



Level 7 Tourism Policy in International Context and Development

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Self-check questions with model answers (self-assessment)

Tick-box self-checklist

Using your Study Guide

Welcome to the study guide for, designed to support those completing their **Level 7 Diploma in Tourism and Hospitality Management**.

This study guide follows the order of the syllabus, which is the basis for your studies. Each chapter starts by listing the syllabus learning outcomes covered and the assessment criteria.

Level 7 Units

Unit Reference	Mandatory Units	Level	TQT	Credit	GLH
HTM701	Marketing Approaches in Hospitality and Tourism	7	300	30	150
HTM702	Strategic Planning Facets in Hospitality and Tourism	7	300	30	150
HTM703	Tourism Policy in International Context and Development	7	300	30	150
HTM704	The Culture and Society in Tourism	7	300	30	150

The study guide includes a number of features to enhance your studies:



'Over to you': activities for you to apply what you have learned) in the space provided).



Industry Insights: discover up-to-date trends, expert opinions, and examples from leading organisations in the travel and tourism industry to help you understand how theory applies in real-world practice.



Did you know? highlights interesting facts or surprising information to help you deepen your understanding of travel and tourism topics.



Case studies: realistic business scenarios to reinforce and test your understanding of what you have read.



'Revision on the go': use your phone camera to capture these key pieces of learning, then save them on your phone to use as revision notes.



'Need to know': key pieces of information that are highlighted in the text.



Self-check exercises: Each task (one per learning outcome) requires you to source, read, and critically engage with a peer-reviewed journal article.

Tables, graphs and charts: to bring data to life.

Reading list: identifying resources for further study.

Source/quotation information to cast further light on the subject from industry sources.

Highlighted words throughout denoting **glossary terms** located at the end of the study guide.

Note

Website addresses current as of March 2026.

Level 7 Tourism Policy in International Context and Development

About this unit

This unit assists you to show critical understanding of principles of tourism policy and how it connects with the issues of development.

You will identify and analyse the theories and concepts with regards to public policy, tourism management and international development and apply it in the context of tourism.

The unit **Tourism Policy in International Context and Development** also supports you to apply development indicators and to create plans for tourism projects in order to address development problems.

Chapter One – Identify and critically analyse the concepts and theories related public policy for tourism

Introduction

This chapter looks at the concepts and theories related public policy for tourism.

You will analyse the history of tourism policy and critically evaluate the various approaches to tourism policy

On completion of this chapter, you will understand the multi-scalar nature of contemporary tourism policy and the institutes involved in tourism development at the global, national and local scale.

Learning Outcomes

On completing the chapter, you will be able to:

- 1. Identify and critically analyse the concepts and theories related public policy for tourism**

Assessment Criteria

- 1.1 Analyse the history of tourism policy and critically evaluate the various approaches to tourism policy.
- 1.2 Clarify the multi-scalar nature of contemporary tourism policy and the institutes involved in tourism development at the global, national and local scale.

1.1 Analyse the history of tourism policy and critically evaluate the various approaches to tourism policy

Introduction

Tourism policy is the set of principles, guidelines, directives, and regulatory frameworks established by governments and public institutions to shape the development, management, and promotion of tourism within their jurisdictions. It determines who benefits from tourism and who bears its costs, which destinations are developed and which are protected, how the balance between economic growth and environmental preservation is struck, and what role the state plays in an industry that is simultaneously a major engine of economic development and a potential source of social, cultural, and environmental harm.

At the MBA level, analysing the history of tourism policy and critically evaluating its various approaches requires more than chronological description. It demands an understanding of the political, economic, and ideological forces that have shaped tourism policy across different eras and contexts, the theoretical assumptions embedded in each approach, the evidence of their effectiveness and limitations, and the capacity to assess which approaches are most suited to the complex, interconnected challenges that tourism destinations face in the contemporary global environment.

This section traces the historical evolution of tourism policy from its origins in the early twentieth century through to the present day, identifies and critically evaluates the major approaches that have shaped tourism policy internationally, and examines the emerging paradigms that are redefining the relationship between the state, the tourism industry, and the communities and environments within which tourism operates.

1. The Historical Evolution of Tourism Policy

The Pre-War Foundations (1900s–1939). The earliest recognisable tourism policies emerged in the first decades of the twentieth century, primarily in European nations that recognised the economic potential of international visitor flows. France established the Office National du Tourisme in 1910, one of the world's first dedicated national tourism organisations. Italy, Austria, and Switzerland developed similar institutional frameworks during this period, motivated by the desire to capture the spending of wealthy European travellers who had made the Grand Tour a cultural tradition since the eighteenth century. These early policies were overwhelmingly promotional in character – the state's role was to attract visitors through destination marketing, and policy objectives were almost exclusively economic: generating foreign exchange, creating employment, and stimulating investment in transport and accommodation infrastructure. There was virtually no consideration of environmental impact, community wellbeing, or the social consequences of tourism development. The inter-war period also saw the emergence of social tourism policies in several European countries, notably France and Belgium, where governments introduced paid holiday legislation and subsidised vacation facilities to enable working-class citizens to participate in leisure travel for the first time – an early recognition that tourism policy could serve social as well as economic objectives.

The Post-War Boom and State-Led Development (1945–1970s). The decades following the Second World War saw tourism policy expand dramatically in both scope and ambition. The creation of jet aviation, the rise of package holidays, the growth of disposable income in Western

economies, and the extension of paid holiday entitlements transformed tourism from an elite leisure activity into a mass consumer industry. Governments across the developed and developing world embraced tourism as a vehicle for economic modernisation, foreign exchange generation, and regional development. Spain's transformation from an agrarian economy into one of Europe's leading tourism destinations during the 1960s and 1970s was driven by deliberate state policy that provided financial incentives for hotel construction, invested in coastal infrastructure, liberalised entry regulations, and aggressively marketed the country to Northern European markets. Similar state-led tourism development strategies were pursued across the Mediterranean, the Caribbean, Southeast Asia, and East Africa. The policy approach during this era was characterised by a strong developmental orientation in which the state acted as the primary architect of tourism growth through direct investment, infrastructure provision, land-use planning, fiscal incentives, and marketing. The dominant assumption was that tourism growth was inherently beneficial and that the state's role was to maximise it. Environmental and social impacts were largely treated as externalities – unfortunate but acceptable consequences of a development strategy whose economic benefits were assumed to outweigh its costs.

The Environmental Awakening and Sustainable Tourism (1980s–1990s). By the 1980s, the environmental and social consequences of unregulated mass tourism development had become impossible to ignore. Coastal degradation in the Mediterranean, cultural disruption in developing-world destinations, the displacement of local communities by resort developments, and the ecological damage caused by poorly managed wildlife tourism generated a growing body of critical scholarship and public concern. The publication of the Brundtland Report (Our Common Future) in 1987 and the subsequent United Nations Earth Summit in Rio de Janeiro in 1992 established sustainable development as a global policy framework, and tourism was increasingly assessed against sustainability criteria. The concept of sustainable tourism emerged as the dominant policy paradigm of this era, defined by the principle that tourism development should meet the needs of present tourists and host regions while protecting and enhancing opportunities for the future. The UN-Tourism, national governments, and international development organisations adopted sustainable tourism as a policy objective, leading to the proliferation of sustainability frameworks, certification schemes, environmental impact assessment requirements, carrying capacity studies, and community participation mandates. However, critics argued that sustainable tourism remained a rhetorical ideal rather than an operational reality – that the concept was so broadly defined as to be meaningless in practice, that it was frequently co-opted by commercial interests as a marketing label rather than a genuine constraint on behaviour, and that the structural incentives within the global tourism system continued to favour growth over sustainability.

Neoliberalism, Deregulation, and Market-Led Approaches (1990s–2000s). The 1990s and 2000s saw a significant shift in many countries toward market-led tourism policy, influenced by the broader neoliberal political economy that dominated Western policy-making during this period. The state's role was reconceived from direct provider and regulator to facilitator and enabler of private-sector-led tourism development. Policies emphasised deregulation, privatisation of state-owned tourism enterprises, reduction of barriers to foreign investment, public-private partnerships, and the creation of competitive environments in which market forces would drive efficiency and innovation. National tourism organisations were restructured – many were converted from government departments to semi-autonomous agencies with private-sector governance and commercial mandates. Airline deregulation, pioneered in the United States and extended across Europe and much of Asia, transformed aviation markets and enabled the explosive growth of low-cost carriers that made air travel accessible to new consumer segments. The market-led approach delivered significant economic benefits: it accelerated tourism growth, attracted private investment, stimulated entrepreneurship, and increased consumer choice.

However, it also concentrated benefits among those with the capital and capability to compete in deregulated markets, weakened the regulatory frameworks that protected communities and environments from the negative impacts of tourism, and created a policy environment in which commercial interests exercised disproportionate influence over tourism development decisions.

The Contemporary Era: Crisis, Complexity, and Paradigm Shift (2010s–Present). The second decade of the twenty-first century has been characterised by a series of disruptions that have challenged the assumptions underpinning both growth-oriented and market-led tourism policy. The global financial crisis of 2008–2009, the overtourism phenomenon in major European cities, the climate emergency and its implications for carbon-intensive travel, the COVID-19 pandemic, and the growing political salience of social inequality and community rights have collectively created a policy environment in which the historical consensus that tourism growth is inherently desirable has fractured. New policy paradigms are emerging: regenerative tourism that aims to leave destinations better than it found them; degrowth approaches that deliberately constrain tourism volume in favour of visitor quality and community wellbeing; rights-based approaches that recognise the rights of communities to determine the nature and scale of tourism in their regions; data-driven governance that uses technology to manage visitor flows in real time; and climate-responsive policy that integrates carbon accounting and adaptation planning into tourism strategy. The contemporary era is characterised by policy pluralism – no single paradigm dominates, and different nations, regions, and destinations are experimenting with diverse approaches that reflect their specific circumstances, values, and political contexts.

Table 1. Historical Evolution of Tourism Policy: Key Eras

Era	Dominant Approach	State's Role	Key Limitation
Pre-War (1900s–1939)	Promotional; economic focus	Destination marketer; infrastructure provider	No consideration of environmental or social impacts
Post-War Boom (1945–1970s)	State-led developmental	Architect of growth; direct investor; planner	Growth treated as inherently beneficial; impacts externalised
Environmental Awakening (1980s–1990s)	Sustainable tourism	Regulator; sustainability standard-setter	Concept too broad; co-opted as marketing label; structural incentives unchanged
Neoliberal Era (1990s–2000s)	Market-led; deregulatory	Facilitator; enabler of private sector	Benefits concentrated; regulatory protections weakened; commercial capture
Contemporary (2010s–present)	Pluralist; regenerative; rights-based	Steward; balancer of competing interests	No single paradigm; political contestation; implementation complexity

2. Approaches to Tourism Policy: A Critical Evaluation

Beyond the historical narrative, tourism policy can be analysed through a set of distinct conceptual approaches, each embodying different assumptions about the purpose of policy, the role of the state, and the relationship between economic development, social equity, and environmental protection. The following approaches are the most significant in the academic and policy literature.

The Boosterism Approach represents the most basic and historically earliest form of tourism policy. Boosterism treats tourism development as inherently good and the policy objective as maximising growth. Under this approach, the state's role is to promote the destination, attract investment, remove barriers to development, and celebrate tourism's economic contribution without critically examining its costs. Boosterism assumes that the benefits of tourism are self-evident and widely shared, that the market will allocate resources efficiently, and that communities should welcome tourism as a pathway to prosperity. Critical evaluation reveals that boosterism is fundamentally an ideological position rather than an analytical framework – it does not provide tools for assessing trade-offs, managing impacts, or resolving conflicts between tourism development and other societal objectives. It remains prevalent, however, particularly in destinations where political leaders depend on tourism revenue and where the institutional capacity for more sophisticated policy analysis is limited.

The Economic-Rational Approach treats tourism policy as a branch of economic policy, applying cost-benefit analysis, market failure theory, and welfare economics to guide state intervention. Under this approach, the state intervenes in tourism markets only where market failures exist – for example, by providing public goods such as infrastructure and destination marketing that the private sector would underprovide, by correcting negative externalities such as environmental damage through regulation and taxation, or by addressing information asymmetries that disadvantage consumers. The economic-rational approach has the advantage of analytical rigour – it provides a structured basis for evaluating whether specific interventions are justified and for measuring their efficiency. However, it reduces tourism policy to an economic calculation that may inadequately capture the social, cultural, environmental, and ethical dimensions that communities and scholars increasingly consider central to tourism governance. It also assumes that costs and benefits can be meaningfully quantified and compared, which is problematic when the costs include cultural erosion, community displacement, or biodiversity loss – impacts that resist monetary valuation.

The Sustainable Development Approach represents the most widely adopted policy framework globally since the 1990s. It seeks to balance economic development, environmental protection, and social equity – the three pillars of sustainability – and insists that tourism policy should serve all three rather than privileging economic growth at the expense of the other two. The UN's Global Code of Ethics for Tourism, the UN Sustainable Development Goals (particularly SDG 8 on decent work and economic growth, SDG 12 on responsible consumption, SDG 14 on life below water, and SDG 15 on life on land), and numerous national and regional sustainability frameworks reflect this approach. Critical evaluation identifies both strengths and limitations. The sustainable development approach has elevated environmental and social considerations in tourism policy worldwide, legitimised community participation in development decisions, and established sustainability as a criterion against which tourism projects and policies can be assessed. However, it has been criticised for its inherent vagueness – the concept of sustainability is interpreted so differently by different actors that it can be used to justify almost any policy position. It has also been criticised for attempting to reconcile objectives (economic growth and environmental protection) that may be fundamentally incompatible, and for failing to address the structural power imbalances that enable wealthy tourism corporations and consuming nations to benefit from tourism while externalising costs onto host communities and environments in developing countries.



The Community-Based Approach places the interests and participation of local communities at the centre of tourism policy. It argues that communities affected by tourism should have the right to determine the nature, scale, and pace of tourism development in their regions, and that tourism policy should prioritise local benefit, cultural preservation, and community empowerment over aggregate economic growth or visitor volume. Community-based tourism (CBT) initiatives, participatory planning processes, and indigenous tourism governance models reflect this approach. Critical evaluation recognises that community-based approaches offer a valuable corrective to top-down, growth-oriented policy by centering the voices and interests of those most directly affected. However, the approach faces significant practical challenges: communities are not homogeneous – they contain competing interests, power imbalances, and disagreements about tourism that community participation processes may not resolve. Community-based tourism projects often struggle with commercial viability, market access, and quality consistency without external support. And the approach can be romanticised – treated as inherently virtuous without acknowledging that community decision-making can be captured by local elites, exclude marginalised groups, or produce outcomes that are neither economically viable nor environmentally sustainable.

The Strategic-Planning Approach applies the tools and logic of corporate strategic management to tourism policy, treating the destination as an entity whose competitive position must be analysed, whose strategic options must be evaluated, and whose development must be guided by a coherent plan with defined objectives, targets, and implementation mechanisms. National tourism strategies, destination master plans, and tourism development visions typically reflect this approach. The strategic-planning approach brings analytical discipline and accountability to tourism policy, establishing clear objectives and measurement frameworks. However, it has been criticised for importing a corporate logic into a public policy domain where the objectives are contested, where the stakeholders are diverse and often conflicting, where the “product” is not a commercial offering but a complex social, cultural, and environmental system,

and where the assumption that a destination can be managed like a corporation oversimplifies the fragmented, multi-actor reality of tourism governance.

The Rights-Based and Justice Approach is an emerging paradigm that frames tourism policy in terms of human rights, social justice, and distributive equity rather than economic optimisation or environmental management. It asks fundamental questions: who has the right to travel and who has the right to control tourism in their community? How are the benefits and costs of tourism distributed across social groups, geographies, and generations? What obligations do tourism-generating nations and corporations owe to the communities and environments that host tourism? This approach draws on critical theory, post-colonial analysis, and justice-oriented scholarship to challenge the power structures embedded in the global tourism system – structures that have historically enabled wealthy nations and corporations to profit from tourism while externalising social and environmental costs onto poorer communities and nations. While the rights-based approach offers the most ethically ambitious vision for tourism policy, it is also the most politically challenging to implement because it requires confronting entrenched economic interests and redistributing power in ways that those who currently benefit from the status quo are unlikely to welcome.

The Regenerative Approach represents the most recent evolution in tourism policy thinking. It moves beyond sustainability – which aims to maintain the status quo – toward actively improving the communities, environments, and cultural systems that tourism engages with. Regenerative tourism policy asks not merely “how do we minimise harm?” but “how does tourism leave this place better than it found it?” This involves reimagining the relationship between tourism and place: visitors contribute to community projects, tourism revenue funds ecological restoration, cultural exchange enriches both visitors and hosts, and the tourism system as a whole generates net positive social and environmental value. The regenerative approach is philosophically compelling but operationally challenging – measuring “net positive” impact requires sophisticated metrics that do not yet exist at scale, and the commercial incentives within the global tourism system continue to reward extraction rather than regeneration.

Table 2. Critical Comparison of Approaches to Tourism Policy

Approach	Core Principle	Strength	Critical Limitation
Boosterism	Tourism growth is inherently good; maximise it	Simple; politically popular; economically intuitive	No tools for assessing trade-offs; ignores costs; ideological not analytical
Economic-Rational	Intervene only to correct market failures	Analytically rigorous; efficiency-focused	Reduces policy to economics; cannot value cultural or ecological costs
Sustainable Development	Balance economic, environmental, and social pillars	Globally adopted; legitimises environmental and social concerns	Vague; co-optable; may try to reconcile incompatible objectives
Community-Based	Local communities determine tourism development	Centres affected voices; supports empowerment	Communities not homogeneous; commercial viability challenges; elite capture risk

Approach	Core Principle	Strength	Critical Limitation
Strategic-Planning	Treat destination as a strategic entity to be managed	Brings discipline, targets, and accountability	Corporate logic may not fit public policy; oversimplifies multi-actor reality
Rights-Based / Justice	Frame policy in terms of rights, justice, and equity	Most ethically ambitious; challenges power structures	Politically challenging; confronts entrenched interests
Regenerative	Tourism should leave places better than it found them	Moves beyond harm minimisation to positive contribution	Measurement challenges; commercial incentives misaligned

Need to Know –

At the MBA level, analysing the history of tourism policy requires more than recounting a timeline. Assessors expect you to identify the political and economic forces that drove each era's dominant approach, explain why approaches changed over time (environmental evidence, ideological shifts, crisis events, scholarly critique), and critically evaluate each approach's assumptions, strengths, and limitations rather than presenting any single approach as definitively correct. The strongest work recognises that tourism policy approaches are not neutral technical choices but reflect underlying values and power relationships about who benefits from tourism, who decides, and whose interests are prioritised when objectives conflict. Demonstrating awareness that contemporary policy is characterised by pluralism – multiple approaches coexisting, competing, and blending – reflects genuine analytical sophistication.

