by government agencies and NGOs, though the impacts are not documented in the studies analysed here. The Indonesian case of Bali is unique in that their handicrafts are not only very popular but the Balinese also hold classes for tourists to learn them (an added tourist attraction) (Maurer and Zeigler, 1988).

⁵ See footnote 3.

In Vietnam, 'craftlink' has been established by a consortium of NGOs who work with ethnic minority women. The goal of craftlink is to provide a means to link the women to markets and to develop and improve their skills (Koeman, pers. comm.).

3.3 Impacts on local access to natural resources

Apart from the cash-earning opportunities offered by tourism, there are many other ways in which the sector affects local livelihoods positively and negatively. One of the main issues to emerge in the case studies is the impact on natural resources and local access to them. The other (considered next) is socio-cultural impacts. However, impacts on natural resources are often considered as an 'environmental' issue from a conservation perspective, so it is not always easy to assess exactly how environmental change is experienced by local residents. Poorer sections of the community whose dependence on natural resources is significant are especially vulnerable to loss of access. Communities may also be affected indirectly, through increased environmental vulnerability caused by longer-term degradation.

3.3.1 Water resources

A number of studies report that water availability for local communities is reduced by diversion to the tourism industry, especially for luxury resorts. This has now become an important environmental issue in Southeast Asia. In Serangan, near Bali, the development plans include a luxury cruise terminal, a marina, golf resort and numerous other tourist facilities and environmentalists predict water shortages on the island: 'It may be hard to imagine liquid shortages on the lush island rippling with rice terraces, but hotels and golf courses are mighty thirsty beasts. Although the developers promise to recycle waste water to maintain the golf course and other grounds, the project will still require 5,000–7,000 cubic metres of water daily' (Cohen, 1996: 54) (based on a per capita consumption of 25 litres/day, this is the equivalent to the domestic daily consumption requirements of a population of around a quarter of a million). In Ubud also in Bali, water shortages occurred in the cities when water was diverted to the hotels, leading to water resource 'grabbing' by the ruling clique. Similarly, building golf courses in Indonesia is one of the most blatant transfers of land and water resources from the poor to the rich (Down to Earth, 1993).

3.3.2 Forests

In mountain areas, forest degradation is a major issue, although different studies emphasise the issues differently. Problems are greater where the influx of tourists is concentrated in small areas. A study of the Ghorepani in the Annapurna region of Nepal (Gurung, 1991) found the fuelwood requirement of a subsistence household averaged only 22kg/day, while the demand of a tourist lodge was as much as 220kg/day. Forest cover was being depleted at the rate of one hectare a year. On the other hand, other studies emphasise that tourism demand needs to be put in perspective and can be a minor contributor to wood use. For example, a study in Nepal by a UK based consultancy firm, Environment Resources Limited (ERL), estimated that fuelwood demand from natural resource tourism was only a fraction of 1% of the total highland fuelwood demand (Gurung, 1991). However, the demand for fuelwood for tourism is localised and can have a high impact on the tourism resource.

Tourism can have greater effects on forest use through indirect effects of rising prosperity. Again these can be positive or negative. In Khumbu (Nepal), 'increased wealth from tourism has been used to build larger houses and hotels, both of which rely on increased use of wood for heating and cooking, accelerating the exploitation of forest resources' (Jefferies, 1982: 277). Conversely, in the Bromo Tengger National Park, fuelwood consumption in the two major tourist villages seems to have decreased as other fuels such as paraffin, kerosene and electricity replaced its use. The forest bordering the fields was in good condition, and in many cases the trees encroached upon the farmers land.

If tourism does exacerbate deforestation, this in turn affects many other livelihood concerns, such as time spent on fuelwood and water collection, quality of grazing areas, fodder availability, nutrient replenishments of the soil through mulching, soil erosion, water retention capacity of soils and availability of forest foods and herbs for consumption and sale. Many of these changes affect the poor, who have a greater dependence on common property resources, and especially poor women who rely heavily on fuel, fodder and food from the forests. In Himachal Pradesh, this has led to women playing a major role in checking the deforestation; women's groups in villages near Manali have been the most vocal and effective in taking action against forest use for collection and sale of fuel wood, and harvesting of trees to cater to the demand of the tourism industry. The men of the village, who make the most money from these activities, have now joined forces with the women as the levels of deforestation have become alarming, and have gone further than localised action. Regulations for timber harvesting for local use were changed through political action. The active role being played by such groups in checking deforestation has been an important factor in the success of the Joint Forest Management (JFM) programme in the area – a programme, enabling local communities to play a more active role in the management of forest resources (HSA, 1996).

Measures to limit deforestation have also been attempted in Nepal. 'Forest depletion caused by tourism in heavily trekked areas has been recognised, and regulations for carrying kerosene or gas for organised trek groups and mountaineering to avoid the use of fuel wood has been introduced. This regulation does not cover individual trekkers who constitute over 60% of the total trekkers, and stay in lodges and private houses that use mostly firewood. Even in the case of organised groups, the enforcement of the rule is hampered by the lack of a system of monitoring, particularly in the areas outside parks and reserves' (Gurung, 1991). Several other measures have also helped to limit damage, and move towards rehabilitating the lost forest cover. These include the revival of traditional community based systems for forest protection and management, large-scale tree planting activities and introducing energy efficiency and alternative sources of energy. The creation of national parks has also made a significant impact on the status of the forest cover (Jefferies, 1982; CREST, 1995a; CREST, 1995b).

3.3.3 Litter and garbage disposal

The problem of litter and garbage disposal in tourism areas in Nepal, especially at popular destinations such as the Khumbu and Annapurana regions, seemed at one point to defy solution. Regulations make tour organisers responsible for garbage and litter disposal, with the involvement of local communities. A local NGO, the Sagarmatha Pollution Control Committee (SPCC) has been formed with support from the Nepal Government and the World Wild Life Fund. SPC has taken a lead in solving this issue in a way that now enhances local livelihoods (CREST, 1995a). Local communities, with women's groups often taking the lead, are gradually becoming experts in the art of sorting and recycling garbage and finding solutions for non-biodegradable garbage. 'Women's groups in Langtang-Helam regularly clean the trails and village area, separating garbage into

burnable and non-burnables, and burying and/or recycling. In some areas, the tourism management committee have started collecting deposits on bottles as an incentive to return bottles to Kathmandu for re-use by the beer producers' (Personal communication from Wendy Lama on the Community Based Mountain Forum Internet Conference, May 8, 1998). Although the Khumbu region is still not litter and garbage free, a practical way forward is being pursued.

3.3.4 *Coastlines and beaches*

In most areas of coastal tourism, fishermen seem to benefit from the opportunities tourism brings. But coastal tourism can reduce local people's access to the beach or to common property resources near the coast. This emerges as a problem in Pangandaran and Bali (Wilkinson and Pratiwi, 1995; Cohen, 1996).

Coastal eco-systems serve many functions, supporting both local livelihoods and industries, so ecological disruption can have many ramifications.

Serangan and other resorts around Bali illustrate the potential threat of tourism to the environment and to the livelihoods of local communities, particularly the poor, who are most vulnerable. The beach of Candidasa disappeared following the bombing of coral reefs and overzealous construction. Ambitious plans to salvage Serangan island, which was being threatened by shoreline erosion, have led to protests from residents of nearby beaches when fishermen and small hotel owners in Buntun opposed plans to blow up a mountain and extract rocks to build a sea wall around Serangan Island. In the *Far East Economic Review*, Cohen reports that 'they [the fishermen and hotel owners] fear that the excavation may jeopardise tourism developments along their own quiet shoreline, particularly if landslides damaged precious coral reefs. Saving one beach only to wreck another is not their idea of good environmental policy. Environmental disputes threaten to disrupt development across the archipelago' (1996: 52).

