

## What is Pro-Poor Tourism?

According to UK-based *Pro-Poor Tourism Partnership*:

**“Pro-Poor Tourism (PPT) is about doing business differently to benefit poor people”**

PPT is the kind of tourism that contributes to the reduction of poverty. It is neither a specific product nor a niche market. It is multi-level, multi-dimensional and any tourism can be made pro-poor.

There are many NGOs and government organizations involved in PPT but the driving force for change will be the private sector. There is an increasing realization that to be sustainable, PPT initiatives must involve the private sector in reducing poverty through business activity, rather than alleviating it through philanthropy.

PPT initiatives work well when access to natural resources is maintained and exposure to risk is minimized. PPT can also bring important benefits such as more jobs, business opportunities, and improved access to infrastructure and services.

## Why Pro-Poor Tourism?

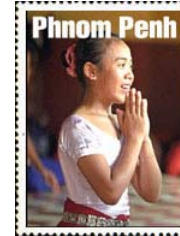
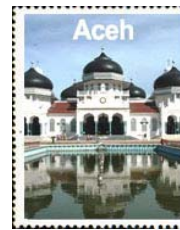
Tourism is a major economic sector worldwide and especially in developing countries. According to the World Bank's *World Development Indicators Report 2002*, more than 70% of the world's poorest countries rely on tourism as a key engine of economic growth.

Poorer countries have the most to gain from PPT initiatives. But they are also the most vulnerable to the negative effects of mass tourism, in terms of social, environmental and cultural degradation.

Furthermore, the distribution of benefits and income from tourism is often not equal. Financial benefits usually end up at the big hotels, tour companies and airlines. Poorer people too often suffer the negative costs of tourism.

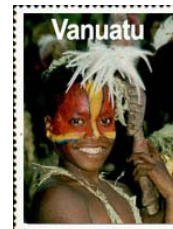
PPT engages poorer people and seeks to empower them so that they too share in the benefits from tourism.

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WHL is an online travel services network for the developing world. It offers an array of small and interesting accommodation and tours not found on other travel sites. Through a worldwide network of franchise operators in each destination, WHL offers local knowledge and contributes to local incomes. The WHL network also promotes "Caring for the Destination" - the first traveller-driven, sustainable tourism ratings designed with small accommodation providers in mind.

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## Pro-Poor Tourism



## Current Challenges

According to the World Trade Organization, international tourist arrivals in 2005 reached an all-time high of over 800 million. By 2020, arrivals are expected to reach 1.6 billion, generating US\$2 trillion.

While global tourism numbers increase, this does not necessarily translate into increased revenue for citizens of many developing countries. A few factors typically prevent the disadvantaged from sharing in the tourism dollar:

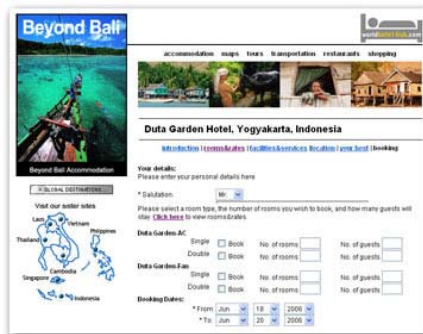
### Economic leakage

Most tourism dollars end up off-shore. Typically, only US\$10-20 of every US\$100 spent by the tourist remains in the developing country.

According to United Nations Environment Program, of each US\$100 spent on a package tour, only around US\$5 actually stays in a developing country's economy.

### Exclusion of the poorest

The *Pro-Poor Tourism Partnership* says, "One of the critical issues for poor producers is often access to the market - access to the established industry and to tourists." Most smaller hotels and guest houses and local NGOs have little or no opportunity to market to tourists via the Internet, thus they gain little share of the dollars tourists spend.



## How WHL is addressing these challenges...

### WHL makes it easier for independent travellers to find small local accommodation providers

Independent travel is the fastest growing segment of the travel industry. A 2004 International Finance Corporation study on eco-lodges put the global independent traveller market at 50%.

Many travellers use guidebooks and the Internet to select destinations and accommodation and rarely use tour packages. Thus they spend and leave more money locally.

By serving smaller accommodation providers, WHL is making it easier for independent travellers to find interesting travel experiences, which in turn translates into more bookings for local SMEs.

### Commissions and booking jobs stay local

WHL operates as a global franchise network but with local ownership. This means the commissions and booking jobs remain in the country.

While WHL charges a monthly service fee to franchise owners, it represents only a small portion of their takings.

### More local accommodation providers

Small local accommodation providers have problems reaching the market. There are large numbers of interesting and unique places to stay in guidebooks, but few are online. Some do not even have a phone number. Thus tourists tend to by-pass these hotels in favour of ones they can find on the web.

Because WHL franchisees are local people on the ground with local knowledge, they can actively coach the smallest guesthouses who otherwise would not be online or receive advance bookings.

WHL provides access to wider markets – a major obstacle for SMEs - where others cannot.

### “Caring for the destination”

Through its sustainability ratings and traveller feedback, WHL helps local SMEs develop and manage interesting traveller experiences through connections with local NGOs and community groups that operate “eco”, cultural revival or income generation projects, or orphanages, schools, and hospitals.

Typically, these initiatives benefit the poorest and most vulnerable in the local community, as well as preserving the local culture and environment for future generations.

### More stable jobs

The hotels on WHL are usually three-star or less and currently depend on walk-in guests, which means their income is unstable. This also means their employees face seasonal unemployment.

WHL enables these SMEs to become less dependent on walk-ins and have a more regular income, which in turn benefits everyone - hotels have lower employee turnover and provide more stable jobs.

It also means more secure income for the many people in the associated businesses that offer products and services linked to the tourism sector, of which a high proportion tend to be women supporting families.