Did you know...?

The first international body dedicated to tourism, the International Union of Official Tourist Publicity Organisations, was established in 1925 in The Hague, Netherlands. It was reconstituted after the Second World War as the International Union of Official Travel Organisations (IUOTO) in 1947, and transformed into the United Nations Tourism in 1975, gaining full UN specialised agency status in 2003. This institutional evolution from a “publicity” organisation to a UN agency mirrors the broader trajectory of tourism policy itself – from a narrow focus on destination promotion toward a comprehensive governance framework addressing economic development, sustainability, social equity, cultural preservation, and global cooperation. The UN-Tourism now has 160 member states and plays a central role in establishing international tourism policy norms, though critics argue that its governance structure gives disproportionate influence to tourism-generating nations and that its institutional mandate to promote tourism growth creates a structural tension with its sustainability advocacy.

Industry Insight – The Evolution of Tourism Policy in Spain: From State-Led Development to Overtourism Management

Spain's tourism policy history encapsulates virtually every phase and approach discussed in this section, making it one of the most instructive national case studies for understanding how tourism policy evolves in response to changing economic conditions, political contexts, and social pressures.

The state-led development era (1960s–1970s). Under Franco's authoritarian regime, tourism was adopted as a central instrument of national economic modernisation. The state provided generous financial incentives for hotel construction along the Mediterranean coast, invested heavily in road and airport infrastructure, relaxed entry regulations for foreign visitors, and promoted Spain internationally as a sun-and-sea destination. The policy was spectacularly successful in economic terms: Spain became the world's third-largest tourism destination by visitor arrivals, tourism generated vital foreign exchange, and coastal regions experienced rapid economic transformation. However, the development was largely unregulated, producing urban sprawl along the coastline, environmental degradation of beaches and marine ecosystems, the destruction of traditional fishing and agricultural communities, and an overdependence on low-cost mass tourism that left Spain vulnerable to price competition from cheaper Mediterranean and North African destinations.

The democratic transition and sustainability turn (1980s–1990s). Following Spain's transition to democracy and its accession to the European Economic Community in 1986, tourism policy shifted toward sustainability and quality. The Futures Plan (Plan Futures, 1992–1995) and the subsequent PICTE plans represented the first comprehensive attempts to move Spanish tourism policy beyond pure growth promotion. These plans introduced environmental management requirements for coastal development, invested in the diversification of Spain's tourism product (cultural tourism, rural tourism, eco-tourism, gastro-tourism), upgraded the quality of existing resort infrastructure through renovation programmes, and began the process of devolving tourism governance to Spain's autonomous communities, recognising that tourism policy needed to reflect regional diversity rather than being imposed uniformly from Madrid.

The overtourism crisis and regulatory response (2010s–present). By the mid-2010s, Spain's tourism success had produced a new policy challenge: overtourism. Barcelona, which had used the 1992 Olympics as a catalyst for tourism-driven urban regeneration, experienced growing resident anger as tourist numbers surpassed 30 million annually in a city of 1.6 million residents. The proliferation of short-term rental apartments through platforms like Airbnb was displacing residents from central neighbourhoods, driving up rents, eroding community cohesion, and transforming residential areas into tourist zones. Similar pressures affected Palma de Mallorca, San Sebastián, the Canary Islands, and other destinations across Spain. The policy response has been multifaceted and represents an increasingly rights-based and regulatory approach. Barcelona introduced a moratorium on new hotel construction in the city centre, strictly regulated short-term rental licensing, imposed a tourist tax, established a strategic tourism plan developed through extensive citizen participation, and created a dedicated tourism management unit focused on dispersing visitor pressure across the metropolitan area. The Balearic Islands introduced Spain's first regional sustainable tourism tax, invested in environmental restoration, and imposed a cap on the number of tourist accommodation places. At the national level, Spain's Tourism Sustainability Strategy 2030 represents a deliberate shift from the traditional growth paradigm toward a model focused on sustainability, territorial balance, digital transformation, and the distribution of tourism's benefits across the population. The strategy explicitly acknowledges that more tourists does not necessarily mean better outcomes for Spain, and that the measure of tourism success should be value and wellbeing rather than volume.

Spain's journey illustrates the full arc of tourism policy evolution: from boosterism and state-led development, through sustainability rhetoric, market liberalisation, and now toward a more complex, pluralist policy framework that attempts to balance economic value, environmental protection, community rights, and the governance challenges of managing tourism in an era of platform disruption, climate urgency, and social contestation. For MBA students, it demonstrates that tourism policy is not static but evolves continuously in response to the consequences of previous policies, the

emergence of new challenges, and the shifting political expectations of the societies that tourism serves.

Over to You – Student Activity

This activity requires you to source and critically engage with a peer-reviewed journal article that examines tourism policy history, theory, or a specific national or regional tourism policy approach.

Task: Using an academic database (Google Scholar, Emerald Insight, SAGE Journals, Taylor & Francis Online, or your university library), source one peer-reviewed journal article that analyses a tourism policy approach in a specific national or regional context. Suitable articles might examine: the evolution of tourism policy in a particular country, the implementation of sustainable tourism policy, community-based tourism governance, overtourism policy responses, regenerative tourism frameworks, or a critical evaluation of a specific policy intervention.

Suggested search terms: “tourism policy history” • “national tourism policy evolution” • “sustainable tourism policy critique” • “community-based tourism policy” • “overtourism policy response” • “regenerative tourism governance” • “tourism policy approaches comparison”

What to write (approximately 500–700 words): Identify which tourism policy approach (boosterism, economic-rational, sustainable development, community-based, strategic-planning, rights-based, or regenerative) the article examines or reflects. Assess the approach’s strengths and limitations as demonstrated in the specific context studied. Evaluate whether the article provides evidence that the policy achieved its stated objectives or produced unintended consequences. Conclude with a reflection on which approach or combination of approaches you consider most appropriate for the contemporary global tourism environment, justifying your position with reference to the article and the critical evaluation framework from this section.

Revision on the Go

- Tourism policy is shaped by political, economic, and ideological forces that vary across eras and contexts – it is never neutral or purely technical.
- Pre-war policies (1900s–1939) were almost exclusively promotional and economic; social tourism emerged in France and Belgium.
- Post-war era (1945–1970s): state-led mass tourism development; growth treated as inherently beneficial; impacts externalised.
- Environmental awakening (1980s–1990s): Brundtland Report and Rio Summit established sustainable tourism; critics called it vague and co-optable.
- Neoliberal era (1990s–2000s): market-led, deregulatory approach; NTOs restructured; airline deregulation; benefits concentrated; protections weakened.
- Contemporary era (2010s–present): crisis-driven pluralism; overtourism, COVID-19, climate emergency; regenerative and rights-based paradigms emerging.
- Seven approaches: boosterism, economic-rational, sustainable development, community-based, strategic-planning, rights-based/justice, and regenerative.
- Boosterism treats growth as inherently good; economic-rational applies cost-benefit logic; sustainable development balances three pillars.
- Community-based centres local voices but faces commercial viability and elite capture challenges.

- Rights-based asks who has the right to determine tourism; regenerative asks how tourism leaves places better than it found them.
- No single approach is universally correct; different contexts demand different combinations; critical evaluation means engaging with assumptions, power, and trade-offs.

Case Study – Bhutan’s High-Value, Low-Volume Tourism Policy: A Rights-Based Approach in Practice

Background

The Kingdom of Bhutan, a small Himalayan nation of approximately 780,000 people, has pursued what is arguably the world’s most distinctive and philosophically coherent tourism policy. Since opening to international tourism in 1974, Bhutan has operated a “high-value, low-volume” policy that deliberately restricts tourist numbers and mandates high daily expenditure, guided by the nation’s overarching development philosophy of Gross National Happiness (GNH) – a framework that measures national progress not by GDP but by the sustainable and equitable distribution of wellbeing across nine domains including ecological diversity, good governance, community vitality, cultural resilience, and time use.

The Policy Framework

Until 2022, Bhutan’s tourism policy required all international visitors (except nationals of India, Bangladesh, and the Maldives) to book through a licensed Bhutanese tour operator and pay a minimum daily package rate that included accommodation, meals, transport, a guide, and a Sustainable Development Fee (SDF). The SDF was originally set at \$65 per person per day and was intended to fund free education, free healthcare, poverty alleviation, and environmental conservation. In 2022, Bhutan significantly restructured its policy: it abolished the mandatory minimum package rate, allowing tourists to book independently, but dramatically increased the SDF to \$200 per person per day (later reduced to \$100 in 2025 following a sharp decline in arrivals). The rationale was to maintain the high-value positioning while allowing greater flexibility in how visitors experience the country.

Critical Evaluation

Bhutan’s policy can be evaluated through multiple approaches from this section. From a rights-based perspective, it is remarkable: the state has asserted the community’s right to determine the nature and scale of tourism, prioritising cultural preservation, environmental protection, and equitable development over volume. From a sustainable development perspective, the policy has protected Bhutan’s forests (which cover over 70 per cent of the country), preserved its Buddhist cultural heritage, and prevented the kind of mass tourism degradation experienced by many other developing-country destinations. From an economic-rational perspective, the policy has been both successful and problematic: the high SDF generates significant per-visitor revenue that funds public services, but the restriction on volume limits the total economic contribution of tourism and concentrates benefits among licensed operators while limiting opportunities for smaller community-based enterprises.

The 2022 policy restructuring and its consequences illustrate the tensions within the high-value model. The increase in the SDF to \$200 caused international arrivals to drop dramatically, affecting the livelihoods of guides, drivers, hoteliers, and hospitality workers throughout the country. Some commentators argued that the policy had overshot – that the price increase excluded the middle-income travellers who formed the majority of Bhutan’s visitor base without attracting sufficient ultra-luxury travellers to compensate. The subsequent reduction of the SDF to \$100 in 2025 represented an acknowledgement that the balance between exclusivity and viability required recalibration. The

episode demonstrated that even the most philosophically coherent tourism policy must confront the practical realities of market demand, stakeholder livelihoods, and the economic consequences of policy choices.

From a community-based perspective, critics have noted that Bhutan's policy, while framed as serving the national interest, has been centrally determined by the government and the Tourism Council of Bhutan with limited participatory input from the communities and tourism workers most directly affected by policy changes. The dramatic SDF increase was announced with minimal industry consultation, and the economic distress it caused among front-line tourism workers received less policy attention than the strategic positioning objectives it was designed to serve.

Discussion Questions

1. Using the approaches to tourism policy discussed in this section, classify Bhutan's tourism policy. Is it primarily rights-based, sustainable development-oriented, strategic-planning, or a hybrid? Justify your classification.
2. Critically evaluate the Sustainable Development Fee as a policy instrument. What are its strengths as a tool for managing tourism volume and funding public services? What are its limitations, as demonstrated by the consequences of the 2022 increase?
3. Compare Bhutan's approach to tourism policy with the approach taken by a mass tourism destination of your choice (e.g. Spain, Thailand, Mexico). What does the comparison reveal about the relationship between tourism policy, development philosophy, and political context?
4. Could Bhutan's high-value, low-volume model be adopted by other developing countries seeking to avoid the negative consequences of mass tourism? What conditions would need to exist, and what barriers would need to be overcome?
5. Assess the ethical dimensions of Bhutan's policy. Does the deliberate exclusion of budget travellers through pricing represent a legitimate exercise of national sovereignty over tourism, or does it conflict with principles of equitable access to cultural and natural heritage?

1.2 Clarify the multi-scalar nature of contemporary tourism policy and the institutes involved in tourism development at the global, national, and local scale.

Introduction

Tourism policy does not operate at a single level of governance. It is inherently multi-scalar – shaped simultaneously by institutions and decisions at the global, supranational, national, regional, and local scales. A traveller's journey from London to Bali is governed by international aviation agreements negotiated between sovereign states, facilitated by visa policies set by national governments, promoted by national tourism organisations funded from central budgets, managed at the destination by regional authorities responsible for land-use planning and infrastructure, and experienced at the local level through interactions with community-based enterprises operating under municipal regulations. At every scale, different institutions with different mandates, different constituencies, and different priorities shape what tourism looks like, who benefits from it, and how its impacts are managed.

Understanding the multi-scalar nature of tourism policy is essential at the MBA level because strategic decisions in hospitality and tourism are constrained and enabled by policy frameworks operating at multiple scales simultaneously. A hotel group's expansion strategy is affected by international trade agreements, national investment regulations, regional planning permissions, and local labour market conditions. A destination marketing campaign must align with national brand positioning while reflecting local distinctiveness. A sustainability initiative must comply with international reporting frameworks, national environmental legislation, and local conservation requirements. The strategist who understands only one scale of policy governance is working with an incomplete map.

This section examines the institutional architecture of tourism policy at each scale – global, national, and local – identifies the principal institutions involved, analyses their roles, mandates, and limitations, and critically evaluates the interactions, tensions, and coordination challenges that arise when policy operates across multiple scales simultaneously.

1. The Global Scale: International Institutions and the Governance of Tourism

At the global scale, tourism policy is shaped by international organisations, multilateral agreements, and transnational governance frameworks that establish norms, standards, and principles which national governments are expected – though rarely compelled – to adopt.

United Nations Tourism is the lead international agency for tourism, with 160 member states and over 500 affiliate members from the private sector, academia, and civil society. The UN-Tourism's mandate encompasses policy guidance and technical assistance, data collection and statistical standards (including the Tourism Satellite Account (TSA) methodology for measuring tourism's economic contribution), capacity building in developing countries, crisis management coordination, and the promotion of sustainable and accessible tourism. The organisation has produced influential policy frameworks including the Global Code of Ethics for Tourism (1999, later converted into the Framework Convention on Tourism Ethics in 2019) and has aligned its work with the UN Sustainable Development Goals (SDGs), positioning tourism as a contributor to poverty alleviation (SDG 1), decent work (SDG 8), sustainable consumption (SDG 12), marine

conservation (SDG 14), and terrestrial ecosystem protection (SDG 15). Critically, however, the UN-Tourism operates as a norm-setting and advisory body rather than a regulatory one – it cannot compel member states to adopt its recommendations, and its institutional mandate to promote tourism growth creates a structural tension with its sustainability advocacy that scholars have repeatedly highlighted.

The International Civil Aviation Organization (ICAO) is a UN specialised agency that governs international air transport through the establishment of standards, regulations, and cooperative frameworks. Given that aviation is the primary mode of international tourist transport, ICAO's policies on air service agreements, safety standards, airport infrastructure, and carbon emissions directly affect tourism flows and costs. ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) represents a significant policy intervention at the intersection of aviation and climate governance, with direct implications for the cost structure and sustainability positioning of international tourism.

The World Travel and Tourism Council (WTTC) is the principal global private-sector body for the tourism industry, representing major hotel groups, airlines, cruise lines, travel agencies, and tourism technology companies. The WTTC's role is to advocate for policies that support tourism industry growth and competitiveness, including visa facilitation, aviation liberalisation, infrastructure investment, and crisis management protocols. The WTTC's annual economic impact research, which quantifies tourism's contribution to GDP and employment globally, is widely cited by governments to justify policy support for tourism. Critically, the WTTC represents the interests of the global corporate tourism sector and its policy positions reflect those interests – it consistently advocates for growth-oriented, market-friendly policies and has been criticised for underplaying the environmental and social costs of the industry model it represents.

The Organization for Economic Co-operation and Development (OECD) produces influential analysis and policy recommendations on tourism through its Tourism Committee, which brings together representatives of OECD member governments to share evidence and develop policy guidance. The OECD's Tourism Trends and Policies report, published biennially, provides comparative analysis of tourism policy across member countries and has become a key reference for national policy-makers. The OECD's approach tends to be analytically rigorous and economically oriented, reflecting its institutional mandate.

The United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP), and the World Bank all engage with tourism policy through their respective mandates. UNEP addresses the environmental dimensions of tourism through initiatives on sustainable consumption, marine protection, and climate adaptation. UNDP supports tourism as a tool for poverty reduction and community development in developing countries. The World Bank and regional development banks provide financing for tourism infrastructure, destination development, and institutional capacity building, often attaching policy conditions that influence national tourism governance frameworks. The International Finance Corporation (IFC), the World Bank's private-sector arm, invests directly in tourism projects and promotes responsible tourism business practices.

Supranational regional bodies operate between the global and national scales. The European Union shapes tourism policy across its member states through the single market framework (which guarantees freedom of movement for EU citizens), consumer protection directives, aviation liberalisation within the single market, environmental regulations including the EU Emissions Trading System, funding programmes such as the European Regional Development Fund that supports tourism infrastructure, and data governance regulations such as the General Data Protection Regulation (GDPR) that affect how tourism businesses collect and use guest

data. The Association of Southeast Asian Nations (ASEAN), the African Union, the Pacific Islands Forum, and other regional groupings similarly coordinate tourism policy among their members, addressing visa facilitation, regional marketing, infrastructure connectivity, and shared crisis management.

2. The National Scale: Government Institutions and National Tourism Governance

At the national scale, tourism policy is the responsibility of sovereign governments, which establish the legal, regulatory, fiscal, and institutional frameworks within which tourism operates. The institutional arrangements for tourism governance vary significantly across countries, reflecting differences in political systems, economic structures, and the relative importance of tourism to the national economy.

Government ministries and departments. In many countries, tourism is governed by a dedicated ministry (Ministry of Tourism) or is combined with related portfolios such as culture, sport, heritage, environment, or economic development. The ministry's functions typically include formulating national tourism strategy and policy, drafting tourism legislation and regulation, coordinating with other government departments whose policies affect tourism (transport, immigration, environment, education, labour), representing the country in international tourism forums, and allocating public resources to tourism development and promotion. The institutional positioning of tourism within the government structure signals its political priority – a standalone Ministry of Tourism suggests high political importance, while tourism housed within a broader economic development or culture ministry may indicate lower priority or a more integrated governance approach.