Environmental impacts of tourism on coastal systems were noted in several of the case studies analysed, indicating the coastal areas in the Philippines and Vietnam studied by Trish Nicholson (1997), but did not emerge as the most dominant issue. In Marinduque Island, there was apprehension that a proposed large tourist, residential and yacht-basin project for corporate investment might destabilise the local ecosystem and impact on fish spawning grounds. On the other hand, a village association managing picnic pavilions was planning an integrated marine resource management plan that included a fish sanctuary, designed to improve fish stock and to be used for recreation.

In Boracay (also in the Philippines) coliform pollution was found in the water supply (i.e. in wells) and in inshore waters in 1996/7 as well as algae on coral, but it was not clear whether this was an indirect impact of tourism. Also 'the need for both water systems and adequate sewerage disposal for the island was signalled by planners in 1986 as an urgent need'. At the time of the research, 'neither has been installed despite a 300% increase in residents and 600% increase in tourists in the intervening period'. A piped water scheme was initiated in 1997 and a bilateral project funded by the Canadian government has now been started to retrieve the situation (Nicholson, 1997: 25 and personal communications from Trish Nicholson).

In Bali, some heavily built up areas led to severe erosion. There are several groups which have taken up the case of golf courses and the beaches of Bali, drawing attention to the impact of golf courses

on the environment and the availability of land and water resources for the local population, and campaigning against the further proliferation of golf courses (Down to Earth, 1993).

3.3.5 Environmental threats in urban areas

In urban areas, the problem is not necessarily loss of access to natural resources, but increased vulnerability to natural disasters such as landslides. An increase in environmental vulnerability due to tourism-related construction activities and inadequate attention to urban planning issues has been well documented for Manali. The combination of a relatively high probability of seismic activity in the region, multi-storey construction and the concentration of large numbers of people in peak tourist seasons increases risks associated with earthquakes, and attendant hazards such as landslides and snow avalanches (Berkes et al., 1997). Rules and regulations to minimise these risks have been made, and mechanisms to guard against violations have been put in place (Singh, 1989), though inappropriate construction seems to have gone on at a discomfiting pace (Berkes et al., 1997).

Numerous examples of improper siting of structures exist throughout the area, despite the preparation and approval of Master Plans. A major new hotel development has taken place in flood- and erosion-prone areas. Extensive areas of ribbon development are located along the only main road upstream from Manali, where the channel morphology indicates high energy flooding. The need for construction material for rapid development of tourism has also put pressure on timber resources and gravel in stream beds. As building continues in the area, more people, structures, livestock and agricultural land will be exposed to flash-flooding and debris torrent hazards (Berkes et al., 1997).

3.4 Socio-cultural impacts

3.4.1 Cultural heritage

Preservation and maintenance of Buddhist monasteries and Hindu temples in the Nepal and the Indian Himalayas have been improved by income from tourism, both directly through fees and contributions paid by tourists, and indirectly as the incomes of local communities improve and they are willing to spend more on the preservation of their heritage. According to Zurich, 'the Khumbu Sherpa ceremonies, such as the Mani Rimdu festival at Thyangboche Monastery, have attracted international recognition, which in turn has financed the construction of local religious sanctuaries' (1992: 618). However, with the monetised tourist economy, 'religious life in Khumbu appears less attractive than in former times. In effect, tourism may safeguard the artifacts of culture but destroy the spirit that initially created them' (1992: 618).

Cultural heritage is an important attraction in other destinations such as Yogyakarta and Badrinath (India). However, the case studies analysed did not conduct research on the impact of tourism on cultural heritage.

3.4.2 Cultural change

Some places are completely transformed with the advent of tourism. Boracay Island, for instance, saw a two-fold increase in the resident population from 3,000 to 9,000 within a decade, and several small hamlets in the Himalayas have been transformed into buzzing small towns, especially during peak tourist seasons. However, the case studies indicate that fears of tourism threatening local cultures are often misplaced. The cultural changes that accompany tourism are part of the general changes that take place as communities adapt to new economic realities, similar to those taking place as societies shift to more intensive agriculture and animal husbandry or industry. However, some communities are more able to resist the pressures for cultural change. The Tenggerese in Indonesia are an example of a host community whose cultural identity remains strong despite the high tourist flow through their communities (both domestic and foreign) (Cochrane, 1997). Bali and Marinduque are further examples of regions where cultural identity is not severely weakened by the tourism industry (Maurer and Zeigler, 1988; Nicholson, 1997).

However, there is sometimes a threat to cultural norms, especially when culture itself is treated as a commodity. In Vietnam, for instance, the ‘love market’ of Sa Pa is one of the major tourist attractions. This market is the social event of the week for the ethnic minorities, where they sell, buy, socialise, meet friends and look over potential partners during an evening of song. The local community now plays music only for a fee and the original style and functions of the ‘love market’ have disappeared after only five years. This is largely due to the actions of ‘hounding tourists’ keen to get a photograph and attracted by the sensationalisation of the tradition (Koeman, 1998).

Nature tourism can also lead to changes in the relationship between local communities and nature. The research and conservation needs of the international community often play a major role in how the wilderness is now defined. The Tharus of Nepal residing in the Royal Chitwan National Park viewed the wilderness as a ‘jungle’, to be used for daily needs and enjoyed as central part of their life, a ‘jungle’ that they knew intimately. This ‘jungle’ no longer exists as the park, with its exclusions and authoritarian structure has replaced it (Towell et al., 1991).

3.4.3 Sex and drugs

The many aspects of cultural change also include drug abuse and sexual exploitation. Some of the studies report the incidence of prostitution in tourist areas, with tourism providing a ready market for prostitutes. In Pangandaran, prostitutes from neighbouring regions join local prostitutes during peak tourist seasons (Wilkinson and Pratiwi, 1995). Dinya Gurung, in her study on Nepal indicates that there may be a co-relationship between tourism in urban areas, poverty and sexual exploitation (Gurung, 1995). In Davao City, Mindanao (Philippines), ‘The conflation of rapid localised commercial development, entrenched widespread poverty, and a tourist “boom” represent a potential new source of commercial sexual exploiters of children’ (Nicholson, 1997: 29). The case study records that a large number of women and even children come to the city for the sex industry, or are pushed into it involuntarily (Nicholson, 1997).

In several cases, such as Sauraha in Nepal and the ‘tourist triangle’ of Bali, there are descriptions of how young men from host countries have been lured by the sexual mores of visiting western tourists. This, however, seems to be limited to a fringe of the society although one that forms a highly visible part of the tourism industry (Towell et al., 1991; McCarthy, 1994).

3.4.4 Education and health

Growth in tourism can also lead to better educational and health facilities in tourist destinations. Sometimes this is a result of direct interventions as in the case of the Mt. Everest region and the Himalayan Trust founded by Sir Edmund Hillary which is supported by several tour and travel agencies and maintains more than twenty schools, runs a hospital and a trekker's aid post. The impact on education and health is often more indirect, an outcome of increased incomes or the creation of a demand for educated personnel by the tourism industry.

Local communities also benefit from the infrastructure created for the tourism industry. Unfortunately the information on these aspects is scanty in the literature reviewed. None of the studies analysed elaborated on any negative impact on health due to increased workloads and commercial sexual activities resulting from tourism.

3.5 Distribution of impacts

It is evident from the case studies that the different stakeholder groups differ substantially in their involvement in and benefit from tourism, but also that generalisations are hard to make. Appendix 1 provides some detail of stakeholder roles and impacts in two destinations in the Philippines studied by Trish Nicholson. It not only shows that many different groups experience tourism differently, but also the distribution of impacts varies between the two destinations (Boracay and Marinduque) and over time (1975–85 and 1986–96 in Boracay). This section draws from many case studies to identify common trends in the distribution of impacts, while recognising the importance of disaggregating the detail when working in any specific site.