National Tourism Organisations (NTOs). Most countries operate a dedicated national tourism organisation responsible for destination marketing, brand management, and market intelligence. NTOs vary significantly in their governance structure and mandate. Some are government departments operating within the civil service (e.g. the Indian Ministry of Tourism's marketing function). Others are statutory bodies with a degree of operational autonomy (e.g. Tourism Australia, VisitBritain). Others still are public-private partnerships with governance boards that include industry representatives (e.g. the Dubai Corporation for Tourism and Commerce Marketing). The trend in recent decades has been toward greater operational autonomy, commercial governance, and private-sector involvement in NTO management, reflecting the belief that destination marketing requires the speed, creativity, and market responsiveness that traditional government departments may struggle to deliver. However, this shift has raised questions about accountability, public interest representation, and the risk that commercially governed NTOs prioritise industry interests over community wellbeing.

Regulatory agencies and standard-setting bodies. National governments establish regulatory frameworks covering tourism accommodation standards, food safety and hygiene, tour operator licensing, tourist guide certification, consumer protection, employment law applicable to the hospitality sector, environmental impact assessment requirements for tourism developments, and health and safety standards. In some countries, these functions are consolidated within a tourism-specific regulatory body; in others, they are distributed across multiple agencies (health, labour, environment, consumer affairs) with tourism-specific regulations embedded within broader legislative frameworks. The fragmentation of tourism regulation across multiple agencies is a common source of coordination challenges and policy inconsistency at the national level.

National tourism strategies and master plans. Most countries with significant tourism sectors produce periodic national tourism strategies that define long-term development objectives, target markets, infrastructure priorities, sustainability commitments, and institutional arrangements. Examples include Tourism Strategy 2030 (Spain), Tourism Recovery Programme (Thailand), National Tourism Development Strategy (South Africa), and Aotearoa New Zealand's Tourism Industry Transformation Plan. These strategies operate at the intersection of policy formulation and implementation, translating political commitments into structured programmes with defined targets, timelines, and accountability mechanisms. The quality, coherence, and implementation effectiveness of national tourism strategies varies enormously across countries – some represent genuine strategic frameworks with measurable impact, while others remain aspirational documents with limited operational influence.

3. The Local Scale: Destination Governance and Community Institutions

Tourism is ultimately experienced and its impacts felt at the local level – in specific destinations, communities, streets, and natural environments. Local-scale institutions play a critical role in translating national policy into operational reality and in managing the day-to-day governance of tourism where it intersects most directly with community life.

Destination Management Organisations (DMOs). DMOs are the institutional workhorses of local tourism governance, responsible for destination marketing, visitor services, stakeholder coordination, and increasingly, destination management and sustainability. DMOs may be constituted as local government departments, independent public bodies, public-private partnerships, or membership-based industry associations. Their functions typically include promoting the destination to target markets, providing visitor information and welcome services, coordinating among the diverse businesses and organisations that collectively constitute the destination product, managing destination-level initiatives such as events programming, heritage interpretation, and environmental stewardship, and collecting and distributing tourism data. In recent years, the role of DMOs has evolved from primarily promotional (“destination marketing”) to increasingly managerial (“destination management”), reflecting the recognition that destinations need active governance – not just marketing – to manage visitor flows, protect assets, and balance tourism's benefits and costs. This evolution is particularly evident in destinations experiencing overtourism pressures, where DMOs have been tasked with visitor dispersal, capacity management, and community engagement functions that extend well beyond traditional marketing.

Local government authorities. Municipal and county-level governments exercise significant influence over tourism through their responsibilities for land-use planning and development control (determining where tourism facilities can be built), local transport infrastructure and public services (roads, sanitation, public spaces, safety), environmental management (waste, water, coastal protection, green spaces), licensing and regulation of tourism businesses (accommodation, food service, entertainment), and the collection and use of local tourism taxes and levies. In many destinations, local government is the institution with the most direct impact on the quality of the visitor experience and the distribution of tourism's benefits and costs among residents, yet tourism may represent only one among many policy priorities competing for limited local government attention and resources.

Community organisations and civil society. At the most local scale, community organisations, resident associations, cultural groups, indigenous governance bodies, environmental NGOs, and business associations all participate in tourism governance – sometimes formally through seats on DMO boards or participatory planning processes, sometimes informally through advocacy,

protest, or media engagement. In destinations where community-based tourism models operate, local cooperatives, village councils, or indigenous authorities may directly manage tourism enterprises and determine the terms on which tourists engage with their community. The extent and quality of community participation in tourism governance varies enormously: in some destinations it is genuinely empowering; in others it is tokenistic or entirely absent.

Private sector and industry associations. At the local level, hotel associations, restaurant guilds, tour operator cooperatives, and chambers of commerce play significant roles in tourism governance through self-regulation, quality standards, collective marketing, workforce development, and advocacy to local government. In many destinations, the private sector is the most influential stakeholder in tourism policy because it controls the investment capital, employment, and tax revenue that local governments depend upon, creating a power asymmetry that can enable industry interests to dominate local tourism governance even in nominally participatory policy environments.

Table 1. Key Institutions in Multi-Scalar Tourism Governance

Scale	Key Institutions	Primary Functions	Key Limitation
Global	UN-Tourism, ICAO, WTTC, OECD, UNEP, World Bank	Norm-setting; data standards; policy guidance; financing; advocacy	Advisory not regulatory; cannot compel compliance; institutional mandates may conflict with sustainability
Supranational / Regional	EU, ASEAN, African Union, Pacific Islands Forum	Freedom of movement; shared regulation; regional marketing; infrastructure funding	Sovereignty constraints; uneven member commitment; coordination complexity
National	Tourism ministries; NTOs; regulatory agencies	Strategy and policy; legislation; destination marketing; regulation; fiscal incentives	Fragmented across agencies; political cycles disrupt continuity; NTO accountability questions
Regional / Sub-national	Provincial/state tourism agencies; regional DMOs	Regional strategy; sub-national marketing; infrastructure coordination	Dependent on national funding; may lack autonomy; coordination with local level
Local / Destination	DMOs; local government; community organisations; industry associations	Destination management; planning; licensing; visitor services; community engagement	Capacity constraints; private sector power asymmetry; tokenistic participation risk

4. Multi-Scalar Interactions: Tensions, Coordination, and Governance Challenges

The multi-scalar nature of tourism policy creates both opportunities and challenges. The opportunities lie in the potential for complementary action – global institutions setting standards, national governments creating enabling frameworks, and local bodies delivering context-specific implementation. The challenges arise when objectives, priorities, and power dynamics at different scales conflict.

Vertical coordination challenges. National tourism strategies frequently set objectives that local institutions lack the resources, capacity, or authority to implement. A national strategy targeting sustainable tourism may conflict with a local government's economic dependence on mass tourism development. International sustainability frameworks may be disconnected from the operational realities of small tourism enterprises in developing-country destinations. Conversely, innovative local tourism governance initiatives may be constrained by national regulations or fiscal frameworks that were not designed with tourism's specific characteristics in mind. The vertical coordination challenge is especially acute in countries with federal or devolved governance structures, where tourism policy authority is distributed across national, state, and municipal levels without clear hierarchy or coordination mechanisms.

Horizontal coordination challenges. At any given scale, tourism policy is affected by decisions made in other policy domains – transport, environment, immigration, trade, education, health, foreign affairs – over which tourism institutions have little or no influence. Aviation policy determines the accessibility and cost of reaching a destination. Immigration policy determines who can visit and how easily. Environmental policy determines the regulatory framework within which tourism development operates. Labour and education policy determines the availability of skilled hospitality workers. These horizontal interdependencies mean that tourism's fortunes are often determined more by decisions made outside the tourism policy domain than within it, yet tourism institutions typically have limited capacity to influence these cross-cutting policies.

Power asymmetries across scales. Global institutions, multinational corporations, and national governments typically exercise disproportionate power in tourism governance relative to local communities, small enterprises, and environmental stakeholders. International hotel chains negotiate directly with national governments for investment incentives, visa facilitation, and regulatory concessions, often bypassing the local communities that will experience the consequences of these agreements. Global aviation policy affects local destinations but is negotiated in forums where destinations have no representation. National tourism strategies may reflect the priorities of metropolitan capital cities rather than the peripheral regions where tourism development may be most needed or most impactful. These power asymmetries mean that tourism policy at the local level is often experienced as something done to communities rather than something done by them – a tension that the community-based and rights-based approaches discussed in the previous section seek to address.

The coordination paradox. Tourism policy scholars have identified a coordination paradox at the heart of multi-scalar tourism governance: the sector that most requires cross-scale, cross-sectoral coordination is among the least institutionally equipped to achieve it. Tourism's fragmented industry structure, its dependence on public goods provided by other sectors, its cross-border nature, and the diversity of stakeholders involved mean that effective governance requires a level of institutional coordination that rarely exists in practice. This coordination deficit helps explain why tourism policy frequently produces outcomes that no single institution intended – overdevelopment, environmental degradation, social inequality, and destination decline are

often the emergent consequences of uncoordinated decisions made at multiple scales rather than the deliberate result of any single policy.

Need to Know –

At the MBA level, clarifying the multi-scalar nature of tourism policy requires more than listing institutions at each level. Assessors expect you to explain how decisions at one scale affect outcomes at others (vertical interactions), how tourism policy intersects with other policy domains at the same scale (horizontal interactions), and how power asymmetries between scales shape whose interests are served by the prevailing governance framework. The strongest work demonstrates awareness that tourism governance is characterised by a coordination paradox: the sector most in need of coordinated multi-scalar governance is among the least institutionally equipped to achieve it. Showing that you understand the practical consequences of this paradox – through examples of policy misalignment, unintended consequences, or coordination failures – demonstrates genuine analytical depth.

Did you know...?

Despite tourism being one of the world's largest economic sectors – contributing approximately 10 per cent of global GDP and supporting roughly 300 million jobs – there is no binding international treaty governing tourism comparable to the agreements that regulate international trade (WTO/GATT), aviation (Chicago Convention), maritime transport (UNCLOS), or climate change (Paris Agreement). The UN-Tourism's Framework Convention on Tourism Ethics, adopted in 2019, is the closest equivalent, but it is a voluntary framework without enforcement mechanisms. This governance gap means that the world's largest cross-border industry operates without a binding international legal framework, relying instead on a patchwork of bilateral agreements, voluntary standards, and national regulations – a situation that scholars have described as “governance without government” and that contributes directly to the coordination challenges examined in this section.

Industry Insight – Multi-Scalar Tourism Governance in the Maldives: From Global Climate Politics to Local Atoll Management

The Maldives provides one of the most vivid illustrations of how tourism policy operates across multiple scales simultaneously, and how tensions between these scales create governance challenges with existential consequences.

At the global scale, the Maldives' tourism future is shaped by forces largely beyond its control. As a low-lying island nation with an average elevation of approximately 1.5 metres above sea level, the Maldives faces an existential threat from climate change-driven sea level rise. The country's tourism industry – which accounts for approximately 28 per cent of GDP and over 60 per cent of foreign exchange earnings – depends entirely on the continued existence of its coral atolls, marine biodiversity, and pristine beach environments, all of which are threatened by rising ocean temperatures, coral bleaching, and coastal erosion. The Maldives has been among the most vocal advocates in international climate negotiations (UNFCCC/Paris Agreement) for ambitious emission reduction targets, yet the policies of major carbon-emitting nations – over which the Maldives has no sovereignty – will ultimately determine whether its tourism product survives. Simultaneously, the

Maldives depends on long-haul aviation – a significant source of the very carbon emissions that threaten its existence – to bring visitors to its resorts. This global-scale paradox – the tourism product is threatened by the carbon emissions that tourism itself generates – is the defining governance challenge of the Maldivian tourism economy.

At the national scale, the Maldivian government has developed one of the world's most distinctive tourism governance models. Since the industry's inception in the 1970s, the government has operated a system of resort island leasing in which individual islands or lagoons are leased to resort operators for exclusive tourism use, physically separating tourist facilities from inhabited local communities. This model was originally designed to prevent cultural disruption of the conservative Muslim society, but it has also concentrated tourism revenue among resort operators and the government (through lease fees and taxes) while limiting economic participation by local communities. National policy has evolved in recent decades to allow guesthouse tourism on inhabited islands, creating a more distributed tourism economy, though this has introduced new challenges including waste management, cultural friction, and infrastructure strain on small island communities. The national Ministry of Tourism regulates resort standards, manages the island leasing system, and formulates the national tourism master plan, while the Maldives Marketing and Public Relations Corporation (MMPRC) manages destination marketing. The Green Tax of \$6 per tourist per day, introduced in 2015, generates revenue earmarked for environmental protection.

At the local atoll and island scale, tourism governance is fragmented and unevenly developed. Atoll councils and island councils have responsibility for local planning, infrastructure, and community affairs, but their capacity to manage tourism development is often limited by financial constraints, technical expertise shortages, and dependence on national government for funding and regulatory authority. On resort islands, the private operator effectively governs all aspects of the tourism experience, managing environmental practices, waste treatment, marine protection, and energy systems with varying levels of commitment and oversight. On inhabited islands offering guesthouse tourism, local councils face the challenge of managing an emerging tourism sector with minimal institutional infrastructure, often struggling to balance community expectations, environmental protection, and economic opportunity. Environmental management at the local level is particularly challenging: coral reef protection, waste disposal, freshwater management, and coastal erosion require resources and technical capabilities that small island authorities typically lack.

The multi-scalar tensions are acute. Global climate governance determines whether the physical destination survives. National policy determines who benefits economically from tourism. And local governance determines whether tourism development is environmentally sustainable and socially equitable at the community level. The interactions between these scales create compounding challenges: national policies that maximise resort island leasing may generate short-term revenue but concentrate environmental pressure; global carbon targets that restrict aviation may protect the long-term environment but reduce the visitor flows on which the national economy depends; and local guesthouse tourism that distributes economic benefit may strain island infrastructure beyond sustainable limits without national support for capacity building.

For MBA students, the Maldives case demonstrates that understanding tourism governance requires seeing the full multi-scalar picture. A strategist focused only on the national level would miss the existential climate threat shaped by global politics. One focused only on the local level would miss the national policy architecture that determines economic distribution. And one focused only on the global level would miss the community-level governance challenges that determine whether tourism is experienced as beneficial or extractive by the people who live within it.

Over to You – Student Activity

This activity requires you to source and critically engage with a peer-reviewed journal article that examines tourism governance institutions or multi-scalar policy dynamics.

Task: Using an academic database, source one peer-reviewed journal article that examines tourism governance at a specific scale (global, national, or local) or the interactions between scales. Suitable articles might examine: the role of the UN-Tourism or WTTC in global tourism governance, national tourism organisation structures and effectiveness, DMO governance models, community participation in local tourism planning, the impact of EU or ASEAN policy on tourism, or coordination challenges between national and local tourism institutions.

Suggested search terms: “tourism governance multi-level” • “national tourism organisation effectiveness” • “DMO governance model” • “UN-Tourism role critique” • “tourism policy coordination” • “community participation tourism governance” • “supranational tourism policy EU ASEAN”

What to write (approximately 500–700 words): Identify which scale(s) of governance the article examines and which institution(s) are the focus. Assess the institution’s mandate, effectiveness, and limitations as demonstrated in the specific context studied. Evaluate whether the article provides evidence of vertical coordination challenges (between scales), horizontal coordination challenges (between policy domains), or power asymmetries that affect governance outcomes. Conclude with a reflection on what the article reveals about the coordination paradox in tourism governance and how the institution(s) studied could be strengthened to address multi-scalar challenges more effectively.

Revision on the Go

- Tourism policy is inherently multi-scalar: shaped simultaneously by institutions at global, supranational, national, regional, and local levels.
- Global: UN-Tourism (norm-setting, data, capacity building), ICAO (aviation), WTTC (private-sector advocacy), OECD (policy analysis), UNEP/UNDP/World Bank (environment, development, financing).
- Supranational: EU (single market, consumer protection, environmental regulation, funding), ASEAN, African Union, Pacific Islands Forum.
- National: tourism ministries (strategy, legislation), NTOs (destination marketing, brand), regulatory agencies (standards, licensing), national tourism strategies.
- NTOs have evolved from government departments toward semi-autonomous agencies with private-sector governance; raises accountability questions.
- Local: DMOs (evolving from destination marketing to destination management), local government (planning, licensing, infrastructure), community organisations, private-sector associations.
- Vertical coordination: decisions at one scale affect outcomes at others; national strategies may conflict with local realities.
- Horizontal coordination: tourism outcomes depend on transport, immigration, environment, education, and health policies made outside the tourism domain.
- Power asymmetries: global corporations and national governments exercise disproportionate influence relative to local communities.
- The coordination paradox: the sector most requiring cross-scale, cross-sectoral coordination is among the least institutionally equipped to achieve it.
- There is no binding international treaty governing tourism – the world’s largest cross-border industry operates through voluntary standards and bilateral agreements.

Case Study – Multi-Scalar Tourism Governance in Thailand: From ASEAN Integration to Community-Based Tourism on Koh Lanta

Background

Thailand's tourism sector – which attracted approximately 28 million international visitors in 2024 and contributed roughly 18 per cent of national GDP – illustrates the multi-scalar governance complexity that characterises major tourism-dependent economies. This case traces how institutions at the global, supranational, national, and local scales interact to shape tourism policy and outcomes, using the island of Koh Lanta in Krabi Province as a local-level focal point.

Global Scale

Thailand's tourism is shaped by global institutional forces including UN-Tourism policy frameworks that influence national sustainability commitments, ICAO aviation standards and bilateral air service agreements that determine international airline access, World Bank and Asian Development Bank financing for tourism infrastructure, and the WTTC's advocacy for visa facilitation and market liberalisation. Thailand's adoption of the Tourism Satellite Account methodology promoted by the UN-Tourism has improved the measurement of tourism's economic contribution, enabling more evidence-based national policy. However, global climate governance decisions affecting aviation emissions have implications for Thailand's long-haul European and North American source markets, while global health governance frameworks (shaped by WHO standards) influenced Thailand's tourism during and after the COVID-19 pandemic.

Supranational Scale

As a founding member of ASEAN, Thailand's tourism policy is influenced by regional cooperation frameworks including the ASEAN Mutual Recognition Arrangement on Tourism Professionals (which facilitates cross-border mobility of hospitality workers), the ASEAN Tourism Strategic Plan, regional visa facilitation initiatives, and shared marketing programmes that promote Southeast Asia as a collective destination. The ASEAN single aviation market has increased regional connectivity, enabling low-cost carriers to expand services between Thailand and neighbouring countries, growing the intra-regional tourism market. However, ASEAN coordination remains voluntary, and implementation of shared tourism standards varies significantly across member states.