3.5.1 The poor

Most case studies indicate economic gains for all sections of the local community, with the sections that are already better-off tending to gain more than the others. There are variations, particularly when the pace of development is accelerated and non-local investment begins to flow in. Some sections of local communities often do not get the time to make adjustments and are therefore less well able stand up to increasing competition from 'outsiders', resulting in marginalisation. For example, in the Boracay case study (Nicholson, 1997) shows how tourism development reinforced uneven resource ownership, and the inequality between the poor and those with the capital was further exacerbated by massive change in the nature of the tourism market.

In general, case studies distinguish more between 'local' and 'migrant' communities, than between the poor and non-poor within the local community. Nevertheless, some key issues affecting involvement of the poor emerge clearly, particularly the importance of the informal sector of unskilled labour.

Porters and assistants working at the lowest level in hotels, lodges and tour organisations come from the poorest strata of the Nepali villages (CREST, 1995a). As already cited, the estimates for man days of work for porters generated by tourism in Nepal is estimated in millions. Vending in several destinations, such as Bai Chay in Vietnam, Pangadaran and Boracay Island also tends to be dominated by the poor (Nicholson, 1997; Wilkinson and Pratiwi, 1995). Collection of fodder for horses is an important source of income for the poor in Bromo-Tennger (Cochrane, 1997).

Pressure on natural resources can particularly impact the poor. Where tourism grows rapidly it can reach thresholds where impact becomes significant. This was evident in Pangandaran, for instance,

where the landless were displaced from their homestead lands as they were taken over for building tourist facilities (Wilkinson and Pratiwi, 1995) and in the Manali area as deforestation linked to fuel for tourism made it harder for the village women to collect fuel, fodder and leaves for mulching and manure (Berkes et al., 1997).

3.5.2 Women

The status of women begins to change with the growth of tourism. With an independent source of income, women begin to have an increased say in decision making within the household. However, this also means an increased workload for them, which is a common refrain that emerges in case studies that have analysed gender issues.

In Sa Pa, women are the major earners of revenue from tourism. This is predominantly evident concerning handicrafts where the women make and sell them directly in the market. Men make tourism-related income from guiding up Mount Fansipan, collecting wood and non-timber forest products for sale to tourists, hotels and restaurants (Koeman, pers. comm.).

Women in destinations characterised by smaller hotels and lower levels of investment have proved themselves to be adept at managing small guesthouses and restaurants and running other small enterprises. In the three important destinations for mountain tourism in Nepal – Sagarmatha, Lantang and Annapurna – more women than men are engaged in the accommodation sector. The proportion comes down drastically, to about one eighth, if statistics for the accommodation sector for the country as a whole are considered (CREST, 1995a; Gurung, 1995). Employment of women is least important in the safari resorts of Chitwan National Park, where according to a survey carried out in 1991, only 2.8% of those employed were women (Gurung, 1995). The case studies analysed here do not have an adequate analysis of the factors that may be at work here, such as comparison with the employment of women in other organised sectors, the availability of trained personnel, cultural traditions or sexual discrimination.

Women find most opportunities in the informal sector, with activities ranging from collection and sale of firewood and carrying loads from road-heads, to shops and teashops and managing guesthouses in their own right (Gurung, 1995 and personal communication from Wendy Lama in the Community Based Mountain Tourism Internet Conference, May 8, 1998). In Manali, where outsiders have dominated the industry, only one woman in thirty households surveyed was formally employed. It appears where outsiders rule the industry, most jobs are for males, and where local communities dominate, significant employment opportunities are generated for women (Berkes et al., 1997).

The Annapurna Conservation Area Project in Nepal has a positive programme for the involvement of potential women entrepreneurs in tourism, Developing Women's Entrepreneurship in Tourism (DWET). One of the prominent features of DWET is the provision, in flexible terms, of loans to women to carry out income-generating activities. The selection for DWET trainees is participatory and based on intensive consultations. The most visible shortcoming of the programme is its failure in establishing adequate linkages between training and follow-up activities (Gurung, 1995).

Among the poor, women are often most affected by negative impacts. In Himachal Pradesh, this has led women to play a major role in checking deforestation (see section on forests above). Both women and men suffer from sexual exploitation associated with the tourism industry (see section on sex and drugs above).

3.5.3 *Migrants and locals*

The balance between long-term residents and migrants within the tourism industry varies widely. Migrants are often entrepreneurs with better access to skills and capital than locals, but they may also be poor and unskilled seekers of employment and self-employment opportunities. Therefore they may be important from a poverty perspective, as well as being an important stakeholder driving tourism development in a destination.

In many areas, local entrepreneurs have used the opportunity to build up a thriving business, while in other areas, migrants have filled the niche. The scenario becomes more complex as luxury resorts move in, with several stakeholders playing a role. The history of social and economic processes prior to the development of tourism, and government and international policies play an important role in determining who gains from tourism growth. Land ownership, access to financial capital and entrepreneurial spirit are particularly important.

In Nepal, modern tourism came into vogue at a time when the traditional trading livelihoods of the Sherpas and Gurungs were disrupted by conflict between India and China. These ethnic groups, with enterprise and capital to spare, were well-placed to seize the initiative at the very outset. There are several other instances where local communities have been able to retain a dominant position (such as Kinnaur and Marinduque Island).

However, the initiative is not always taken and retained by local entrepreneurs. Outsiders may also seize the initiative first or take over later. In Sauraha, Nepal near the Chitwan Royal National Park, the original inhabitants, the Tharus, were not involved in trade when tourism became popular in the region, but were dependent on forests and shifting agriculture for their livelihoods. Migrants from further north had already started to move in to farm when the forests were cleared, only a few years before the advent of tourism. These migrants and their relatives had entrepreneurial skills, capital and political influence enabling them to take the lead role in industry development. In Boracay Island, though the initiative was first taken by the locals, it is the outsiders who now dominate the industry. In Manali, the enterprising Lahauli neighbours, with a strong trading background combined with financial backing from the Tibetan refugee community, dominated the provision of large but basic accommodation in 1989 when Singh conducted the study. The establishment of medium or large hotels by the Lahauli's and other non-locals may have handicapped the development of guesthouses scattered through the region. The study did not explain why the local elite did not take the lead. However, Singh speculated that the Lahauli entrepreneurs, who migrated from a neighbouring region and are relatively well integrated into the local economy and society, may go on to lose their dominant position to entrepreneurs from Chandigarh and Delhi, and multi-national corporations (Singh, 1989). Pangadaran, Indonesia, is another example where recent migrants have dominated the accommodation and catering sector (Wilkinson and Pratiwi, 1995).

New migrants, including hotel and restaurant owners, tour operators and their employees and those involved in the informal sector form an important class of stakeholders, often facilitating tourism and associated employment. Their interests sometimes conflict with those of the older residents, though they can, and do tend to compromise over time.

3.6 Key factors enhancing or constraining impacts

3.6.1 *Dynamics and scale of tourism*

The extent of local entrepreneurial involvement in tourism not only varies between places, but also changes over time within destination. The pace, scale and type of development are some of the factors affecting local involvement. As the number of tourists increases, home-stays often begin to be replaced by lodges and hotels, which implies fewer opportunities for the less well off. A gradual shift from home-stays to lodges and hotels is well documented in Ngadisari, Indonesia, near the Bromo Tengger Semeru National Park. In 1977, there was only one hotel in the area and 56 households provided board and lodging, so the majority of tourists stayed with villagers. By 1997, a network of hotels had developed in the area and only six households offered home-stay facilities. Tourists now generally stay with the villagers only when hotels are full (Cochrane, 1997). A contrasting example is found in Bali, where tourism started and was sustained for a long period by accommodation in *losmen*, around the family compounds. The *losmen* tradition continues to play a role even after the advent of the mass market resorts (Maurer and Zeigler, 1988).

Some interesting examples of the expansion of locally-owned accommodation facilities emerge from areas where upmarket hotels were not dominant. In Boracay, existing resources were used to start accommodating visitors, ranging from using part of the house for visitors, building extra rooms, expanding as tourism generates additional income to selling some land to outsiders and using the proceeds to build their accommodation facilities (Nicholson, 1997). Slow development of tourism and the pre-existence of some local capital and entrepreneurial skills play an important role in facilitating such trends.

The Marinduque and Boracay cases (Nicholson, 1997), illustrate the differing dynamics as tourism activities take root in an area, particularly in the accommodation and catering sectors. In Marinduque Island, new migrants are not an important stakeholder group and the economic gains for the local population are clear. Tourism has had impacts on the local culture such as the politicisation of festival activities, with the festivals losing their participatory nature. On the whole, however, the local economy is strong enough to have integrated tourism well with the life and culture of the island's economy.

By contrast, tourism has transformed the landscape of Boracay Island by 1995. The population of the island doubled in a decade. Farming and fishing were no longer the main sources of livelihood for the original inhabitants. Tourism and tourist related activities had replaced these as the principal sources for earning a livelihood. The growing number of residents and tourists contributed to pollution, especially since proper water and sanitation systems had not been installed. New migrants dominated the tourist trade. Increasing competition, low wages and rising prices were beginning to make their impact felt on the original inhabitants, especially on the poorer sections. Boracaynon entrepreneurs providing accommodation facilities in cottages were struggling to survive, and many, especially women, who went under ended up joining the non-formal sector of tourism.

3.6.2 *Mass tourism*

Evidence from the cases analysed indicates that mass tourism, especially that associated with luxury hotels and resorts, does not always bring the best returns and has significant negative social impacts on local communities. For example, the government of the Mindanao Islands invited bids for hotels and tourist resorts in Samal Island and Davao, which were largely taken up by foreign conglomerates. Nicholson (1997) found that this type of intervention does not tend to alleviate poverty, but is likely to be exploitative and leave the poor worse off in economic terms. Wall (1996),

who surveyed and analysed the attitude of villagers towards tourism in different regions of Bali demonstrates that villages located near luxury and mass tourism complexes were less enthusiastic about the advantages of tourism than those who had been less exposed to the impacts of mass tourism. In Pangadaran and in Boracay Island the researchers feared that some of the gains to the local community were reversed as luxury and mass tourism became more dominant (Wilkinson and Pratiwi, 1995; Nicholson, 1997). However, while several case studies suggest that mass tourism is less beneficial *relative* to other types of tourism, they do not assess how important it is for expanding the tourism economy, or speculate on the counter-factual – whether smaller scale tourism would have flourished more without mass tourism.

3.6.3 *Domestic tourism*

Many of the case studies indicate that domestic tourists contribute more to the informal sector (which is important to the poor) than international tourists. In several domestic tourism destinations it is noticeable that formal sector enterprises are also provided by local entrepreneurs – such as the local orchard owners in Kinnaur in the Indian Himalayas. Similarly Marinduque also caters to the domestic, middle and upper class market, and small businesses who have diversified and expanded their premises seem to be the main accommodation providers. Other players, including the local ‘elite’ families and absentee investors, seem to play only a marginal role (Nicholson, 1997). Domestic tourism can also help to minimise seasonal variations and provide long term sustainability for investments in tourism. Domestic tourism sometimes provides the market for the industry in the off-peak season when prices are lower. Hoteliers in India operate a dual pricing system with a dollar rate for international tourists and a rupee rate for Indian nationals. The latter is much lower and ensures high occupancy rates (personal communications from hotel managers in the Kullu Valley). This suggests that it is important for tourism planning to embrace domestic tourism and not only international tourism. However, it is imperative that the different needs and demands of these two groups are recognised. Domestic tourism is already important in almost all the countries studied except Nepal where regional tourists from India make up the largest segment of the market. For example, domestic tourists constitute up to 95% of total tourist numbers in the UP Hills and Himachal Pradesh (AME, 1995a). The Indian government’s scheme for subsidising holidays for its employees, known as Leave Travel Concession, has done wonders for domestic tourism in India. A whole infrastructure, consisting of moderately priced accommodation, catering services and tour packages have thrived around this scheme. The scheme provided a critical mass for domestic tourism in specific destinations.

3.6.4 *Land ownership laws and traditions*

In Kinnaur, state laws which make it difficult for outsiders to purchase land in the region, have made it difficult for non-locals to build hotels here (AME, 1995b). The Tenggerese in the Bromo-Semeru area in Indonesia were also, until recently, able to monopolise accommodation facilities, because of their distinct ethnic identity and norms which do not allow the sale of land to outsiders. However, outsiders have been able to build hotels on designated forest lands (common land), through using their political and bureaucratic clout. This trend, plus more recent competition from hotels in the nearby city of Surabaya, have threatened the Tenggerese monopoly on accommodation (Cochrane, 1997).

The same laws for land transactions apply in India in the Kullu Valley as in Kinnaur. Over the years, as land prices have soared, local land owners and prospective purchasers have tried to circumvent

them by making transactions with third parties from the local areas acting as buyers, or through mutual understandings about use rights. This tends to depress land prices. The government has succumbed to pressures by leasing out government lands. This has had an impact on the local communities who used to use the common lands for livelihood purposes, particularly the poor, whose dependence on commons for livelihood tends to be greater have been particularly severely affected (personal communications from villagers and Forest Department officials in Kullu Valley). Similar trends in Pangadaran have already been cited in Section 2.1.2. In Boracay, tourism has assisted in the process of concentration of land ownership among a few families. Land prices have soared, and the smaller guesthouses find it difficult to expand due to lack of capital (Nicholson, 1997).

3.6.5 Involvement of the external private sector

External companies⁶, such as tour and travel agencies at the national and international levels, can strongly influence development at a destination, and the nature of benefits and costs to local people. They can facilitate tourism growth in an area, but also tend to act as ‘gatekeepers,’ retaining a large portion of the revenues collected from tourists. Marketing capacity, the ability to invest, and ‘concentration of industry support (airlines, cruise lines, car rentals, hotel chains) in the developed countries’ are key to this (Zurick, 1992: 610). Several case studies illustrate how a greater role for external tour agents means a small role for local entrepreneurs and the informal sector – though, as with mass tourism, it is impossible to access whether a smaller share of a larger cake is better or worse for locals than what would have happened without inputs from outsiders.

Tour packages that provide all facilities and services, and resorts with their own shopping complexes tend to marginalise the informal sector. In Bromo Tengger Semeru, guided tours usually stay only a very short time in the area, sometimes as little as two hours (Cochrane, 1997). Even in Yogyakarta, many tourists are taken to the temples and then straight back to the airport, despite the fact that many handicrafts made in Yogyakarta are unique. In response, the informal sector has organised itself, and received legal recognition. Independent transport owners have also often responded by forming associations and standardising prices and services in Bromo Tengger and Himachal Pradesh.

Group treks in Nepal organised by trekking agencies tend to hire porters, cooks, guides and other support staff in urban or semi-urban centres, probably contributing to the trend towards urbanisation. In contrast, independent travellers making their own arrangements tend to recruit from local areas. Moreover, the quality of the employment tends to be much better than that of trekking organisations, with the independent traveller often treating the employee on more equal terms and where necessary, taking care of the personal needs of the employee (CREST, 1995a).