National Scale

At the national level, the Ministry of Tourism and Sports oversees tourism policy, while the Tourism Authority of Thailand (TAT) – one of Asia's longest-established NTOs, founded in 1960 – manages destination marketing and brand positioning. Thailand's national tourism strategy has evolved through multiple phases: from the growth-oriented “Amazing Thailand” campaigns of the late 1990s, through post-tsunami recovery planning after 2004, the political instability management of the 2010s, the COVID-19 crisis response including innovative initiatives such as the Special Tourist Visa and the Phuket Sandbox programme, and most recently toward a quality-over-quantity positioning emphasising high-spending visitors, sustainability, and creative economy tourism. The national strategy sets targets, allocates marketing budgets, and defines priority source markets, but implementation depends on provincial and local institutions whose capacity and priorities may differ significantly from the national vision.

Local Scale: Koh Lanta

Koh Lanta, an island in Krabi Province in Thailand's Andaman Sea coast, illustrates the local governance challenges that arise when national tourism promotion succeeds in driving visitor growth to a destination whose local institutions are not equipped to manage the consequences. Over two decades, Koh Lanta transformed from a quiet fishing island with a small-scale backpacker tourism economy into a significant mid-range tourism destination attracting hundreds of thousands of visitors

annually. This growth was driven by national marketing, improved transport connectivity (facilitated by national infrastructure investment), and private-sector resort development. At the local level, governance capacity struggled to keep pace: waste management systems designed for a fishing community were overwhelmed by tourism waste; freshwater resources were strained by resort consumption; unregulated coastal development encroached on mangrove habitats and coral reef systems; local property prices rose, displacing the indigenous Chao Leh (Sea Gypsy) community and Thai-Muslim fishing families; and the economic benefits of tourism concentrated among resort owners – many from Bangkok or foreign – while the local Urak Lawoi and Malay-Thai communities received limited benefit.

Community-based tourism initiatives on Koh Lanta represent an attempt to address these local governance gaps. Local NGOs and community organisations have established cultural tourism programmes that enable the Chao Leh community to share their maritime heritage with visitors on their own terms, generating income while preserving cultural integrity. Community-managed mangrove conservation projects combine ecological restoration with eco-tourism experiences. A local waste management cooperative has been established with support from international development funding. However, these initiatives operate within a governance framework shaped by national and provincial institutions that control land-use planning, infrastructure investment, and environmental regulation – and whose priorities do not always align with community-level sustainability objectives.

Discussion Questions

1. Map the institutions operating at each scale (global, supranational, national, local) that influence tourism governance on Koh Lanta. Where do their mandates complement each other, and where do they conflict?
2. Identify at least two examples of vertical coordination challenges in this case – where decisions at one scale have created unintended consequences at another.
3. Identify at least two examples of horizontal coordination challenges – where policies in non-tourism domains (transport, environment, land-use, immigration) have affected tourism outcomes on Koh Lanta.
4. Evaluate the community-based tourism initiatives on Koh Lanta through the lens of the policy approaches discussed in this study guide (boosterism, sustainable development, community-based, rights-based). Which approach do these initiatives most closely reflect, and what are their limitations?
5. If you were advising the Krabi Provincial Administration on reforming local tourism governance for Koh Lanta, what institutional changes would you recommend to strengthen coordination between scales and ensure that local community interests are more effectively represented in tourism policy decisions?

Summary

In this chapter you learnt about the concepts and theories related public policy for tourism.

You learnt how to analyse the history of tourism policy and critically evaluate the various approaches to tourism policy.

On completion of this chapter, you learnt about the multi-scalar nature of contemporary tourism policy and the institutes involved in tourism development at the global, national and local scale.

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Chapter Two – Critically evaluate theories in international hospitality and tourism development

Introduction

In this chapter you will evaluate theories in international hospitality and tourism development.

Next, you will analyse the theoretical approaches and evaluate its usefulness in context of international development

On completion of this chapter, you will show critical evaluation of the position of developing countries with the use of theories in context of international development

Learning Outcomes

On completing the chapter, you will be able to:

2. Critically evaluate theories in international hospitality and tourism development

Assessment Criteria

2.1 Analyse the theoretical approaches and evaluate its usefulness in context of international development

2.2 Critically evaluate the position of developing countries with the use of theories in context of international development

2.1 Analyse the theoretical approaches and evaluate its usefulness in context of international development

Introduction

Tourism has been presented by international development organisations, national governments, and industry advocates as a powerful engine of economic development for low- and middle-income countries. It generates foreign exchange, creates employment, stimulates infrastructure investment, diversifies economies away from primary commodity dependence, and – at least in theory – distributes economic benefits to communities with few alternative income sources. The United Nations has explicitly linked tourism to the Sustainable Development Goals (SDGs), and organisations including the World Bank, UNDP, and UN-Tourism have channelled significant resources into tourism-led development programmes.

Yet the relationship between tourism and international development is deeply contested in the academic literature. Different theoretical approaches to development produce fundamentally different assessments of whether tourism actually delivers the development benefits its advocates claim, who within developing societies benefits and who loses, and what structural conditions determine whether tourism generates inclusive prosperity or entrenches inequality and dependency. At the MBA level, analysing these theoretical approaches and evaluating their usefulness requires engaging with development theory as a lens through which tourism's contribution to developing countries can be rigorously assessed – not merely described.

This section examines six major theoretical approaches to international development and analyses how each frames the role of tourism, evaluates the evidence for and against each approach's claims, and assesses the practical usefulness of each theory in guiding tourism development policy in contemporary international contexts.



1. Modernisation Theory

Core argument. Modernisation theory, associated with the work of Walt Rostow (1960) and others, conceptualises development as a linear process through which societies progress from traditional, agrarian economies to modern, industrialised ones. Rostow's five stages of economic growth – from traditional society through preconditions for take-off, take-off, drive to maturity, and the age of mass consumption – frame development as a universal trajectory that all nations can follow, provided they adopt the right policies, institutions, and technologies. Within this framework, tourism is positioned as a vehicle for modernisation: it introduces foreign capital, technology, and management expertise; it creates employment that draws labour from subsistence agriculture into the modern service economy; it stimulates infrastructure development (airports, roads, telecommunications) that benefits the broader economy; and it exposes host societies to the values, practices, and consumption patterns of modern industrial economies.

Application to tourism. Modernisation theory has underpinned much of the development-agency and government advocacy for tourism in developing countries since the 1960s. The World Bank's early tourism lending programmes, the UN-Tourism's promotion of tourism as a development tool, and national development plans across Africa, Southeast Asia, the Caribbean, and the Pacific Islands have all drawn explicitly or implicitly on modernisation assumptions: that foreign investment in tourism infrastructure will catalyse broader economic transformation, that integration into the global tourism economy will generate the growth necessary for development, and that the benefits of this growth will eventually reach all segments of society through employment, income, and infrastructure improvements.

Critical evaluation. Modernisation theory's usefulness in the context of tourism and international development has been severely challenged on multiple grounds. Its linear model of development does not reflect the reality of many developing countries where tourism growth has occurred without broader economic transformation or poverty reduction. Its assumption that the experience of Western industrialised nations provides a universal template ignores the structural differences between countries that industrialised in the eighteenth and nineteenth centuries and those attempting to develop in a globalised economy dominated by multinational corporations. Its emphasis on foreign investment and technology transfer overlooks the power dynamics through which international hotel chains, tour operators, and airlines capture the majority of tourism revenue while local communities receive a small share of the value created. And its implicit assumption that modernisation is culturally neutral ignores the social disruption, cultural erosion, and identity loss that tourism-driven modernisation can inflict on host communities. While modernisation theory provided an optimistic rationale for early tourism development policy, its analytical usefulness has been substantially diminished by the evidence that tourism-led growth does not automatically produce inclusive development.

2. Dependency Theory

Core argument. Dependency theory, associated with scholars such as Andre Gunder Frank (1967), Raul Prebisch, and Immanuel Wallerstein, argues that the global economic system is structured in ways that systematically benefit wealthy core nations at the expense of poorer peripheral nations. Development and underdevelopment are not separate conditions at different stages of a universal trajectory but are two sides of the same coin – the wealth of the core is produced through the extraction of resources, labour, and surplus from the periphery. Within this framework, integration into the global economy does not liberate developing countries from poverty but deepens their dependency on external actors, markets, and capital over which they have no control.

Application to tourism. Dependency theory provides a powerful critique of tourism as a development strategy. It argues that the structure of international tourism replicates colonial-era patterns of economic extraction: tourists from wealthy nations travel to poorer nations where their spending is captured primarily by international airlines, hotel chains, tour operators, and cruise lines headquartered in the developed world, with a relatively small proportion of the expenditure reaching local economies – a phenomenon known as economic leakage. Dependency theorists point to the high leakage rates documented in many tourism-dependent developing countries: studies have estimated that 40 to 80% of tourism revenue in some Caribbean and Pacific Island nations leaks out of the local economy through imports of food and materials to serve tourist preferences, repatriation of profits by foreign-owned hotels and resorts, commissions paid to international tour operators and online travel agencies, and the employment of expatriate managers in senior positions. The all-inclusive resort model is cited as a particularly vivid

example of dependency: guests pay a single price to an international operator, consume imported food and drink within the resort compound, participate in operator-managed excursions, and have minimal economic interaction with the surrounding community.

Critical evaluation. Dependency theory's usefulness lies in its ability to illuminate the structural inequalities embedded in the global tourism system that modernisation theory obscures. It explains why tourism growth in developing countries has often failed to translate into broad-based development, why economic benefits concentrate among external actors and local elites, and why tourism-dependent economies can remain vulnerable and underdeveloped even as visitor numbers grow. However, dependency theory has been criticised for being overly deterministic – it presents developing countries as passive victims of global structures with little agency to shape their own development trajectories. It underestimates the capacity of developing-country governments, entrepreneurs, and communities to negotiate favourable terms, capture value, and build locally owned tourism enterprises. And it offers limited practical policy guidance: if the global economic system is structurally exploitative, what should a developing country actually do? Complete withdrawal from international tourism is rarely feasible; the challenge is finding ways to participate more equitably, which dependency theory identifies as necessary but does not adequately prescribe.

3. Neoliberal Development Theory

Core argument. Neoliberal development theory, which became dominant in international development policy from the 1980s through the so-called Washington Consensus, argues that economic development is best achieved through market liberalisation, deregulation, privatisation, trade openness, fiscal discipline, and the reduction of state intervention in the economy. Development organisations including the World Bank and the International Monetary Fund promoted structural adjustment programmes that required developing countries to adopt these policies as conditions for receiving financial assistance. Within this framework, the state's role is to create a competitive business environment and let market forces drive efficient resource allocation, investment, and growth.

Application to tourism. Neoliberal theory has profoundly shaped tourism development policy in developing countries. Structural adjustment conditions have required countries to liberalise their tourism sectors by removing restrictions on foreign investment in hotels and resorts, privatising state-owned tourism enterprises, deregulating airline markets to increase competition and reduce fares, offering tax incentives and land concessions to attract international hotel chains and resort developers, and reducing regulatory requirements that were perceived as barriers to investment. The rationale is that market competition drives efficiency, foreign investment brings capital and expertise, and the economic growth generated by a liberalised tourism sector will eventually benefit the broader population through employment, income, and fiscal revenue.

Critical evaluation. Neoliberal approaches have delivered measurable tourism growth in many developing countries – increased visitor numbers, expanded hotel capacity, improved infrastructure, and higher total tourism revenue. However, the distributional consequences have been deeply uneven. The benefits of market liberalisation have accrued disproportionately to international corporations and local elites with the capital, connections, and expertise to compete in a deregulated market, while small-scale local entrepreneurs, community enterprises, and informal-sector tourism workers have been marginalised. The environmental consequences of growth-oriented, weakly regulated tourism development have been severe in many destinations. And the fiscal benefits to developing-country governments have often been eroded by the tax holidays and incentive packages offered to attract foreign investment, creating a paradox where

the country bears the social and environmental costs of tourism while the fiscal benefits are captured elsewhere. The neoliberal approach's usefulness is limited by its reluctance to acknowledge that markets in developing countries often fail in ways that require state intervention to correct – market power imbalances, information asymmetries, environmental externalities, and the absence of institutions to protect workers and communities from exploitative practices.

4. Sustainable Development Theory

Core argument. Sustainable development theory, crystallised by the Brundtland Commission's 1987 definition – “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” – reframes development as an integrated challenge requiring the simultaneous pursuit of economic growth, environmental protection, and social equity. The theory has been operationalised through the UN Sustainable Development Goals (SDGs), Agenda 2030, and numerous sectoral sustainability frameworks including the UN's Global Sustainable Tourism Council criteria.



Application to tourism. Sustainable development theory has become the dominant framework for tourism development policy at the international level. It provides the conceptual foundation for ecotourism, responsible tourism, pro-poor tourism, and community-based tourism initiatives. The UN-Tourism has explicitly aligned tourism with multiple SDGs, arguing that well-managed tourism can contribute to poverty alleviation, gender equality, decent work, sustainable consumption, marine and terrestrial conservation, and peaceful and inclusive societies. Sustainable tourism certification schemes, environmental impact assessments, carrying capacity studies, and triple-bottom-line reporting all reflect the application of sustainable development theory to tourism practice.

Critical evaluation. The usefulness of sustainable development theory in the context of international tourism is both significant and constrained. Its significance lies in having established that environmental and social outcomes matter alongside economic ones, legitimising the

inclusion of non-economic objectives in tourism development policy and creating a shared vocabulary for discussing the conditions under which tourism can contribute to genuine development rather than mere growth. Its constraints are substantial. The concept's breadth means that virtually any tourism policy can be labelled "sustainable" without meaningful accountability – the term has been co-opted as a marketing device by operators and destinations whose practices remain far from sustainable. The theory assumes that economic growth, environmental protection, and social equity can be pursued simultaneously, but in practice these objectives frequently conflict – the most ecologically fragile environments are often those with the greatest tourism potential, and the communities least able to resist development pressure are those that development institutions target as beneficiaries. Furthermore, the sustainable development framework has been criticised for treating symptoms rather than causes: it addresses the environmental and social impacts of tourism without challenging the structural power relationships and economic models that produce those impacts. A resort that recycles its waste and employs local staff may satisfy sustainable tourism criteria while still operating within a dependency-reproducing economic structure that extracts value from the host community.

5. Post-Development and Post-Colonial Theory

Core argument. Post-development theory, associated with scholars such as Arturo Escobar (1995), Wolfgang Sachs, and Gustavo Esteva, fundamentally challenges the concept of development itself. It argues that the entire development discourse – the framing of non-Western societies as "underdeveloped" and in need of transformation according to Western models – is a form of cultural imperialism that devalues indigenous knowledge, practices, and ways of life while universalising a particular model of economic growth, consumption, and modernity. Post-colonial theory extends this critique by examining how the power structures established during the colonial era persist in the contemporary global economy, including the tourism industry. Together, these perspectives argue that development is not a neutral technical process but a political project that serves the interests of those who define it.

Application to tourism. Post-development and post-colonial perspectives produce the most radical critique of tourism as a development strategy. They argue that international tourism reproduces colonial power dynamics: wealthy visitors from former colonial powers travel to former colonies to consume exoticised representations of "other" cultures, landscapes, and people. Tourism development, funded and designed by international institutions and corporations, imposes Western standards of service, infrastructure, and consumption on host societies while extracting economic value. The very language of tourism development – "developing" destinations, bringing them into the "modern" tourism economy, building "capacity" among local people assumed to lack it – carries implicit assumptions about the inferiority of host societies and the superiority of the development model being imposed. Post-colonial tourism scholarship examines how representations of destinations in marketing materials, travel writing, and media reproduce colonial stereotypes and power hierarchies – framing host communities as exotic, timeless, and available for consumption rather than as complex, contemporary societies with their own agency and aspirations.

Critical evaluation. The usefulness of post-development and post-colonial theory lies in its capacity to surface the power dynamics, cultural assumptions, and historical legacies that other development theories take for granted or actively obscure. It compels the analyst to question whose vision of development is being imposed, whose knowledge is valued, and whose interests are served by the framing of tourism as a pathway to progress. However, the approach faces significant practical limitations. Its critique is primarily deconstructive rather than constructive – it

is more effective at exposing what is wrong with existing development paradigms than at proposing actionable alternatives. If development itself is a problematic concept, what should replace it? For the millions of people in developing countries who lack adequate nutrition, healthcare, education, and economic opportunity, the suggestion that development is merely a Western discourse can seem dismissive of their material needs. The challenge for post-development thinking in tourism is to translate its critical insights into practical approaches that empower communities to define and pursue wellbeing on their own terms while engaging with the global tourism economy on more equitable terms.

6. The Capability Approach and Human Development Theory

Core argument. The capability approach, developed by Amartya Sen and Martha Nussbaum, redefines development not as economic growth but as the expansion of human capabilities – the real freedoms and opportunities that people have to live lives they have reason to value. Development is measured not by GDP or per-capita income but by whether people have the health, education, political freedom, economic opportunity, social participation, and environmental quality necessary to pursue their own vision of a good life. The UNDP's Human Development Index, which combines measures of life expectancy, education, and income, reflects this approach. The capability approach provides a people-centred evaluation framework that asks not “has the economy grown?” but “are people's lives genuinely better?”

Application to tourism. The capability approach offers a distinctive lens for evaluating tourism's contribution to development. Rather than measuring tourism's success by visitor numbers, revenue, or GDP contribution, it asks whether tourism enhances the capabilities of people in host communities: does it expand their economic opportunities beyond subsistence? Does it improve their access to education and skills development? Does it protect or enhance their cultural identity and social cohesion? Does it improve their environmental quality and natural resource access? Does it strengthen their political voice and participation in governance decisions that affect their lives? Pro-poor tourism (PPT) initiatives, which explicitly focus on increasing the net benefits of tourism for poor people, draw on capability thinking even when they do not use the formal theoretical language. Community-based tourism enterprises that prioritise local empowerment, cultural preservation, and skill development over revenue maximisation also reflect capability-oriented objectives.

Critical evaluation. The capability approach's usefulness lies in its provision of a comprehensive, ethically grounded evaluation framework that moves tourism development assessment beyond narrow economic metrics. It enables the analyst to identify situations where tourism generates economic growth but fails to improve – or actively undermines – the capabilities of host communities: a resort development that increases GDP but displaces a fishing community from its livelihood, or a tourism boom that generates employment but in conditions of low pay, insecurity, and limited progression that do not meaningfully expand workers' capabilities. The approach's limitation is practical: measuring capabilities is significantly more complex and data-intensive than measuring economic indicators, and translating capability-based assessment into operational policy guidance remains challenging. Tourism planners more easily set targets for visitor numbers and revenue than for the expansion of human freedom and opportunity. Nevertheless, the capability approach provides the most ethically ambitious evaluation framework available and offers a corrective to the economic reductionism that characterises both modernisation and neoliberal approaches.

Table 1. Development Theories Applied to Tourism: A Critical Comparison

Theory	View of Tourism's Role	Measure of Success	Usefulness	Critical Limitation
Modernisation	Vehicle for economic transformation and integration into global economy	GDP growth; foreign investment; infrastructure development	Provided early rationale for tourism development policy	Linear model; ignores power dynamics; growth ≠ development
Dependency	Mechanism reproducing colonial extraction and economic dependency	Leakage rates; ownership patterns; terms of trade	Illuminates structural inequality in global tourism	Deterministic; limited agency for developing countries; weak on prescriptions
Neoliberal	Market-driven growth engine requiring liberalisation and foreign investment	Visitor numbers; investment flows; market competitiveness	Delivered measurable tourism growth in many countries	Benefits concentrated; environmental costs; weakens regulation
Sustainable Development	Potentially beneficial if balanced across economic, social, and environmental pillars	Triple bottom line; SDG indicators; sustainability certification	Established non-economic objectives as legitimate policy goals	Vague; co-optable; assumes objectives are reconcilable
Post-Development / Post-Colonial	Reproduction of colonial power dynamics and cultural imperialism	Cultural integrity; community self-determination; power redistribution	Surfaces hidden assumptions, power structures, and cultural violence	Deconstructive; limited practical alternatives; risks dismissing material needs
Capability Approach	Valuable only insofar as it expands human capabilities and freedoms	Expanded health, education, opportunity, agency, and wellbeing	Most ethically comprehensive evaluation framework	Measurement complexity; difficult to operationalise in policy targets

Synthesis: Which Theories Are Most Useful?

No single development theory provides a complete framework for understanding tourism's relationship with international development. Each illuminates a different dimension of a complex reality, and the most useful analytical approach draws from multiple theories while maintaining critical awareness of each one's assumptions and limitations.

Modernisation theory is useful as historical context – it explains why international institutions and national governments embraced tourism as a development strategy – but its analytical value has been largely superseded by more nuanced frameworks. Dependency theory remains indispensable for understanding the structural inequalities of the global tourism system, but it must be balanced with recognition of developing-country agency. Neoliberal theory explains the policy mechanisms through which tourism growth was achieved in many countries but provides

inadequate tools for assessing the distributional and environmental consequences of that growth. Sustainable development theory offers the most widely adopted policy framework but requires rigorous application to avoid becoming an empty label. Post-development theory provides the most challenging critique of the entire development enterprise but must move beyond deconstruction toward practical alternatives. And the capability approach provides the most ethically grounded evaluation framework but must develop more practical methodologies for measuring and tracking capability expansion in tourism contexts.

For the MBA student analysing a specific country or destination, the most productive approach is to use multiple theories as complementary lenses: applying dependency theory to examine the structure of economic flows, neoliberal theory to understand the policy environment, sustainable development to assess the balance of impacts, capability thinking to evaluate outcomes for people, and post-colonial awareness to interrogate the assumptions and power dynamics that pervade the entire system. This multi-theoretical approach mirrors the multi-scalar governance analysis from the previous section – just as tourism governance operates at multiple levels, tourism development must be understood through multiple theoretical perspectives, none of which is sufficient alone.

Need to Know –

At the MBA level, analysing theoretical approaches to international development requires more than describing each theory. Assessors expect you to explain how each theory frames tourism's role in development (not merely its general argument), critically evaluate the evidence for and against each theory's claims about tourism specifically, assess each theory's practical usefulness for guiding policy (can it actually help decision-makers?), and demonstrate the ability to use multiple theories as complementary analytical lenses rather than selecting a single "correct" theory. The strongest work recognises that development theories are not politically neutral – they embed assumptions about power, progress, and whose interests development should serve – and that the theory a policy-maker adopts shapes the tourism development outcomes that follow.

Did you know...?

A landmark UNCTAD study estimated that for every \$100 spent by tourists in developing countries, only \$5 reaches the poorest members of the community. In Least Developed Countries, economic leakage from tourism was estimated at 40 to 50 per cent of gross tourism earnings, rising to as high as 80% in some small island developing states where the majority of food, beverages, equipment, and skilled labour must be imported to serve international tourist standards. These figures illustrate the central argument of dependency theory: that integration into the global tourism economy does not automatically translate into local development, and that the structure of the international tourism value chain determines who captures the economic value that tourism creates. Understanding and addressing leakage is one of the most significant practical challenges for tourism development policy, requiring deliberate strategies to strengthen local supply chains, build local enterprise capacity, and increase the share of tourism expenditure retained within the host economy.

Industry Insight – Rwanda’s Tourism Development: Modernisation, Sustainability, and the Capability Question

Rwanda’s deliberate transformation from a post-genocide nation into one of Africa’s most admired tourism destinations provides a compelling case through which to evaluate the usefulness of different development theories in explaining tourism’s contribution to international development.

Through a modernisation lens, Rwanda’s tourism story appears as a textbook success. The government adopted tourism as a central pillar of its economic modernisation strategy, investing heavily in the Volcanoes National Park gorilla trekking programme, establishing the Rwanda Development Board to coordinate tourism development, branding the country as “Africa’s leading conference destination,” attracting international hotel investment (Radisson Blu, Marriott, and others have opened in Kigali), and diversifying its tourism product into cultural heritage, eco-tourism, and business travel. Tourism has become Rwanda’s largest foreign exchange earner. The Kigali Convention Centre, modern airport infrastructure, and standards of urban cleanliness and safety have positioned Rwanda as a progressive, well-governed African nation. By modernisation theory’s metrics – foreign exchange generation, infrastructure development, international integration – Rwanda’s tourism strategy has been highly effective.

A dependency analysis complicates this narrative. The high-value gorilla trekking permit (currently \$1,500 per person) positions Rwanda as a premium destination, but the revenue distribution raises questions about who benefits. International tour operators based in Europe and North America capture a significant share of the total tourist expenditure through package pricing. International hotel brands in Kigali repatriate profits. And while community revenue-sharing schemes exist – a percentage of gorilla permit revenue is distributed to communities surrounding the national parks – critics have questioned whether the amounts are proportionate to the conservation and opportunity costs that these communities bear by co-existing with protected wildlife. The structure of the tourism value chain retains dependency-reproducing characteristics even within an otherwise successful development narrative.

Sustainable development criteria reveal both achievements and tensions. Rwanda’s conservation record is genuinely impressive: mountain gorilla populations have increased significantly, forest cover has been maintained, and the country has become a global model for conservation-led tourism development. The environmental pillar of sustainability is well-served. However, the social equity pillar is more contested. Rwanda’s authoritarian governance model – widely credited with the stability and order that enabled the tourism transformation – limits political freedom, constrains civil society, and suppresses dissent. Assessing whether Rwanda’s tourism development is “sustainable” depends on which pillars of sustainability one prioritises and whether political freedom is considered integral to development or a separate concern.

A capability approach assessment asks whether tourism has expanded the real freedoms and opportunities of Rwandans. The evidence is mixed. Employment in tourism and hospitality has provided economic opportunity for thousands of Rwandans, including through deliberate training programmes and local content requirements. Community revenue-sharing has funded schools, health facilities, and clean water projects near the parks. But the question of whether Rwandans have genuine agency in determining the nature and pace of tourism development in their communities – whether their capabilities extend to meaningful participation in governance, expression of dissent, and self-determination – produces a more complex answer that depends on values and definitions of development that extend beyond the economic domain.

Rwanda’s case demonstrates that different theoretical lenses applied to the same destination produce different and sometimes contradictory assessments. It also illustrates the central argument of this section: that the most useful analysis employs multiple theories as complementary lenses, recognising that each illuminates important dimensions that the others miss.

Over to You – Student Activity

This activity requires you to source and critically engage with a peer-reviewed journal article that applies development theory to assess tourism's contribution to international development.

Task: Using an academic database, source one peer-reviewed journal article that examines tourism and international development in a specific country or regional context. Suitable articles might examine: economic leakage in tourism-dependent economies, pro-poor tourism initiatives, community-based tourism and local empowerment, the environmental impacts of tourism development, tourism's contribution to the SDGs, or a critical assessment of a specific tourism development programme or policy.

Suggested search terms: “tourism international development theory” • “tourism economic leakage developing countries” • “pro-poor tourism evaluation” • “dependency theory tourism” • “tourism sustainable development SDGs” • “community-based tourism empowerment” • “post-colonial tourism critique” • “capability approach tourism development”

What to write (approximately 500–700 words): Identify which development theory or theories the article applies or reflects (modernisation, dependency, neoliberal, sustainable development, post-development, capability approach). Assess the evidence the article provides regarding tourism's contribution to development in its specific context. Evaluate whether the theory employed is useful in explaining the outcomes observed – does it illuminate the key dynamics, or does it miss important dimensions? Conclude with a reflection on which combination of theories you consider most useful for assessing tourism's development contribution in the contemporary global context, justifying your position with reference to the article and this section.

Revision on the Go

- Six development theories applied to tourism: modernisation, dependency, neoliberal, sustainable development, post-development/post-colonial, and the capability approach.
- Modernisation: tourism as vehicle for economic transformation; linear model of progress; underpinned early development-agency advocacy. Limitation: growth ≠ inclusive development.
- Dependency: global tourism system replicates colonial extraction; high leakage rates (40–80% in some countries); all-inclusive model as dependency exemplar. Limitation: deterministic; limited prescriptions.
- Neoliberal: market liberalisation, deregulation, and foreign investment drive tourism growth. Limitation: benefits concentrated; environmental costs; weakened regulation and worker protection.
- Sustainable development: balance economic, social, and environmental pillars; aligned with SDGs; dominant international framework. Limitation: vague; co-optable; may assume incompatible objectives can be reconciled.
- Post-development/post-colonial: development discourse is cultural imperialism; tourism reproduces colonial power dynamics and exoticisation. Limitation: primarily deconstructive; risks dismissing material needs.
- Capability approach (Sen/Nussbaum): development = expansion of human freedoms and capabilities, not GDP growth. Most ethically grounded framework. Limitation: measurement complexity.
- Economic leakage is a key concept: for every \$100 spent by tourists in developing countries, an estimated \$5 reaches the poorest community members (UNCTAD).
- No single theory is sufficient; the most useful analysis employs multiple theories as complementary lenses applied to the same context.

- Development theories are not politically neutral: the theory adopted by policy-makers shapes the development outcomes that follow.
- The critical question is not whether tourism generates economic activity but whether it expands the genuine freedoms, opportunities, and wellbeing of the people it affects.

Case Study – Tourism and Development in Zanzibar: Competing Theories, Contested Outcomes

Background

Zanzibar, a semi-autonomous archipelago within Tanzania, provides a richly contested case for evaluating the theoretical approaches to tourism and international development examined in this section. Since the 1990s, tourism has grown rapidly to become Zanzibar's largest economic sector, accounting for approximately 27 per cent of GDP and 80 per cent of foreign exchange earnings. The archipelago attracts over 500,000 international visitors annually, drawn by its white-sand beaches, coral reefs, UNESCO World Heritage Stone Town, spice plantations, and cultural heritage as a historic Indian Ocean trading hub at the crossroads of Arab, Persian, Indian, and African civilisations.

The Development Narrative

Zanzibar's tourism development was explicitly encouraged by international development institutions as a pathway to economic diversification and poverty reduction. The Zanzibar Tourism Commission was established in the 1990s to coordinate development, and the archipelago's tourism policy has been influenced by World Bank advisory programmes, UNDP capacity building initiatives, and bilateral development assistance from European governments. Investment incentives attracted international hotel operators and resort developers, particularly along the east coast beaches. The Zanzibari government adopted a liberalised investment framework offering tax holidays, land leases, and streamlined approvals for tourism developments.

Modernisation and Neoliberal Outcomes

By modernisation and neoliberal metrics, Zanzibar's tourism development has been successful. Visitor numbers have grown consistently, international hotel brands have entered the market, airport infrastructure has been upgraded, and tourism has generated thousands of jobs. The economy has diversified from its historical dependence on clove exports. Stone Town's restoration, partially funded by tourism revenue and international heritage programmes, has preserved a unique cultural asset.

Dependency and Post-Colonial Concerns

Dependency and post-colonial analyses reveal a more complex picture. A significant proportion of tourism revenue leaks out of Zanzibar through international tour operator margins, imported food and beverages to meet tourist preferences, profit repatriation by foreign-owned resorts, and expatriate management salaries. Coastal communities have experienced the enclosure of beaches previously used for fishing and communal activities as resort developers have obtained long-term land leases, sometimes with contested community consent. The all-inclusive resort model, dominant in the beach tourism segment, limits tourist spending in the local economy – guests consume within the resort compound with minimal economic interaction with surrounding communities. Cultural commodification has generated concern: traditional Zanzibari performances and spice tour experiences have been packaged for tourist consumption in ways that some cultural practitioners consider reductive and economically exploitative. Land ownership patterns have shifted, with coastal land increasingly passing from local families to foreign and mainland Tanzanian investors, generating resentment and social tension.

Sustainability and Capability Assessment

Environmental sustainability is under significant pressure: coral reef degradation from climate change and poorly managed dive tourism, coastal erosion exacerbated by beachfront construction, freshwater stress from resort consumption on a water-scarce archipelago, and inadequate waste management as tourism volumes exceed infrastructure capacity. From a capability perspective, the picture is mixed: tourism has expanded employment opportunities, particularly for young Zanzibaris, and has created new entrepreneurial possibilities in transport, guiding, and food services. However, many tourism jobs are seasonal, low-paid, and offer limited progression. Women's participation in the tourism economy is constrained by cultural norms. And the political voice of communities affected by resort development remains limited, with land-use decisions frequently made at government level without meaningful community participation.

Discussion Questions

1. Apply each of the six development theories discussed in this section to Zanzibar's tourism experience. What does each theory reveal, and what does each obscure?
2. Evaluate the role of international development institutions (World Bank, UNDP, bilateral donors) in shaping Zanzibar's tourism development. Were their interventions beneficial, harmful, or mixed? What theoretical assumptions underpinned their approach?
3. Using dependency theory and the concept of economic leakage, analyse the all-inclusive resort model in Zanzibar. What policy interventions could reduce leakage and increase local economic retention?
4. Apply the capability approach to assess whether tourism has expanded or constrained the real freedoms and opportunities of coastal communities displaced by resort development. What evidence would you need to make this assessment?
5. If you were advising the Zanzibar government on reforming its tourism development policy, which combination of development theories would you draw upon, and what specific policy changes would you recommend?

2.2 Critically evaluate the position of developing countries with the use of theories in context of international development

Introduction

The previous section analysed the major theoretical approaches to international development and evaluated their usefulness in understanding tourism's role. This section applies those theories directly to the position of developing countries within the international tourism system, critically evaluating the structural conditions that shape whether tourism generates genuine development or perpetuates inequality, dependency, and vulnerability. The distinction is important: while the previous section asked "what do these theories tell us about tourism and development in general?", this section asks "what do they reveal about the specific circumstances, constraints, opportunities, and power dynamics that developing countries face when they adopt tourism as a development strategy?"

At the MBA level, critically evaluating the position of developing countries requires moving beyond the dichotomy of tourism as either a development saviour or a neocolonial trap. The reality is more nuanced: developing countries occupy diverse positions within the international tourism system, and their capacity to capture development benefits from tourism depends on structural factors including their economic profile, institutional capacity, natural and cultural asset base, geopolitical position, and the specific terms on which they engage with the global tourism value chain. This section examines these structural factors through the lens of the development theories studied in this module.

1. The Structural Position of Developing Countries in the Global Tourism System

Developing countries occupy a structurally disadvantaged position within the international tourism system that is shaped by historical legacies, economic power imbalances, and the architecture of the global tourism value chain. Understanding this structural position is essential for evaluating whether tourism can serve as a genuine development vehicle or whether it is more likely to reproduce existing inequalities.

Demand-side dependency. Developing countries are overwhelmingly recipients of tourism demand generated in wealthier nations. The major tourism-generating markets – Europe, North America, and increasingly China and the Gulf states – determine where tourists go, how much they spend, and under what conditions. This demand-side dependency means that developing-country destinations are acutely vulnerable to economic conditions, consumer preferences, and political decisions in generating markets over which they have no influence. A recession in Europe can devastate Caribbean tourism. A government travel advisory issued by the United States can collapse visitor numbers to an African destination. A shift in Chinese outbound travel preferences can redirect millions of tourists from one Southeast Asian country to another. Dependency theory captures this structural vulnerability accurately: developing countries are price-takers in a market shaped by consumer behaviour and corporate strategy in the Global North.

Value chain positioning. The international tourism value chain is structured in ways that concentrate the highest-value activities in developed countries and the lowest-value activities in developing-country destinations. International airlines, tour operators, online travel agencies, and hotel management companies headquartered in developed countries capture a disproportionate

share of tourist expenditure through airfares, package margins, commission structures, and management fees before any revenue reaches the destination. Within developing-country destinations, foreign-owned hotels and resorts capture a further share through profit repatriation and imported procurement. The activities that remain in the local economy – ground transport, food production, handicraft sales, guiding services, and low-wage hospitality employment – are typically the lowest-value segments of the chain. This value chain structure means that the headline figure of tourist arrivals and gross tourism revenue in a developing country can dramatically overstate the actual economic benefit retained locally – a critical insight that dependency and post-colonial theories illuminate but that modernisation and neoliberal framings tend to obscure.

Institutional asymmetry. Developing countries typically have weaker institutional capacity to negotiate the terms of tourism engagement, regulate the behaviour of international operators, enforce environmental and labour standards, and capture fiscal revenue from tourism. International hotel chains negotiate investment incentives from governments with limited bargaining power. Tour operators exert price pressure on local suppliers who lack the market information and bargaining leverage to resist. Environmental regulations exist on paper but are undermined by enforcement capacity gaps. Tax systems fail to capture tourism revenue that flows through complex international corporate structures. This institutional asymmetry is not accidental – it is the product of historical power relationships, structural adjustment conditions that weakened state capacity, and the competitive pressure among developing countries to offer ever more favourable terms to attract tourism investment, creating a “race to the bottom” that ultimately benefits international capital at the expense of host-country development objectives.