Upper Mustang provides an extreme example where regulations ensure that outside agencies dominate the market to the exclusion of local entrepreneurs. According to estimates based on 1,000 trekkers visiting Lo every year, the cash paid by groups for porters and ponies could contribute nearly NR2 million (approximately US\$40,500)⁷ a year directly into the Mustang economy. However, as a result of the guidelines, the poor of Lo-Mahtang are denied the opportunity to earn an income as porters, from hiring out their yaks for transport, or from offering home-stays (Shakely, 1994). Even the most important national NGO working in the field of nature conservation –

⁶ External private sector refers to businesses owned and operated from outside the immediate area, such as tour operators based in the capital. This is different from ‘migrant’ entrepreneurs who come from elsewhere to establish their business and residence within the destination.

⁷ See footnote 3.

KMTNC – is unable to do little to counter this impact. In some of the other Nepal case studies, such as the overview by AME (1995a), there are discussions on the relative merits of independent travellers and guided tours, mostly indicating that local communities gain more with the former. Strong local feelings against guided tours also come through in one of the Manali studies in India.

The literature reviewed has some examples of efforts being made by the private sector to reach out to the local communities. These include the Himalayan Trust in Nepal where tour and travel agencies contribute in carrying out development activities, although the activities of the Trust are poorly documented in the literature. They also include initiatives in Samal Island in the Philippines (described in the case study summary above) and in Serangan near Bali.

In Serangan, where there has been active opposition to the development plans for tourism, the record on compensation and other social issues seemed to be positive. Land compensation, usually a matter of heated dispute, proceeded smoothly, with less than 25 families relocated. Developers contributed generously to the upkeep of the Pura Sakenan temple and the other lesser temples on the island. More than 250 fishermen were put to work on a reclamation site, with promises of future training in the tourism trade. Best of all, developers established weekly meetings with community leaders to process complaints. Plans to build a supermarket facing the temple were withdrawn when villagers objected.

Things changed when it came to actual implementation. The tender for reclamation was awarded to a company with little experience in reclamation. They were making a mess of it. Another environmental study was made and a plan to blow up a mountain to build a sea wall had been put forward at the time of the report. A result was awaited. Seven Balinese families who owned the mountain had agreed to lease their land. The local fishermen, however, did not approve. They were afraid that the excavation would expose them to landslides during rainy seasons, having an impact on their fish catch and on the coral, an important asset for tourism in the area (Cohen, 1996).

3.6.6 Governments' Tourism Departments and Plans

There was relatively little information in the case studies about the role and activities of Tourism Departments, but it is clear that by setting the overall context for tourism development they can significantly influence the nature of local impacts. Most tourism departments have their genesis in efforts to build up tourism as foreign exchange earners in the seventies and the eighties. Building up an infrastructure and marketing internationally are normally the main concerns.

The Vietnam National Administration of Tourism (VNAT) for instance, is concerned with the lack of infrastructure and with the need to improve accommodation, transportation and access, including in remote natural areas. VNAT is both an administrative and policy-making body with a strong commercial interest, being owner of several large tourism companies and hotels. There is a direct conflict of interest that permeates down to the local level where provincial and district government departments have their own tourism companies. The government is the most influential partner even in private sector tourism, since it owns most land and their former or present employees have easy access to land on which they can invest to build facilities for tourism (Nicholson, 1997).

Government decisions can strongly influence the degree to which tourism is concentrated or dispersed geographically. The Bali Tourism Study, completed in 1971, has guided the growth of mass tourism. The Plan was undertaken by SECTO, a consortium of French consultants, and was sponsored by the United Nations Development Programme and the International Bank for

Reconstruction and Development. The plan envisaged concentrations of tourists in Kuta, Sanur and Nusa Dua (now popularly known as the 'tourist' triangle) and 'excursion roads to facilitate the movement of tourists from the three major accommodation nodes to various attractions in the interior of the island' (Wall, 1996: 128). In Vietnam, the VNAT focus on opening up mountain areas and promoting ecotourism (Koeman, 1998).

Tourism Master Plans have played an important role in accelerating the pace of growth of tourism in Boracay Island and in Pangadaran. In both places, the study authors feared this may lead to the reversal of gains made by the local community.

The policy of the tourism department in Himachal Pradesh in India, in contrast, emphasises development of accommodation and catering facilities and provision of transport facilities by the private sector, while the state government concentrates on building up infrastructure to facilitate the industry. The policy also promotes dispersal of tourism to areas that have potential but are yet to be developed as tourist destinations. There is an emphasis on adoption of villages by trading organisations, banks and other agencies for community development activities and a scheme for encouraging communities in popular destination areas to establish accommodation facilities with at least 50 beds. The policy also recommends the constant appraisal of tourism activities with local people and with visiting tourists (AME, 1995a). Unfortunately, the literature available does not document the efforts to implement the policy.

Tourism departments have also often played the role of providing finances, subsidies and access to land and other natural resources to the private sector for building up tourism facilities. In most cases this seems to have worked against the local communities. For example, in Himachal Pradesh, the subsidy schemes, which have been removed or highly scaled down, were skewed in favour of those who could afford large capital outlays. Loans of up to Rs10 million (approximately US\$30,000)⁸, with a 25% subsidy were available, the total amount being based on what the entrepreneur was willing to contribute from their own funds (Singh, 1989; AME, 1995a). However, there are increasing cases where assistance is targeted at local communities. This includes ACAP in Nepal, and Kinnaur and UP Hills in India. In the UP Hills the initiative does not seem to have worked well due to the lack of an integrated strategy (AME, 1995b; CREST, 1995b).

3.6.7 Government Conservation Authorities

In many Southeast Asian destinations, tourism is focused around conservation areas or has actually led to the declaration of natural conservation areas. Conservation agencies therefore often play an important role. But in many cases they find their role difficult, which can hamper tourism development or constructive relations between key stakeholders. There can be tensions between the conservation agency and other governmental authorities responsible for local or tourism development. For example, there are tensions between the park and district and provincial authorities in the Hoang Lien Son Nature Reserve and Ba Be National Park, both in the mountains of northern Vietnam. These tensions seem to be related to disagreements over the development of tourism in the park and lack of clarity concerning the responsibilities for tourism in the park (Koeman, 1998). At Ba Be, the park seems almost 'anti-tourism', or rather scared of it. The park feels powerless to exert any control over the development and growth of tourism, particularly mass tourism. The entrance fee is collected by the local district authorities, with none of the revenue being given to the park (some sources report that both the park and the district authorities are charging entrance fees). The provincial and national government aims to increase mass tourism, albeit nature-based tourism to the

⁸ See footnote 3.

area. A provincial tourism Master Plan was commissioned from ITDR (Institute for Tourism Development Research) in which Ba Be is a major focus. The park however, was barely consulted about the plan, and was only invited to make comments on the final draft document. They were not happy with the proposed developments. With neither the park authorities nor the ethnic minorities involved, Koeman warns that any ecotourism initiative will be overrun in a short period of time. Without their involvement, it will be commercial gains rather than concern for people and nature conservation that will dictate trends (Koeman, 1998).