Climate vulnerability and environmental injustice. Many of the developing countries most dependent on tourism are also among the most vulnerable to climate change. Small Island Developing States (SIDS) in the Caribbean, Pacific, and Indian Ocean face existential threats from sea level rise, coral bleaching, and extreme weather events. Coastal destinations across Africa and Southeast Asia are experiencing erosion, flooding, and biodiversity loss that directly undermine their tourism asset base. This creates a profound environmental injustice: the carbon emissions generated by international aviation – which primarily serves travellers from wealthy nations – contribute to the climate change that threatens the destinations those travellers visit. Developing countries bear the environmental costs of a global tourism system whose economic benefits accrue disproportionately elsewhere.

Labour market vulnerabilities. Tourism employment in developing countries is characterised by conditions that the capability approach would identify as capability-constraining rather than capability-expanding: low wages, seasonal and precarious contracts, limited opportunities for advancement, gender discrimination (women are overrepresented in the lowest-paid tourism roles and underrepresented in management), informal and unregistered employment without social protection, and in the most extreme cases, exploitation including modern slavery in supply chains. While tourism undeniably creates employment in economies with few alternative income sources, the quality and dignity of that employment is as important as its quantity in assessing tourism’s development contribution. A capability-based evaluation asks not merely “does tourism create jobs?” but “does tourism create jobs that expand people’s genuine freedoms, opportunities, and wellbeing?” The answer in many developing-country contexts is that it does for some but not for others, and that the distribution of quality employment is shaped by the same structural inequalities that characterise the broader position of developing countries within the global system.

Table 1. Structural Factors Shaping Developing Countries' Position in the Global Tourism System

Structural Factor	How It Disadvantages Developing Countries	Theoretical Lens	Potential Counterstrategy
Demand-side dependency	Vulnerability to generating-market economic cycles, preferences, and political decisions	Dependency theory	Source market diversification; domestic and regional tourism development
Value chain positioning	Highest-value activities captured by developed-country corporations; local activities low-value	Dependency; post-colonial	Local supply chain development; linkage programmes; local enterprise support
Institutional asymmetry	Weak capacity to negotiate, regulate, enforce standards, and capture fiscal revenue	Neoliberal critique; capability approach	Institutional capacity building; regional cooperation; collective bargaining
Climate vulnerability	Tourism assets threatened by climate change caused largely by developed-country emissions	Environmental justice; post-colonial	Climate adaptation; sustainable tourism standards; carbon finance advocacy
Labour market conditions	Low wages, precarity, informality, gender discrimination, limited progression	Capability approach	Labour regulation; skills investment; decent work standards; social protection

2. Evaluating Developing Countries' Position Through Theoretical Lenses

Each of the development theories examined in the previous section provides a distinct interpretation of why developing countries occupy their current position within the international tourism system and what, if anything, can be done to change it.

Modernisation theory interprets developing countries' position as a temporary stage on the path to modern economic development. From this perspective, the solution is more tourism development, more foreign investment, more integration into the global economy, and the progressive accumulation of capital, technology, and management expertise that will eventually enable developing countries to capture more value from their tourism sectors. The evidence, however, contradicts this optimism. Many developing countries that have experienced decades of tourism growth remain structurally positioned in the lowest-value segments of the global tourism value chain. The Caribbean has been a major tourism destination for over sixty years, yet many Caribbean nations remain among the most tourism-dependent and economically vulnerable countries in the world. The promised transition from dependence to self-sustaining development has not materialised for most tourism-dependent developing economies, undermining modernisation theory's explanatory and predictive value.

Dependency theory provides the most structurally coherent explanation of developing countries' disadvantaged position. It argues that the position is not a transitional stage but a systemic feature of the global economic order – that developing countries are structurally positioned to supply low-cost labour, natural resources, and cultural experiences to a tourism system whose value-capture mechanisms are controlled by developed-country corporations. The all-inclusive

resort model, the dominance of international hotel chains, the power of OTAs and tour operators, and the high leakage rates documented across the developing world provide compelling evidence for dependency theory's account. However, the theory's determinism is challenged by cases where developing countries have successfully repositioned themselves: Rwanda's high-value conservation tourism, Bhutan's sovereign pricing policy, and Costa Rica's ecotourism leadership demonstrate that structural disadvantage is not immutable and that developing-country agency can alter the terms of engagement.

Neoliberal theory attributes developing countries' challenges to insufficient market liberalisation, inadequate investment climates, and excessive state intervention. From this perspective, the solution is further deregulation, better investment incentives, more efficient governance, and deeper integration into global markets. The track record of neoliberal prescriptions in tourism is mixed at best: structural adjustment programmes did attract foreign investment and generate tourism growth, but they also weakened the regulatory and institutional frameworks that developing countries needed to manage tourism's social and environmental impacts and to negotiate more equitable terms with international investors. The competitive pressure among developing countries to offer increasingly generous incentive packages has eroded the fiscal benefits of tourism investment and created a structural race to the bottom that benefits mobile international capital at the expense of place-bound communities. The neoliberal framework's most significant limitation is its inability to account for the power asymmetries that determine the distribution of tourism's benefits – it assumes a competitive marketplace of equals when the reality is a system structured by massive disparities in capital, information, bargaining power, and institutional capacity.

Sustainable development theory has provided the policy vocabulary through which developing countries' tourism challenges are most commonly discussed at the international level. The SDGs, ecotourism certifications, community-based tourism initiatives, and pro-poor tourism programmes all reflect sustainable development thinking. Its contribution has been to legitimate the inclusion of environmental and social objectives alongside economic ones, and to create institutional frameworks and funding mechanisms for sustainability-oriented tourism development. However, sustainable development's usefulness is limited by the gap between its aspirational principles and the structural realities of power within the global tourism system. A developing country can adopt sustainability rhetoric, obtain certifications, and participate in SDG reporting while the underlying economic structures that concentrate value in the Global North remain unchanged. Sustainability becomes a surface treatment that addresses symptoms without confronting causes – a criticism that has gained force as the gap between sustainability discourse and sustainability practice becomes increasingly visible.

Post-colonial theory provides the critical lens necessary to understand why developing countries remain structurally disadvantaged despite decades of tourism development. It reveals the continuities between colonial-era economic extraction and contemporary tourism value chains, between colonial representations of the exotic "other" and contemporary destination marketing, and between colonial governance structures and contemporary tourism institutions established during or shortly after the colonial period. For developing countries whose tourism assets – beaches, wildlife, cultural heritage, architectural legacies – are themselves products of colonial history, post-colonial theory illuminates the irony that post-colonial nations are marketing for consumption by the descendants of colonisers the very landscapes and cultures that colonialism transformed. This perspective is politically charged but analytically indispensable for understanding the position of developing countries in the global tourism system.

The capability approach reframes the evaluation question from "does tourism develop the national economy?" to "does tourism expand the real freedoms, opportunities, and wellbeing of

people in developing countries?” This reframing reveals that countries can experience impressive tourism growth while the majority of their citizens see little improvement in their capabilities. It directs attention to the distribution of tourism’s benefits, the quality of employment rather than merely its quantity, the impact on education and health, the preservation of cultural identity and social cohesion, the environmental quality of communities affected by tourism, and the degree to which affected populations have genuine agency in determining the terms on which tourism operates in their lives. The capability approach is the most useful framework for evaluating what ultimately matters: whether tourism improves people’s lives. Its practical limitation remains the difficulty of measuring and tracking capability expansion across diverse populations and contexts.

3. Developing-Country Agency: Pathways for Repositioning

While the structural analysis above reveals significant disadvantages, it is equally important to recognise that developing countries are not passive victims of global structures. A growing body of evidence demonstrates that deliberate policy choices, institutional innovation, and strategic positioning can enable developing countries to capture greater value from tourism and to redirect its benefits toward genuine development outcomes.

Sovereign pricing and access control. Bhutan’s Sustainable Development Fee, Rwanda’s \$1,500 gorilla trekking permit, and the Galápagos Islands’ visitor quotas demonstrate that developing countries can exercise sovereignty over their tourism assets by controlling access and pricing. These policies sacrifice volume for value, capturing more revenue per visitor and directing it toward conservation and community development. The approach requires a unique, non-substitutable tourism asset and the political will to resist pressure from international operators and development agencies who favour volume-driven growth models.

Local supply chain integration. Reducing economic leakage requires deliberate linkage programmes that connect tourism businesses with local producers. The Gambia’s “Farm to Table” initiative, which connects hotels with local smallholder farmers, Jamaica’s tourism linkages network, and various Fair Trade Tourism programmes across Southern Africa demonstrate that policy intervention can redirect tourism procurement expenditure from imported goods toward local production, increasing the multiplier effect of tourist spending within the host economy. Success depends on building local production capacity, quality standards, and reliable supply systems to meet the exacting requirements of international tourism operations.

Indigenous and community-controlled tourism. When communities own and control tourism enterprises, the value captured locally increases dramatically. New Zealand’s Māori tourism enterprises, Australia’s Aboriginal-owned tourism experiences, Ecuador’s community-managed ecolodges in the Amazon, and Kenya’s community-owned conservancies demonstrate models where indigenous and local communities set the terms of tourist engagement, determine pricing, manage cultural interpretation, control access, and retain revenue. These models require secure community land and resource rights, institutional support for enterprise development, and access to markets – conditions that are present in some contexts and absent in others.

Regional cooperation and collective bargaining. Individual developing countries have limited bargaining power against international tourism corporations, but regional cooperation can strengthen their collective position. The Organisation of Eastern Caribbean States (OECS) has explored coordinated approaches to airline negotiations, hotel taxation, and cruise ship regulation. ASEAN’s mutual recognition of tourism professionals facilitates regional labour mobility. The Pacific Islands Forum coordinates climate advocacy that directly affects Pacific

tourism futures. Regional cooperation enables developing countries to avoid the competitive race to the bottom in investment incentives and to present a unified position in negotiations with global operators.

Digital transformation and disintermediation. Digital technology offers developing-country tourism enterprises opportunities to bypass traditional intermediaries and connect directly with international travellers. Social media marketing, direct booking platforms, digital payment systems, and review platforms enable small-scale tourism operators to reach global markets without dependence on tour operators and OTAs. Mobile technology enables community-based enterprises to manage bookings, process payments, and communicate with guests in real time. While the digital divide remains significant – internet access, digital literacy, and technological infrastructure vary enormously across the developing world – digitalisation represents a potentially transformative pathway for developing-country tourism entrepreneurs to capture a greater share of the tourism value chain.

South-South tourism and domestic market development. The traditional model of international tourism as a flow from the Global North to the Global South is being complicated by the rapid growth of tourism between developing countries (South-South tourism) and the development of domestic tourism markets within developing countries. The explosive growth of middle-class travel demand in China, India, Brazil, and other emerging economies is creating new source markets that are less mediated by the established tour operators and distribution systems of the developed world. Domestic tourism, which has received relatively little policy attention in many developing countries, often retains a far higher proportion of expenditure in the local economy than international tourism because it requires fewer imports and involves locally owned accommodation, transport, and food services. Recognising and developing the domestic and South-South tourism market represents a significant opportunity for developing countries to reduce demand-side dependency on traditional Northern source markets.

Table 2. Developing-Country Repositioning Pathways

Pathway	Mechanism	Example	Condition for Success
Sovereign pricing	Control access and pricing to tourism assets; sacrifice volume for value	Bhutan SDF; Rwanda gorilla permits; Galápagos quotas	Unique, non-substitutable asset; political will
Local supply chain integration	Connect tourism businesses with local producers to reduce leakage	Gambia Farm to Table; Jamaica linkages network; Fair Trade Tourism	Local production capacity; quality standards; reliable supply
Community-controlled tourism	Community ownership of enterprises; set terms of engagement	Māori tourism (NZ); community conservancies (Kenya); Amazon ecolodges	Secure land rights; institutional support; market access
Regional cooperation	Collective bargaining; coordinated regulation; shared standards	OECS coordination; ASEAN MRA; Pacific Islands Forum	Political commitment; institutional coordination capacity

Pathway	Mechanism	Example	Condition for Success
Digital transformation	Direct connection with travellers bypassing intermediaries	Social media marketing; direct booking platforms; mobile payments	Internet access; digital literacy; technology infrastructure
South-South and domestic tourism	Develop non-traditional source markets and domestic demand	China/India outbound growth; domestic tourism development	Middle-class growth; transport infrastructure; policy attention

4. A Critical Evaluation: Is Tourism a Viable Development Strategy for Developing Countries?

The cumulative evidence from both theoretical analysis and empirical cases produces a nuanced but honest assessment. Tourism can contribute to development in developing countries, but whether it does depends on conditions that are frequently absent and on policy choices that are frequently constrained.

Tourism is most likely to contribute to genuine development when the host country retains a significant share of tourism revenue through local ownership, local procurement, and effective taxation; when employment is decent, fairly compensated, and capability-expanding rather than precarious and exploitative; when environmental assets are protected and managed for long-term sustainability rather than depleted for short-term commercial gain; when communities affected by tourism have genuine voice in determining its nature, scale, and terms; when institutional capacity exists to regulate the behaviour of international operators and enforce environmental and labour standards; and when the country is not overwhelmingly dependent on tourism as its primary economic activity, maintaining the diversification that provides resilience against external shocks.

Tourism is least likely to contribute to genuine development – and most likely to perpetuate dependency and inequality – when foreign ownership dominates and leakage is high; when employment is low-paid, seasonal, and precarious; when environmental degradation undermines the long-term viability of the tourism asset base; when communities are excluded from decision-making and bear tourism's costs without proportionate benefit; when institutional weakness prevents effective regulation and fiscal capture; and when tourism monoculture creates vulnerability to demand shocks over which the host country has no control.

The uncomfortable conclusion for policy-makers and development practitioners is that the conditions under which tourism most effectively serves development are precisely the conditions that are hardest to establish in the countries that need development most. Countries with strong institutions, diversified economies, skilled workforces, and effective governance are best positioned to capture tourism's benefits – but these are also the countries that are least dependent on tourism as a development strategy. Countries that are most dependent on tourism – small island states, least developed countries, post-conflict nations – are often those with the weakest institutions, the most limited bargaining power, and the fewest alternatives, making them most vulnerable to the extractive dynamics that dependency and post-colonial theories describe.

This does not mean that tourism should be abandoned as a development strategy – for many developing countries, there are no superior alternatives available at comparable scale. But it does mean that tourism should be pursued with clear-eyed awareness of the structural challenges, with deliberate policy measures to address them, and with an honest assessment of

what tourism can and cannot achieve rather than the uncritical optimism that has historically characterised much of the development-agency advocacy for tourism as a pathway to prosperity.

Need to Know –

Critically evaluating the position of developing countries requires more than describing their challenges. MBA assessors expect you to: apply specific development theories to explain why developing countries occupy their current position (not just that they do); analyse the structural factors – demand-side dependency, value chain positioning, institutional asymmetry, climate vulnerability, and labour conditions – that shape tourism outcomes; recognise developing-country agency and identify pathways for repositioning rather than presenting developing countries solely as victims; and reach a balanced, evidence-based conclusion about whether and under what conditions tourism can serve as a genuine development strategy. The strongest work acknowledges the tension between tourism's potential and its structural constraints without collapsing into either uncritical optimism or deterministic pessimism.

Did you know...?

Of the 46 countries classified by the United Nations as Least Developed Countries (LDCs), tourism is identified as a key economic sector in over half. For many of these nations – including The Gambia, Cambodia, Tanzania, Myanmar, Laos, Nepal, and several Pacific and Indian Ocean island states – tourism represents one of the very few sectors with the potential to generate significant foreign exchange, employment, and economic diversification. Yet the UN-Tourism's own data shows that LDCs receive less than 2 per cent of global international tourism receipts despite containing some of the world's most significant natural and cultural heritage assets. This statistic encapsulates the paradox at the heart of the tourism-development relationship: the countries with the greatest developmental need from tourism are those that capture the smallest share of its global economic value, while the countries that capture the greatest share are those that need tourism least for their development.

Industry Insight – The Contrasting Positions of Costa Rica and Haiti: Why Tourism Develops One Country and Not Another

The contrast between Costa Rica and Haiti – two developing countries in the same broad region with significant tourism potential – illustrates with striking clarity how structural conditions, institutional capacity, and policy choices determine whether tourism contributes to genuine development or fails to transform the position of a developing country.

Costa Rica is widely regarded as the most successful example of tourism-led development in Latin America. Since the 1980s, the country has built a globally recognised ecotourism brand based on its extraordinary biodiversity (5 per cent of the world's species on 0.03 per cent of its land area), a national park system covering over 25 per cent of its territory, and a political culture that abolished its military in 1948 and redirected defence spending toward education, healthcare, and conservation. Tourism is Costa Rica's largest source of foreign exchange. Critically, the country has achieved relatively high levels of local value retention: a large proportion of tourism enterprises are Costa Rican-owned, local supply chains have been deliberately developed, the workforce is relatively well-educated and commands higher wages than in many competing destinations, and the institutional

framework – including the Costa Rican Tourism Board (ICT), environmental regulatory agencies, and a functioning legal system – provides effective governance of the sector.

Through a capability lens, Costa Rica's tourism development has expanded educational opportunities (through tourism-related training and ecotourism education programmes), strengthened environmental quality (the economic value of biodiversity created a powerful incentive for conservation), generated employment of relatively higher quality than in many developing-country tourism destinations, and contributed to a national development narrative in which environmental stewardship and human wellbeing are integrated rather than opposed. While significant inequalities remain – coastal tourism development has generated land disputes, indigenous communities have not benefited equally, and large international hotel brands have increased their presence in recent decades – Costa Rica's position within the global tourism system is considerably more favourable than that of most developing countries.

Haiti, in dramatic contrast, possesses significant tourism assets – Caribbean beaches, a rich Afro-Caribbean cultural heritage, a unique Creole cuisine, the Citadelle Laferrière (a UNESCO World Heritage fortress), and proximity to the massive North American outbound market – but has been unable to develop a tourism sector that contributes meaningfully to national development. Haiti's position illustrates how the absence of the enabling conditions that Costa Rica possesses – political stability, institutional capacity, infrastructure, security, environmental management, and an educated workforce – prevents tourism from functioning as a development vehicle regardless of natural asset endowment.

Decades of political instability, authoritarian governance, institutional collapse, environmental degradation (Haiti has lost over 97 per cent of its original forest cover), inadequate infrastructure, public health challenges, and natural disaster vulnerability (the devastating 2010 earthquake and subsequent cholera epidemic) have created conditions in which tourism investment is considered too risky by international operators, tourist safety perceptions deter visitors, and the institutional capacity to develop and manage a tourism sector simply does not exist at the required scale. International development agencies have repeatedly included tourism in Haiti's development plans, but the structural preconditions for tourism-led development remain absent. The comparison powerfully illustrates the limits of modernisation theory's assumption that tourism automatically generates development: Haiti has tourism potential but lacks the institutional, political, and social foundations necessary to convert that potential into development outcomes.