Tourism development in conservation areas can exacerbate tensions with local people – or help create momentum for addressing the problems. For example, in Nepal, despite very positive trends, tensions still persist. The employment of the army for protection of the park areas from use by the local communities remains a contentious issue in Sagarmatha and Chitwan National Parks, and the cost for retaining the army presence in the park areas is also very high (Towell et al., 1991 and Rogers, 1998). However, over the years, especially in the past couple of decades, valuable experience has been gained in improving the linkages between tourism, nature conservation and local communities. The Annapurna Conservation Area Project (ACAP) recognised that human use could not be excluded from protected areas. Building on lessons learnt at SNP, planning and implementation was entrusted to an NGO, giving the programme flexibility and the capability to respond to community needs more effectively than a government department. The promise of spending the revenue from trekking and mountaineering fees in the Annapurna area itself was a major incentive for facilitating participation by local communities. There are several lessons to be learnt from the success of ACAP, especially in terms of how conservation bodies can involve local stakeholders in order to improve both the environment and standards of hospitality. These include:

- Checking price wars between lodge owners by setting standards and prices, and setting and promoting standards for hygiene and sanitation. Providing training for better lodge management, including planning of physical facilities, catering, housekeeping skills, hospitality and accounting and administrative skills.
- Encouraging energy efficiency and providing and promoting alternatives to wood fuel. The combined back boiler has become a remarkable success. It allows the same energy to be used for space heating, cooking and heating water for showers. Local communities have contributed about half the cost of constructing and installing electricity plants with capacity as large as 100Kw. They have also assumed the responsibility for managing them.
- Better forest management, achieved mainly through involving the village communities in forest protections by reviving traditional systems of protection that had been abandoned and by taking up a major programme of tree planting.
- Institution building at the local level through conservation and development committees and women's groups. Lodge owners have played a major role in strengthening both institutions, as they perceive that their business will thrive with better services and better conservation.

ACAP has also tried to cater to the wider community not directly involved in tourism activities, by assisting in improving basic services such as health and education and by promoting indirect economic linkages (CREST, 1995b; Gurung, 1995; Banskota and Sharma, 1998a).

However, these strategies are not always easy for government conservation authorities to adopt. Even in Nepal, institutionalisation of the ACAP experience has not been easy. The Department of National Park and Wildlife Conservation (DNPWC) has limited capacity for working with local communities and does not have the mandate to work with communities outside park areas. Park protection is the responsibility of the Royal Nepal Army and there is little co-ordination with the Ministry of Tourism. In the Chitwan National Park the problem has been further complicated by a

conflict of interests between DNPWC and the Forest Department that carries out the forestry programmes outside the park (Towell et al., 1991). In all the cases studied there was little evidence of the co-ordination between tourism and conservation activities.

4. Key issues and conclusions

4.1 A mixed blessing

The above analysis shows that alongside the many negative impacts associated with tourism, there are also potential gains for the host communities in Southeast Asia and the Himalayan region of western India and Nepal from mass tourism. Such gains can be significant, but they are not evident in all cases, and where they occur, may often be distributed quite unequally. Local residents tend to gain more when tourism activities are dispersed, if local residents have adequate access to the markets for accommodation, catering and transport and if they are allowed to play an important decision making role in tourism related activities. However, the local communities are not always able to retain control over these markets, especially when destinations gain popularity. Outsiders with better access to capital begin to move in. Organised tours become a regular feature and local communities begin to get pushed into marginal positions within the industry. It is clear that impacts are not static – processes of change and threads of continuity are inter woven into a dynamic process that varies from place to place and over time.

The economic effects are most apparent from the case studies reviewed. There may also be cultural gains, for example in the preservation of buildings. Tourism can also assist in preserving and enriching the environment; especially if tourism activities are well regulated and there is a clear focus on environmental regeneration. But it can also lead to degradation of natural resources and loss of access for local people – for example to beach areas. Negative cultural impacts also exist as the case studies demonstrate, particularly through sexual exploitation. Sometimes the scale and impact of tourism is so powerful that sections of the host community begin to succumb to negative cultural influences.

Tourism can affect the natural resources of the area, both positively and negatively, and so affect livelihoods of many of those who are not directly engaged in tourism. The scale of activities is relevant to environmental impacts. Even with the best of planning, resorts have been unable to avoid problems of littering and proper garbage disposal. There are strains on the sewage systems. Often it is fragile environments, such as mountains, coastlines and deserts, that are attractive to tourists (UN, 1999). There is a limit to the pressure these environments, as well as local communities and social networks, can take before tourism activities begin to become unsustainable or compete significantly with demands of local livelihoods.

4.2 Designing strategies to maximise gains for local residents

The studies analysed in this paper demonstrate some actions that can help to maximise gains that local communities may be able to make from tourism. The actions listed here are not exhaustive, and in any instance, the selection of those actions that are appropriate, and of their means of implementation, depends on the particular communities concerned and the type of tourism activities. In any locality, strategies need to be designed to maximise gains for local communities, while ensuring that other stakeholders also have an interest in promoting such strategies. Various sections within the host community and all the other important stakeholders should play an active role in designing the process leading to the formulation of the strategies and in the process itself. Understanding the cultural and socio-economic differentiation in the destination countries and within the host community should be an important part of research associated with the process. These could include:

- Strengthening local communities involvement through improving access to markets, credit and training. This could be for groups or individuals within the community. The Annapurna Conservation Area Project in Nepal is a good example of an initiative that has tried to achieve these objectives.
- Designing programmes to improve the quality of involvement of women in the tourism industry.
- Stimulating income-earning opportunities for those who are not directly involved in tourism through backward and forward linkages. Training, credit and market facilitation, regulation and promotion of local goods and services could be the tools for promoting such linkages.
- Linking environmental and community development activities with community based tourism.
- Dispersing the tourism areas to spread the gains from tourism to new destinations. This will also help in avoiding many of the negative impacts that begin to appear when the scale of tourism begins to become too large. In particular, an effort should be made to market mainstream destinations (rather than ‘undiscovered unexposed areas’) that have been excluded from tourist circuits. These represent much larger areas, with communities that are more likely to avoid the negative impacts of tourism and where the damage to the environment is also likely to be limited.
- Promoting and creating local facilities and programmes for recreation activities that could attract tourists, particularly to encourage excursions from resorts. Visitor centres are another idea that seems to benefit both local communities and nature conservation activities.
- Find ways of promoting meaningful ways in which local communities have a stake in resorts that are coming up in their area and also a say in decisions on planning for the construction of the resorts, its maintenance and the development of recreation activities.
- Finding practical ways of building up a stake for the promoters of luxury resorts and group tours in the development of the local communities and the environment. This should go beyond token charities and specifically include human resource development activities which should be able to meet future manpower needs for the industry locally and build up forward and backward linkages. But it needs to be done in a way that encourages their commitment to successful local initiatives rather than scares them off through bureaucratic requirements.
- Addressing urban planning issues in centres that are witnessing rapid growth as a result of tourism.
- Finding ways of promoting domestic tourism and ensuring tourism planners recognise its value.
- Promoting market access and business support for the informal sector, and ensuring tourism planners and municipal authorities recognise its importance as an avenue for participation in tourism by the poor.
- Adapting the pace and scale of tourism development and implementation of Tourism Master Plans. Potential conflicts between multiple objectives – such as fast growth of revenue versus maintenance of local entrepreneurial involvement – need to be recognised and reconciled.

Any such actions need to be based on an understanding of the livelihood strategies and priorities of different local stakeholder groups, and of the political and structural framework which strongly influences processes of tourism development and opportunities for local engagement.

Actions such as these match recommendations made by other groups, including DFID (1999) and NGOs (Eber, 1992), Tourism Concern (1998) and ACT et al. (1999). Equally important is to note that while the recommendations listed in this paper refer to the local level, for such recommendations to work effectively, complementary policies and actions are needed at national and international level, by both governments and the private sector. The review of case studies summarised here focused on the descriptive detail of the impacts of tourism locally, as few studies document the

effectiveness of different strategies. This mass of evidence provides the basis for identifying useful strategies to enhance impacts, but further work is needed to identify the most effective ways of implementing recommendations, the circumstances under which each is most appropriate, and contingent requirements at national and international levels.

Appendix 1 The differential impact of tourism

The following tables, constructed by Trish Nicholson, illustrate differences between stakeholder groups in the Philippines in terms of their roles in tourism and the impacts they have experienced. In Marinduque Island (Table 2a), many benefits accrued to the elite, but several types of local workers, entrepreneurs and residents generally experienced positive, if small, impacts. In Boracay Island, the range of stakeholder groups is just as diverse. However in Phase 1 (1975–85, Table 2b), impacts for local residents were relatively small, whereas by Phase 2 (1986–96) economic, cultural and environmental impacts on local livelihoods were all considerable and, for many, negative.

Table 2 Stakeholder roles and impacts: differences between groups, destinations and decades in the Philippines

2a Marinduque Island, Philippines

Stakeholder Group	Economic	Cultural	Environmental
Local politicians & Congress Representative	Tax revenues from tourism developments. Access to national tourism funds for local projects. Increased value of land, including their own land holdings.	Traditional cultural performances appropriated for political kudos locally and nationally, and to attract tourists and thus enhance economic development. Professional and personal benefits from contacts with elite visitors - influential expatriates, foreign visitors and Filipinos.	Policy to attract large tourism, residential and yacht basin project for corporate development, against local opposition, could impact on local livelihoods and damage ecosystem e.g. fish spawning ground.
Local 'elite' families (includes some above)	Additional source of income. Contacts made in resorts owned by them are more important than the income.		Resorts and their beach areas usually well maintained.
Settlers (foreigners married to Filipinos)	Established guesthouses with restaurants and bars of good standard. Economic viability in balance.	Provided a very specific role for integrating with the local community (observed in Himachal Pradesh also).	
Absentee Investors	Purchased land and built resorts as long term investments. These are generally not advertised and promoted, and often low input.	Little interest in local social or cultural matters. Likely to have different (monetary) priorities.	Some neglected and in a bad state of repair.
Small Businesses (some own shops as well)	Provided a viable opportunity for diversification. Small businesses expanded premises to accommodate tourists. Used for long term lets or seminars off-season. Low inputs.	Cultural exchange. Some visitors make repeat visits and friendships are made.	Pollution due to copper mining already exists. Flood of mine tailings just before the peak season on Easter 1996 resulted in an approx. 50% cancellation of bookings.
Workers	Additional source of seasonal income. Availability of work has increased. But wages generally low, below national average.	Cultural exchange. Personal contacts sometimes lead to marriage for Filipinos. Some workers complain of foreigners' behaviour.	Residents also concerned about ecological and social effects of large corporate projects. So far, other tourism is still too seasonal and limited to cause major environmental problems.
Shop Owners	Increase in general sales, and in seasonal sale of souvenirs. Increase sales for 'sari-sari' stores.	New market in reproduction artefacts e.g. wooden masks, and plastic/paper imitations imported from outside the Island.	

<p>Caretakers for absentee properties.</p> <p>Guiding Service set up by group of local government employees.</p> <p>Tricycle and jeepney drivers.</p>	<p>Additional seasonal income.</p> <p>Opportunities to diversify income sources, especially Caretakers offering laundry and other services to tourists.</p> <p>Some tricycle drivers are using the income to pay off loans to buy their own vehicles.</p>	<p>Some tricycle drivers and jeepney drivers hired for special trips are starting to overcharge or cheat tourists.</p>	<p>Acute traffic congestion on narrow roads and in town centres during tourist season.</p>
<p>Rural communities</p>	<p>Small increase in cash income from guiding, and 'sari-sari' store sales. One Village Association gains income from a 'rural life tour' it operates as part of an integrated marine resource management plan, in which a fish sanctuary enables fish stocks to recover and can also be used for recreation.</p>	<p>Development of new skills and networks. The 4-day 'rural life tour' is marketed through a national NGO to a European eco-tourism tour operator. Opportunity for cultural exchange and to educate visitors in development and environment.</p>	<p>Village tourism project prioritises environmental sustainability, and attempts to reverse past environmental damage e.g. over-fishing. Village also needs political support to stop big trawlers from outside also over-fishing the area.</p>
<p>Participants in traditional Easter Rituals (Moryonan).</p>	<p>In main tourist areas, street rituals became staged performances and festivals aimed at visitors. Production costs were met from public funds, but higher standards of costumes and transport costs to attend rehearsals deterred poorer participants from rural areas from attending or applying for parts.</p>	<p>In staged performances, new criteria for participation excluded traditional participants from key roles, especially those from rural areas. Rituals were less participative. Involvement of politicians in organisation of performances and festivals created factionalism among participants.</p>	<p>First phase of a concrete arena was built for the audience by the river bank, where the stage is erected. There are plans to complete this for sport and other performances for local people as well as tourists.</p>
<p>General</p>	<p>Appropriation of local resources and business opportunities by outsiders, of which tourism is only one sector but is expected by local people to increase.</p>	<p>Opportunity for cultural exchange.</p> <p>Popularity and recognition of the province.</p> <p>Perpetuation of 'colonial mentality.'</p> <p>Fear that tourism will lead to increased vices (specifically prostitution, drugs, child sexual abuse), and loss of trust.</p>	<p>Loss of public access to some beaches areas.</p> <p>Improved electricity and roads in immediate vicinity of tourism enclave project.</p> <p>Increased land values make it difficult for small landowners to increase agricultural holdings or have land to leave to successors without further fragmentation.</p>

2b Boracay Island (1975 – 1985) Philippines

Stakeholder Group	Economic Impacts	Cultural Impacts	Environmental Impacts
Rich landlords, including traders from Aklan who acquired land through money lending.	Sold land to influential people from Manila. Gains enhanced with steep rise in price of land, especially on the beachfront after 1975. Some built their own resorts and restaurants to a high standard catering for wealthy visitors.	Attracted the custom of Filipino élite and foreign expatriates who liked the 'native' ambience of the Island. Many of them made short frequent visits several times a year.	No big building boom till after 1985 when the island was declared a Tourist Zone. Environment was pristine and quiet. Most accommodation units were 'cottages' built in traditional style and of native materials like bamboo and grass thatch.
European settlers married to Filipinos or with Filipino business partners.	Built small restaurants and guest houses along the beachfront. Used family labour. Local lifestyle as important to them as commercial success.	Each nationality attracted its own countrymen as tourists to the Island. It was very cheap and an 'unspoilt tropical paradise.'	Cottages were built a few metres from the beach, and restaurant tables and bars right on the beach, contrary to Department of Tourism regulations for a building line 50 metres from the beach.
Owners of 1 to 5 ha of land	Sold part of their land to build small resorts. Tourism provided a new additional source of income.	Catered to long-stay, mostly European tourists, 'backpackers,' who intermingled with the local population and shared their lifestyles.	Local Business Association formed to oppose government tourism development policies and controls seen by local operators as restrictive.
Store Owners and people with surplus income	Built and expanded stores, bars and accommodation units, and rented rooms. Tourism diversified income sources.	Cross-cultural friendships developed, often with financial benefits. Tourism was a seasonal activity not yet the main income for most resort owners.	Need for piped water, and sewerage disposal systems beginning to be felt.
Fishermen and boat owners	Continued traditional occupation but shifting towards tourism as it was more lucrative.	Fewer people had to leave the Island to find work.	Marginal impact on fishing resources. Fishing boats along the beach were part of the local ambience.
Tenant farmers and labourers	Drop in the price of copra, and sale of land by landowners reduced their livelihoods. Casual labour in tourism supplemented subsistence activities.	Those who became landless labourers, or vendors, had to depend on variable cash incomes. This changed their land-based way of life.	Land starting to be taken out of coconut production and subsistence agriculture and used for tourism development.
Migrant workers and vendors	Attracted by availability of work, and seasonal trade in the tourism industry.	Mostly from Aklan or nearby islands, staying seasonally or commuting.	Increased number of small 'temporary' rural dwellings with poor facilities in inland areas.