Theoretical analysis. Dependency theory explains Haiti's position through its colonial legacy and persistent integration into a global economic system on deeply unfavourable terms – Haiti was the world's richest colony (producing vast wealth for France through enslaved labour), then was forced to pay crippling reparations to France after independence in 1804, and has been subjected to repeated foreign intervention and structural adjustment ever since. Post-colonial theory reveals how Haiti's negative image in the Western media – consistently framed as a place of poverty, danger, and dysfunction rather than culture, resilience, and creativity – actively deters tourism demand, creating a reputational trap that reinforces underdevelopment. The capability approach directs attention to the fact that Haitians lack the basic capabilities (health, education, security, governance) that would enable them to participate in and benefit from tourism development, suggesting that tourism cannot be a first-order development strategy for a country whose citizens lack foundational capabilities – it must be preceded or accompanied by investments in the human and institutional development that make tourism viable.

The Costa Rica–Haiti comparison demonstrates that tourism's development potential is not inherent in the activity itself but is contingent on the conditions within which it operates. The same theoretical activity – hosting international visitors for economic benefit – can produce dramatically different development outcomes depending on institutional quality, political stability, environmental governance, human capital, and the terms on which the country engages with the global tourism

system. This is the central insight that multiple development theories, applied together, reveal: that the position of developing countries in the international tourism system is not determined by their tourism assets alone but by the structural, institutional, and political conditions that determine whether those assets generate genuine development or merely perpetuate disadvantage.

Over to You – Student Activity

This activity requires you to source and critically engage with a peer-reviewed journal article that evaluates the position of a specific developing country or group of developing countries within the international tourism system.

Task: Using an academic database, source one peer-reviewed journal article that examines tourism’s development impact in a specific developing country or region. Suitable articles might examine: economic leakage and local value retention, the terms on which a developing country engages with international tourism operators, community-based tourism and local empowerment outcomes, the environmental costs of tourism in a developing-country context, tourism’s contribution to poverty reduction, or a comparison of tourism development outcomes across multiple developing countries.

Suggested search terms: “tourism developing country position” • “tourism leakage SIDS” • “tourism poverty reduction LDCs” • “dependency tourism Caribbean Africa” • “community tourism empowerment developing world” • “tourism value chain developing countries” • “tourism neocolonialism critique”

What to write (approximately 500–700 words): Identify the developing country or region examined and the specific dimension of its tourism-development relationship that the article addresses. Apply at least two development theories from this module to interpret the evidence presented. Evaluate whether the article’s findings support the view that tourism serves as a genuine development vehicle or the view that it perpetuates structural disadvantage – or, most likely, a nuanced position between these poles. Assess whether the article identifies any pathways for repositioning from the section above. Conclude with a reflection on what the case reveals about the conditions under which tourism can – and cannot – contribute to genuine development in developing countries.

Revision on the Go

- Developing countries occupy a structurally disadvantaged position shaped by five factors: demand-side dependency, value chain positioning, institutional asymmetry, climate vulnerability, and labour market conditions.
- Economic leakage (40–80% in some SIDS/LDCs) means headline tourism revenue dramatically overstates local economic benefit.
- LDCs receive less than 2% of global tourism receipts despite significant natural and cultural assets.
- Modernisation theory promised tourism would catalyse development; evidence shows tourism growth often occurs without broad-based development.
- Dependency theory best explains structural value-chain inequalities; challenged by cases of developing-country agency (Rwanda, Bhutan, Costa Rica).
- Neoliberal prescriptions delivered growth but concentrated benefits, weakened regulation, and created a “race to the bottom” in investment incentives.

- The capability approach asks the right question: does tourism expand people's genuine freedoms and wellbeing, not just GDP?
- Six repositioning pathways: sovereign pricing, local supply chain integration, community-controlled tourism, regional cooperation, digital transformation, and South-South/domestic tourism development.
- Tourism's development potential is contingent on institutional quality, political stability, environmental governance, human capital, and the terms of engagement with the global system – not on tourism assets alone.
- The uncomfortable conclusion: the countries that most need tourism for development are often those least equipped to capture its benefits.
- Critical evaluation avoids both uncritical optimism and deterministic pessimism; it assesses conditions, agency, and trade-offs with evidence.

Case Study – Tourism and Development in Cambodia: Between Modernisation Ambition and Dependency Realities

Background

Cambodia, classified as a Least Developed Country until recently and still among the poorest nations in Southeast Asia, has experienced dramatic tourism growth since the 1990s, driven primarily by the Angkor Wat temple complex – a UNESCO World Heritage Site and one of the world's most iconic cultural heritage destinations. International tourist arrivals grew from fewer than 250,000 in 1995 to over 6.6 million in 2019 before the COVID-19 pandemic caused a severe contraction. Tourism has become one of Cambodia's largest economic sectors, contributing approximately 18 per cent of GDP and supporting an estimated 630,000 direct jobs. The case presents a rich opportunity to evaluate the position of a developing country using multiple theoretical lenses.

The Modernisation Narrative

By modernisation metrics, Cambodia's tourism development has been transformative. Siem Reap, the gateway city to Angkor Wat, has been transformed from a provincial town into an international tourism centre with modern airports, international hotels, and a diverse hospitality infrastructure. Phnom Penh has developed a significant urban tourism sector. Coastal destinations including Sihanoukville and the islands of Koh Rong have attracted beach tourism development. Foreign investment has flowed into hotels, resorts, and infrastructure. Tourism employment has provided livelihoods for hundreds of thousands of Cambodians who would otherwise depend on subsistence agriculture or garment factory work.

The Dependency Reality

A dependency analysis reveals structural vulnerabilities beneath the growth narrative. A significant proportion of Cambodia's tourism revenue leaks out of the country through international airline fares, foreign-owned hotel profits, imported food and beverages to meet tourist expectations, and the commissions of international tour operators and OTAs that control access to the market. In Siem Reap, many of the larger hotels, restaurants, and tour companies are foreign-owned – predominantly by Thai, Vietnamese, Chinese, and Western entrepreneurs – with Cambodian workers occupying the lowest-paid positions. The case of Sihanoukville is particularly stark: massive Chinese investment transformed the coastal city into a construction site of casinos, hotels, and resorts targeting the Chinese market, creating an enclave economy that displaced local communities, generated environmental damage, overwhelmed infrastructure, and was widely perceived as serving Chinese investor interests rather than Cambodian development objectives. Following a Cambodian

government ban on online gambling in 2019, many Chinese investors departed abruptly, leaving behind unfinished construction, unpaid debts, and a city struggling to define its post-casino identity.

Post-Colonial and Capability Perspectives

Post-colonial analysis highlights the irony that Cambodia's primary tourism asset – the Angkor temple complex – was “rediscovered” by French colonial explorers in the nineteenth century and has been managed, interpreted, and monetised through frameworks established during the colonial and post-colonial periods. The UNESCO designation, while protecting the site, has also internationalised its governance in ways that sometimes conflict with Cambodian sovereignty and local community interests. Ticket revenue from Angkor was until 2016 collected by a private company (Sokimex) under a government concession arrangement that was widely criticised for opacity and inequitable revenue distribution; the government subsequently nationalised ticket sales, significantly increasing public revenue. A capability assessment reveals mixed outcomes: tourism has created employment and economic opportunity for many Cambodians, particularly in Siem Reap, but much of this employment is low-paid, seasonal, and offers limited professional development. Education quality in tourism and hospitality training remains a significant constraint on Cambodians' ability to progress into management positions currently held by expatriates. Women working in tourism face gender-specific vulnerabilities. And the communities surrounding Angkor have experienced displacement, livelihood disruption, and restrictions on traditional land use imposed in the name of heritage conservation.

Discussion Questions

1. Apply each of the six development theories from this module to assess Cambodia's position as a tourism-dependent developing country. Which theory provides the most useful explanation of Cambodia's current situation?
2. Compare the Siem Reap tourism model (heritage-led, relatively diversified, significant local participation) with the Sihanoukville model (foreign-investment-led, enclave economy, community displacement). What does the comparison reveal about the conditions under which tourism contributes to or undermines development?
3. Using the repositioning pathways discussed in this section, identify three specific policy interventions that the Cambodian government could pursue to increase local value retention and reduce dependency on foreign-controlled tourism value chains.
4. The nationalisation of Angkor ticket revenue in 2016 significantly increased government income from the site. Using dependency theory and the capability approach, evaluate whether this policy change represented a meaningful repositioning of Cambodia's position in the global tourism value chain or a superficial redistribution that left structural dependencies intact.
5. Cambodia's post-COVID tourism recovery strategy emphasises attracting higher-spending visitors, diversifying beyond Angkor, and developing domestic tourism. Using the theoretical frameworks from this module, assess whether this strategy is likely to improve Cambodia's structural position within the international tourism system or reproduce existing dependencies in a different form.

Summary

In this chapter you evaluated theories in international hospitality and tourism development.

Next, analysed the theoretical approaches and evaluate its usefulness in context of international development.

On completion of this chapter, you showed critical evaluation of the position of developing countries with the use of theories in context of international development

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Chapter Three – Show critical analysis in the affiliation between tourism and international development

Introduction

In this chapter you will critically analyse the affiliation between tourism and international development.

You will evaluate the impacts of tourism in destinations and the affiliation between tourism and sustainable development.

On completion of this chapter, you will analyse the ways in which tourism assists international development goals.

Learning Outcomes

On completing the chapter, you will be able to:

3. Show critical analysis in the affiliation between tourism and international development

Assessment Criteria

3.1 Critically evaluate the impacts of tourism in destinations

3.2 Critically analyse the affiliation between tourism and sustainable development

3.3 Analyse the ways in which tourism assists international development goals.

3.1 Critically evaluate the impacts of tourism in destinations

Introduction

Tourism's impacts on destinations are multidimensional, simultaneously positive and negative, unevenly distributed across populations and geographies, and subject to thresholds beyond which impacts that were manageable become destructive. Critically evaluating these impacts requires moving beyond the simple cataloguing of benefits and costs toward a structured analysis that examines how impacts interact, who experiences them, what determines their intensity and distribution, and how they can be measured, managed, and governed through policy intervention.

This section examines tourism's destination impacts across four interconnected dimensions – economic, socio-cultural, environmental, and political – critically evaluates the analytical frameworks used to assess them, and examines the emerging concept of the tourism destination lifecycle as a tool for understanding how impacts evolve over time.

1. Economic Impacts

Tourism's economic impacts are the most commonly cited justification for tourism development and the most intensively measured. However, critical evaluation reveals that the headline figures of tourism's economic contribution frequently obscure more than they illuminate.

Positive economic impacts. Tourism generates foreign exchange revenue, which is particularly significant for developing countries with limited export sectors. It creates direct employment in accommodation, food and beverage, transport, guiding, and entertainment, and indirect employment in supply chain businesses including agriculture, construction, manufacturing, and professional services. Tourism stimulates infrastructure development – airports, roads, telecommunications, water, and energy systems – that benefits the broader economy. It generates government revenue through taxation, licensing fees, and tourism levies. It supports entrepreneurship by creating demand for small and medium enterprises. And it contributes to economic diversification, reducing dependence on single-commodity exports that are vulnerable to price volatility.

Negative economic impacts. The critical evaluation of tourism's economic impact must address several phenomena that undermine the optimistic narrative. Economic leakage, discussed extensively in previous sections, means that a significant proportion of tourist expenditure leaves the destination economy through imported goods, repatriated profits, and payments to foreign-based intermediaries. Tourism-driven inflation, particularly in property markets and the cost of essential goods, can reduce the purchasing power and quality of life of local residents who do not directly participate in the tourism economy – a phenomenon acutely felt in destinations from Lisbon to Bali where tourism demand has driven housing costs beyond local affordability. Opportunity costs arise when labour, land, and capital are diverted from other productive activities into tourism; in coastal developing countries, the conversion of agricultural land and fishing grounds into resort developments can undermine food security and traditional livelihoods. Seasonal employment volatility creates income instability for tourism workers who face unemployment or underemployment during off-peak periods. Economic monoculture develops when a destination becomes overdependent on tourism, creating vulnerability to demand shocks that a diversified economy would absorb more readily – as the COVID-19 pandemic demonstrated catastrophically for tourism-dependent economies worldwide. And the distribution of economic benefits is frequently skewed, concentrating wealth among property owners,

investors, and established businesses while lower-income residents experience the costs (congestion, inflation, displacement) without proportionate benefit.

Critical evaluation tools. The Tourism Satellite Account (TSA), developed by the UN-Tourism and adopted by national statistical offices, provides the most rigorous methodology for measuring tourism's economic contribution by tracking tourism-related expenditure through the national accounts framework. However, the TSA measures gross economic activity rather than net economic benefit – it captures total tourism spending but does not deduct the costs of providing tourism infrastructure, managing environmental impacts, or compensating for social disruption. Input-output analysis and multiplier models estimate the indirect and induced economic effects of tourism spending as it circulates through the local economy, but their accuracy depends on the quality of underlying data and on assumptions about spending patterns and leakage rates that may not reflect local realities. Cost-benefit analysis provides the most comprehensive framework by comparing tourism's total economic benefits against its total costs, including externalities, but the valuation of non-market costs (environmental degradation, cultural disruption, community displacement) involves methodological challenges and value judgements that reduce precision.

2. Socio-Cultural Impacts

Tourism's socio-cultural impacts are among the most significant but also the most difficult to measure, the slowest to become visible, and the hardest to reverse once they have occurred.

Positive socio-cultural impacts. Tourism can support the preservation of cultural heritage by providing economic incentives for the maintenance and restoration of historic buildings, monuments, cultural landscapes, and traditional practices that might otherwise decline or disappear. It can revitalise traditional arts, crafts, music, dance, and culinary traditions by creating markets for cultural products and performances. It facilitates cross-cultural exchange and understanding, exposing both visitors and hosts to different perspectives, customs, and ways of life. It can strengthen community pride and identity by demonstrating external interest in and appreciation of local culture and heritage. It generates demand for cultural infrastructure – museums, galleries, performance venues, heritage trails – that serves both visitors and residents. And it can empower marginalised communities by providing economic opportunities and platforms for cultural expression that were previously unavailable.

Negative socio-cultural impacts. The commodification of culture is among the most widely analysed negative socio-cultural impacts. When traditional ceremonies, dances, rituals, and crafts are adapted to meet tourist expectations – shortened, simplified, decontextualised, or performed at commercially convenient times rather than culturally appropriate ones – they may lose their meaning and authenticity for both practitioners and their communities. This commodification can reduce living cultures to consumable spectacles, transforming cultural identity from something that is lived into something that is performed for payment. The demonstration effect describes the process by which host communities, particularly younger generations, adopt the consumption patterns, behaviours, values, and aspirations of tourists, potentially eroding traditional social structures, family relationships, and community cohesion. Social disruption encompasses a range of impacts including increased crime, prostitution, substance abuse, and gambling that have been associated with tourism development in some destinations, though these associations are complex and context-dependent rather than universal. Community displacement occurs when tourism-driven property price increases force local residents out of historic centres and coastal areas, replacing diverse residential communities with tourism monocultures of short-term rentals, souvenir shops, and visitor-oriented businesses – a process now well-documented in cities including Venice, Barcelona,

Lisbon, Dubrovnik, and Amsterdam. And the erosion of social cohesion occurs when tourism creates economic inequalities within communities, generating resentment between those who benefit from tourism and those who bear its costs, and between residents and visitors whose presence transforms the character of neighbourhood life.

Doxey's Irridex model provides a theoretical framework for understanding how host community attitudes toward tourism evolve over time. The model proposes four stages: euphoria (initial enthusiasm as tourism is welcomed as an economic opportunity), apathy (tourism becomes routine and the relationship becomes transactional), irritation (residents become concerned about tourism's impacts on daily life, costs, and community character), and antagonism (open hostility toward tourism and tourists, potentially manifesting in protest, vandalism, or political opposition to further development). While the model has been criticised for its linearity (not all destinations follow this exact sequence) and its treatment of communities as homogeneous (different groups within the same destination may be at different stages simultaneously), it captures a dynamic that is observable in destinations worldwide and provides a useful diagnostic tool for assessing the current state of the host-visitor relationship.

Butler's Tourism Area Life Cycle (TALC) extends this temporal analysis by modelling how destinations evolve through stages of exploration, involvement, development, consolidation, stagnation, and then either decline or rejuvenation. Each stage is associated with different levels and types of impact. In the exploration stage, impacts are minimal and interactions are authentic. During involvement and development, economic benefits grow but environmental and social pressures intensify. At consolidation and stagnation, the destination has been fundamentally transformed by tourism, and the cumulative weight of impacts may be approaching or exceeding sustainable thresholds. The model's value lies in its recognition that tourism impacts are not static but evolve in predictable patterns that policy intervention can anticipate and manage – or, if neglected, can lead to destination decline.

3. Environmental Impacts

Tourism's environmental impacts are among the most consequential and paradoxical: the industry depends on environmental quality (pristine beaches, clean water, healthy ecosystems, scenic landscapes) yet its own activities frequently degrade the very environments that attract visitors.

Positive environmental impacts. Tourism can create powerful economic incentives for environmental conservation. National parks, marine protected areas, wildlife reserves, and conservation programmes throughout the world are funded wholly or partially by tourism revenue. The economic value of living wildlife to tourism often exceeds the economic value of hunting or habitat conversion, creating a financial case for conservation that would not otherwise exist – mountain gorilla conservation in Rwanda, elephant protection in Botswana, and marine biodiversity preservation in the Galápagos Islands are all substantially funded by tourism. Tourism raises environmental awareness among both visitors and host communities, creating constituencies for conservation that extend beyond the destination. And tourism development can drive investment in environmental infrastructure – waste management, water treatment, renewable energy, green building – that benefits the broader community.