2c Boracay Island (1986 – 1996)

Stakeholder Group	Economic Impacts	Cultural Impacts	Environmental Impacts
The five biggest landowners on Boracay, (including those originally from Aklan).	Owning big resorts with modern facilities but in 'traditional cottage' style. Drawing custom from smaller resorts unable to provide similar facilities. Sold large tracts of land to corporate developers and large overseas companies.	Catering to elite Filipino and foreign tourists, and increasingly to the new Asian 'mass' market (since 1993/4).	Increasing strain on water and sanitation facilities. Visually attempting to retain 'traditional' feel of the Island, and promoting that image in advertising, but beaches and resorts crowded. Traffic congestion becoming a problem.
Corporate and/or large foreign companies, (now owning almost third of the Island).	Developing large luxury hotel complexes with their own boutiques, restaurants, transport, water sports etc reducing the scope for small local independent businesses.	Catering for luxury sector, and new short-stay Asian 'mass' market demanding high standard facilities and modern entertainment. Employ better qualified workers from outside Boracay for skilled and managerial jobs.	Also opened up new areas previously not developed. Building modern 2 or 3 storey hotels in concrete. Ecological impact of golf course. Strain on water and sewerage facilities. Restricting public access to beaches. Forbidding vendors on their land.
Early European businesses with Filipino partners.	A few expanding to meet new demand. Others moving out because Island lifestyle is 'spoilt.'	Local business and social networks disrupted. Fewer regular European clients.	Trying to maintain 'traditional' character of the tourism environment.
Other Filipinos owning more than half of medium sized resorts (13 to 20 units).	Developing land bought in the 1970s. Building or expanding resorts, using capital accumulated from business interests outside the Island. Facilities often managed by relatives.	Tend to use family rather than local labour. Those with enough capital cater to new 'mass' market. Others serve domestic and European markets.	Mixture of modern and 'traditional' architecture. But increasingly two-storey concrete buildings.
Boracaynon families owning accommodation with 13 to 20 units.	Initially raised capital by selling land. Doing good business now but reaching the limit for further expansion as land prices are high and they lack further capital.	Many owners and entrepreneurs are women, and have added other small business (e.g. boutique), for son/daughters to manage). Cater for foreign and domestic visitors. Most cannot afford to upgrade their facilities for the new Asian 'mass' market, but there are fewer other	Majority are 'traditional cottage' construction, but new extensions, boutiques etc or new restaurant/bar buildings usually in modern construction.

<p>Boracaynan families owning accommodation with 7 to 12 units.</p>	<p>Built cottages in their own compounds and added units one at a time.</p> <p>No capital to expand.</p> <p>Often have a second source of income from small store, or wages of family members.</p>	<p>visitors and some feel the loss of business.</p> <p>A few European 'backpacker' still come for long stays, but mostly in smaller resorts because they are cheaper and quieter.</p> <p>The smallest resorts are struggling. Those who fail join the informal sector as vendors or casual labour.</p>	<p>Mostly traditional style cottages, smaller numbers and more modest facilities make less demands on the environment. But due to crowding of resorts and cottages, water sources (wells) and drains are often too close.</p>
<p>Boracaynons owning accommodations with less than 7 units.</p>	<p>Cottages in poor repair and very basic, so price is cheap. At the far ends of the main beach so they get tourists when other places are full.</p> <p>Income supplemented by selling cold drinks, fishing or employment.</p>		<p>Smaller numbers, but same environmental problems as above, and lack income to maintain facilities adequately.</p>
<p>Tenant farmers, subsistence farmers, and rural labourers.</p>	<p>Tenancies, and work, lost due to loss of agricultural land. Subsistence farmers sold their plots of land and become workers.</p> <p>Low wages and high prices have reduced food security for the poorest.</p>	<p>New dependence on cash incomes. The basis for their traditional way of life has now gone.</p>	<p>Little agricultural land left, and could not compete with the returns to tourism related land-use. Around the main settlement areas it is an increasingly urban landscape.</p>
<p>Fishermen</p>	<p>Very few still fish. It is supplementary to work as carpenters, or transport crew. Some pleasure trips but stiff competition from resorts own boats.</p>	<p>The culture associated with fishing is disappearing. Most fish supplies are bought in from outside the Island.</p>	<p>Fishing boats are banned from pulling in or selling from the beach. Boats owned by resorts already overcrowd the beach and inshore waters.</p>
<p>Skilled Workers</p>	<p>Jobs available at big resorts. Good pay for qualified people.</p>	<p>Most are seasonal or permanent migrants. Most are young and single and live-in at the work place.</p>	
<p>Unskilled workers</p>	<p>More jobs available in services or construction sites. Low pay. Wages eroded by high prices.</p>	<p>No trade or professional training available on the Island, and few could afford to pay for it.</p>	
<p>Market Traders</p>	<p>More trade, but rapid rent increases imposed by the landowner who owns the entire market site.</p> <p>Stiff competition from traders from outside.</p>	<p>Many of the Boracaynon traders are women. Some worked their way up from vending but are struggling to remain entrepreneurs.</p>	<p>Congestion and muddy paths in the market area make the new modern shopping arcade and resort boutiques more attractive for some tourists.</p>

Vendors (Ambulant along paths and beach, and those with regular pitches).	More trade, especially from new Asian tourists. Stiff competition from boutiques and new shops High seasonal variations in income. Too many vendors.	Most vendors are resident migrants or commuters. All except the few sellers of fish, newspapers and ice-cream are women. Vendors, Porters and Crewmen each has their own trade association. These were set up by the Department of Tourism to control their numbers by registration procedures and to protect tourists from overcharging etc. They are generally not participative in operation, and do not represent and protect their members' interests.	Increasing number of Vendors adds to already very congested pedestrian areas, especially the main beach path. Some tourists complain of constant pressure from vendors while on the beach.
Boat crewmen (Passenger/ cargo transport, and pleasure trips)	All visitors and goods arrive by small boat and crews can earn twice the national minimum wage during high season. Stiff competition for jobs.		Transport and pleasure boats owned by resorts congest the beach and inshore waters. Regularly disregarding regulations to lay-back off the beach.
Porters at the boat stations.	Employed by the day, daily earnings are well below the national minimum wage.		
Tricycle drivers (motorbikes with passenger car)	Till recently the only public transport on the Island's few roads. Their livelihood is threatened by the introduction of modern transport vehicles, and the large hotels who want to bring in their own vehicles.	Up-market vehicles, and tourist motorbike hire, compete with tricycles on which local people depend for essential transport. Tricycle Drivers Association is working out a compromise with the Authorities.	The noise, air pollution and congestion of so many of these traditional Filipino vehicles add to the increasingly 'urban' character of Boracay.
General	Rising prices partly compensated by increased earning opportunities. Standards of living have increased, but little social mobility, and economic security for the poorest has decreased. Small businesses, especially of Boracaynons, are threatened.	In ten years the population increased three-fold and tourists increased six-fold. Commercialism reduced traditions of mutual support and time to socialise. Mass tourism has reduced cross-cultural exchange and friendships. Islanders say they have a 'tourist culture'.	Water and sanitation crisis in 1996 forced local business and government to initiate environmental projects. Overcrowding, congestion, and modern buildings create an urban atmosphere. Facilities continue to encroach on the beach. Original pristine environment has gone.

Source: compiled by Trish Nicholson for this paper, based on her previous research (Nicholson, 1997).

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