Negative environmental impacts. The environmental costs of tourism are extensive and, in many destinations, far exceed the environmental benefits. Carbon emissions from aviation constitute tourism's single largest environmental impact globally; the sector is estimated to contribute approximately 8 per cent of global greenhouse gas emissions when aviation,

accommodation, and activity-related emissions are included. At the destination level, tourism drives resource consumption (freshwater, energy, food) that strains local carrying capacity, particularly in island and arid environments where resources are already scarce. Waste generation from tourism operations – food waste, single-use plastics, chemical effluents from hotels and swimming pools – overwhelms waste management infrastructure in many developing-country destinations. Biodiversity loss results from habitat destruction for resort construction, disturbance of sensitive ecosystems by visitor activity, coral reef damage from anchoring, sunscreen chemicals, and diver contact, and wildlife disturbance from safari vehicles, boat excursions, and drone photography. Coastal degradation including beach erosion, mangrove destruction, and marine pollution is directly attributable to poorly planned coastal tourism development. And land-use change, as natural and agricultural landscapes are converted to tourism facilities, alters ecosystems, reduces biodiversity, and can intensify the impacts of extreme weather events by removing natural buffers such as mangroves, dunes, and wetlands.

Carrying capacity is the concept most frequently applied to environmental impact management in tourism. It refers to the maximum number of visitors a destination can accommodate without unacceptable deterioration of the physical environment, the visitor experience, and the quality of life of host communities. Carrying capacity operates across multiple dimensions: ecological capacity (the limit beyond which environmental systems are damaged), physical capacity (the infrastructure limit of roads, water systems, accommodation), social capacity (the point at which resident tolerance is exceeded), and perceptual capacity (the visitor density at which the quality of the tourism experience deteriorates). While conceptually valuable, carrying capacity has proven difficult to operationalise: the appropriate threshold varies by destination type, visitor behaviour, management effectiveness, and the subjective judgement of what constitutes “unacceptable deterioration.” Nevertheless, the concept provides the theoretical foundation for visitor management strategies including quotas, timed entry systems, seasonal restrictions, zoning, and pricing mechanisms designed to keep visitor pressure within sustainable limits.

4. Political Impacts and Power Dynamics

Tourism’s political impacts are less frequently examined than its economic, socio-cultural, and environmental effects but are no less significant in shaping destination outcomes.

Positive political impacts. Tourism can promote peace and international understanding by facilitating cross-cultural contact and creating mutual economic interest between nations. It can strengthen local governance capacity as destination management requirements drive investment in planning, regulation, and public administration. It can empower marginalised communities politically by giving them economic significance that translates into political voice. And it can create international accountability – the global visibility that tourism brings can deter human rights abuses, environmental destruction, or corruption because governments are aware that their reputation as tourism destinations depends on international perceptions of safety, justice, and environmental stewardship.

Negative political impacts. Tourism can concentrate political power among tourism industry elites who use their economic influence to shape policy in their commercial interest at the expense of community welfare. It can enable authoritarian regimes to generate revenue and international legitimacy through tourism while suppressing political freedoms. The prioritisation of tourism in national development can distort policy priorities, directing public resources toward visitor-facing infrastructure while underinvesting in education, healthcare, and services that benefit the resident population. Tourism can be weaponised diplomatically through travel advisories, boycotts, and sanctions that use tourism flows as instruments of geopolitical

pressure. And the governance structures established to manage tourism – tourism boards, investment authorities, special economic zones – can create institutional enclaves with reduced democratic accountability, where decisions affecting communities are made by appointed officials and industry representatives rather than elected representatives.

Table 1. Tourism Impacts in Destinations: A Critical Summary

Dimension	Positive Impacts	Negative Impacts	Key Analytical Framework
Economic	Foreign exchange; employment; infrastructure; entrepreneurship; diversification; tax revenue	Leakage; inflation; opportunity costs; seasonal volatility; monoculture vulnerability; inequitable distribution	TSA; multiplier analysis; cost-benefit analysis; leakage studies
Socio-Cultural	Heritage preservation; cultural revitalisation; cross-cultural exchange; community pride; empowerment	Commodification; demonstration effect; displacement; social disruption; erosion of cohesion	Doxey's Irridex; Butler's TALC; ethnographic research
Environmental	Conservation incentives; awareness raising; environmental infrastructure investment	Carbon emissions; resource depletion; waste; biodiversity loss; coastal degradation; land-use change	Carrying capacity; EIA; carbon footprint; ecological assessment
Political	Peace promotion; governance capacity; community empowerment; international accountability	Elite capture; authoritarian legitimisation; policy distortion; diplomatic weaponisation; accountability gaps	Stakeholder analysis; political economy; governance assessment

5. A Framework for Critical Evaluation of Tourism Impacts

At the MBA level, critically evaluating tourism's destination impacts requires more than listing positive and negative effects. It requires a structured analytical approach that addresses several dimensions that simple impact cataloguing misses.

Distribution: who benefits and who bears the costs? Tourism's aggregate impact on a destination may be positive while its distributional impact is deeply inequitable. A destination where tourism generates substantial GDP growth but concentrates benefits among foreign investors and local elites while imposing congestion, inflation, and displacement costs on lower-income residents has a positive aggregate impact and a negative distributional impact. Critical evaluation must ask not only "what are the impacts?" but "who experiences them?" – disaggregating by income group, gender, age, ethnicity, geographic location, and relationship to the tourism industry.

Temporality: how do impacts evolve over time? Tourism impacts are not static. Butler's TALC model demonstrates that impacts intensify and change character as destinations develop. Early-stage impacts may be predominantly positive (economic opportunity, cultural exchange, conservation funding) while later-stage impacts may become predominantly negative (environmental degradation, social displacement, cultural commodification) as visitor numbers exceed sustainable thresholds. Critical evaluation must assess not only current impacts but their trajectory – are conditions improving or deteriorating, and what does the developmental trend suggest about future impacts?

Reversibility: can negative impacts be undone? Some tourism impacts are reversible with appropriate policy intervention; others represent permanent losses. Economic leakage can be reduced through supply chain development. Congestion can be managed through visitor dispersal. But a coral reef destroyed by coastal construction cannot be restored. An indigenous cultural practice abandoned under tourism pressure may be irrecoverable. A community dispersed by property price inflation may never reconstitute. Critical evaluation must distinguish between impacts that can be mitigated through policy and those that represent irreversible losses – the latter deserving far greater weight in the evaluation because their consequences are permanent.

Interconnectedness: how do impacts interact? Tourism impacts do not operate independently – they interact in complex ways. Economic success drives visitor growth, which intensifies environmental pressure and socio-cultural disruption, which reduces destination attractiveness, which eventually undermines the economic success that generated the cycle. Property price inflation (economic impact) drives community displacement (social impact), which erodes the authentic character that attracted visitors (cultural impact), which reduces the destination's competitive distinction (economic impact). These feedback loops mean that evaluating impacts in isolation produces an incomplete and potentially misleading picture.

Counterfactual: what would have happened without tourism? The most rigorous impact evaluation considers what the destination's trajectory would have been in the absence of tourism. A developing-country destination experiencing environmental degradation from tourism must compare this against the environmental degradation that might have occurred from alternative development pathways such as industrial agriculture, mining, or manufacturing. A community experiencing cultural change through tourism must consider whether globalisation, urbanisation, and digital media would have driven cultural transformation regardless. The counterfactual is inherently difficult to establish but essential for fair evaluation – tourism should be assessed against realistic alternatives, not against an idealised status quo that would not have persisted.

Need to Know –

Critically evaluating tourism's destination impacts at the MBA level requires more than listing positive and negative effects. Assessors expect you to: analyse impacts across all four dimensions (economic, socio-cultural, environmental, and political) rather than focusing exclusively on economics; address the distribution of impacts (who benefits, who bears costs); consider the temporal dimension using frameworks such as Butler's TALC and Doxey's Irridex; distinguish between reversible and irreversible impacts; recognise the interconnectedness of impacts across dimensions; and where possible, consider the counterfactual. The strongest work applies these analytical principles to a specific destination with evidence, rather than discussing impacts in generic terms. Demonstrating awareness that the same tourism activity can simultaneously produce positive impacts for some stakeholders and negative impacts for others – and that the net evaluation depends on values and priorities, not just measurement – reflects genuine critical sophistication.

Did you know...?

A study published in Nature Climate Change estimated that tourism's total carbon footprint – including aviation, accommodation, food, shopping, and all associated supply chain emissions – accounts for approximately 8 per cent of global greenhouse gas emissions. This figure is significantly higher than earlier estimates that focused only on direct transport emissions. Aviation alone accounts for the largest share, but accommodation energy use, food production and transportation for tourist consumption, and the carbon embedded in souvenirs and retail goods all contribute substantially. The study found that as global incomes rise and more people gain access to international travel, tourism's carbon footprint is growing faster than other sectors and is projected to continue increasing unless transformative policy interventions are implemented. This finding places the environmental impact of tourism in a fundamentally different light: it is not a localised issue affecting individual destinations but a significant contributor to the defining environmental challenge of the twenty-first century.

Industry Insight – The Multi-Dimensional Impacts of Tourism in Dubrovnik: From Cultural Renaissance to Overtourism Crisis

Dubrovnik, the UNESCO World Heritage-listed medieval walled city on Croatia's Adriatic coast, provides one of the most vivid and instructive cases of how tourism's impacts evolve over time, interact across dimensions, and can transform a destination from a beneficiary of tourism into one of its most prominent casualties.

Economic impacts. Tourism has been central to Dubrovnik's post-war economic recovery since the Croatian War of Independence in the 1990s. International visitor numbers grew from near zero during the conflict to over 1.2 million annually by the late 2010s in a city with a permanent population of approximately 42,000 – a ratio of roughly 28 tourists per resident per year, one of the highest in Europe. Tourism now accounts for the majority of the city's economic activity. The economic benefits are substantial: employment, business revenue, property rental income, and tax contributions. However, the distribution is deeply inequitable. Property owners in the Old Town have benefited enormously from short-term rental income – a single apartment can generate more annual revenue as an Airbnb listing than any local employment could provide. But this same dynamic has driven out long-term residents: the Old Town's permanent population has declined from approximately 5,000 in

1991 to fewer than 1,000, as apartments have been converted to tourist accommodation and rents have risen beyond local affordability. The local economy has become a tourism monoculture, with the accompanying vulnerability that the COVID-19 pandemic exposed devastatingly when visitor arrivals collapsed by over 80 per cent in 2020.

Socio-cultural impacts. Dubrovnik's socio-cultural trajectory mirrors Doxey's Irridex model almost exactly. The initial euphoria of the post-war tourism recovery, when tourism was embraced as an economic lifeline, transitioned through apathy and irritation to open antagonism. The depopulation of the Old Town – once a living community of families, schools, churches, and neighbourhood businesses – has transformed it into what critics describe as a “theme park” or “museum city” that is visually intact but socially dead. The cultural character that attracted visitors in the first place – the authentic Mediterranean urban life visible in laundry strung between buildings, children playing in squares, and neighbours conversing in doorways – has been replaced by a commercial landscape of souvenir shops, tourist restaurants, and vacation rental agencies. The global popularity of the Game of Thrones television series, which used Dubrovnik as a filming location, further intensified visitor pressure by attracting a new demographic of screen tourism visitors whose primary connection was to a fictional narrative rather than the city's actual history and culture.

Environmental impacts. The concentration of more than a million visitors annually into a compact medieval walled city has created acute environmental pressures. Pedestrian congestion in the narrow stone streets of the Old Town regularly exceeds any reasonable carrying capacity, degrading the visitor experience and placing physical stress on historic surfaces. Cruise ship arrivals – with individual vessels discharging up to 5,000 passengers for brief day visits – create surge demand that overwhelms the city's infrastructure for a few hours before the passengers depart, spending relatively little in the local economy. Water supply, waste management, and sanitation systems designed for a small residential population struggle to accommodate the peak-season population that can exceed the permanent population by a factor of ten or more. And the marine environment of the Adriatic coast is affected by cruise ship emissions, wastewater discharge, and the intensification of coastal development to accommodate visitor growth.

Political and policy response. Dubrovnik's overtourism crisis has generated a policy response that illustrates both the possibilities and limitations of governance intervention. The city government has introduced limits on cruise ship arrivals (restricting the number of cruise passengers permitted in the city at any one time to 4,000), regulated short-term rental licensing, implemented a visitor counting system using CCTV cameras at the Old Town gates to monitor pedestrian density in real time, and joined the UNESCO Sustainable Tourism Programme. The national government's tourist tax generates revenue earmarked for heritage conservation and infrastructure. However, the political economy of Dubrovnik's tourism makes fundamental reform difficult: the city's economy is so thoroughly dependent on tourism that any significant restriction on visitor numbers threatens the livelihoods of the majority of its remaining residents. The political challenge is to manage tourism's impacts without destroying the economic base that tourism provides – a dilemma that is easier to describe in policy documents than to resolve in practice.

Dubrovnik's case demonstrates the interconnectedness of tourism impacts: economic success drives visitor growth (economic), which displaces residents (social), which erodes authentic cultural character (cultural), which degrades the physical environment (environmental), which threatens the UNESCO status that underpins the destination's international appeal (economic and cultural), creating a self-reinforcing cycle of decline that no single policy intervention can arrest. For MBA students, Dubrovnik illustrates why critical evaluation of tourism impacts must examine their interaction and trajectory, not just their individual magnitude.

Over to You – Student Activity

This activity requires you to source and critically engage with a peer-reviewed journal article that examines tourism's impacts in a specific destination.

Task: Using an academic database, source one peer-reviewed journal article that analyses the impacts of tourism in a specific destination or destination type. Suitable articles might examine: economic impacts including leakage and multiplier effects, socio-cultural impacts including commodification and community attitudes, environmental impacts including carrying capacity and degradation, overtourism and its multi-dimensional consequences, resident perceptions of tourism impacts, or the application of Butler's TALC or Doxey's Irridex to a specific destination.

Suggested search terms: "tourism impacts destination evaluation" • "overtourism impacts residents" • "tourism environmental degradation" • "socio-cultural impacts tourism" • "Butler TALC destination" • "resident perceptions tourism impacts" • "tourism carrying capacity" • "tourism economic leakage destination"

What to write (approximately 500–700 words): Identify the destination and the specific impact dimension(s) examined. Apply the critical evaluation framework from this section: address the distribution of impacts (who benefits, who bears costs), consider the temporal dimension (how have impacts evolved), assess reversibility (which impacts are permanent), examine interconnectedness (how do impacts interact across dimensions), and if possible, consider the counterfactual (what would have happened without tourism). Conclude with a reflection on what the article reveals about the adequacy of current policy responses to manage the impacts described and what additional interventions would be necessary.

Revision on the Go

- Tourism impacts span four dimensions: economic, socio-cultural, environmental, and political – all interconnected and simultaneously positive and negative.
- Economic: foreign exchange and employment offset by leakage, inflation, opportunity costs, seasonal volatility, and inequitable distribution.
- Socio-cultural: heritage preservation and cross-cultural exchange offset by commodification, demonstration effect, displacement, and erosion of community cohesion.
- Environmental: conservation incentives offset by carbon emissions (≈8% of global GHG), resource depletion, waste, biodiversity loss, and coastal degradation.
- Political: peace promotion and governance capacity offset by elite capture, authoritarian legitimisation, policy distortion, and accountability gaps.
- Doxey's Irridex: host attitudes evolve from euphoria → apathy → irritation → antagonism as tourism grows.
- Butler's TALC: destinations evolve through exploration → involvement → development → consolidation → stagnation → decline or rejuvenation.
- Carrying capacity operates across ecological, physical, social, and perceptual dimensions – conceptually valuable but difficult to operationalise precisely.
- Critical evaluation addresses five analytical dimensions: distribution, temporality, reversibility, interconnectedness, and counterfactual.
- Irreversible impacts (destroyed ecosystems, dispersed communities, lost cultural practices) deserve greater weight than reversible ones.

- The same tourism activity can produce positive impacts for some stakeholders and negative impacts for others simultaneously; net evaluation depends on values and priorities, not just measurement.

Case Study – Tourism Impacts in Bali: Paradise Under Pressure

Background

Bali, the Indonesian island province of approximately 4.3 million residents, attracted over 6.2 million international visitors in 2019, making it one of the world's most visited island destinations and the centrepiece of Indonesia's international tourism economy. Tourism generates approximately 80 per cent of Bali's provincial economy. The island's appeal rests on a distinctive combination of natural beauty (volcanic landscapes, rice terraces, tropical forests, coral reefs), a unique Hindu-Balinese cultural heritage (temple ceremonies, dance performances, artistic traditions, rice terrace subak irrigation systems recognised by UNESCO), a reputation for hospitality, and a well-developed tourism infrastructure ranging from budget hostels to ultra-luxury resorts. Bali's tourism development trajectory and the multi-dimensional impacts it has generated make it one of the most important and instructive cases for MBA-level analysis.

Economic Impacts

Tourism has transformed Bali from one of Indonesia's poorer provinces into its wealthiest. Employment in tourism and its supply chains supports a significant proportion of the population. International hotel brands, local resort operators, villa complexes, restaurants, transport companies, and a vast network of small enterprises including art galleries, craft workshops, spa businesses, and tour operators collectively constitute an extensive tourism economy. However, economic monoculture has created extreme vulnerability: the COVID-19 pandemic, which shut down international tourism for over a year, caused unemployment to spike to an estimated 50 per cent of the tourism-dependent workforce, pushing thousands of families back into poverty. Economic leakage is significant: international hotel chains repatriate profits, imported goods serve tourist preferences, and foreign ownership of tourism businesses – particularly in the villa and digital nomad accommodation segment – has increased in recent years, reducing local economic retention. Property prices in tourism zones have escalated dramatically, displacing Balinese families from ancestral land and creating a dual economy where tourism wealth coexists with agricultural poverty in the island's interior.

Socio-Cultural Impacts

Bali's cultural impacts are among the most complex and contested of any destination worldwide. Tourism has provided powerful economic incentives for the preservation of traditional arts, dance, music, carving, painting, and temple architecture that might otherwise have declined under modernisation pressures. The international recognition that tourism brings has strengthened Balinese cultural pride and identity. However, the commodification of sacred cultural practices is a persistent and deeply felt concern. Temple ceremonies have been disrupted by tourists seeking photographs. Sacred dance performances have been adapted into shortened tourist entertainment versions. The rise of social media has intensified the pressure, as visitors seeking photogenic content for Instagram have invaded sacred sites, rice terraces, and private ceremonies without regard for cultural protocols. The "demonstration effect" is visible in younger Balinese generations' adoption of Western consumption patterns, lifestyle aspirations, and social behaviours that sometimes conflict with the communal values and spiritual practices that define traditional Balinese Hindu culture. The influx of digital nomads and long-stay foreign residents has created new forms of cultural tension, as

expatriate communities establish enclaves that operate largely independently of Balinese social structures and cultural norms.

Environmental Impacts

Bali's environmental challenges constitute one of the most urgent impact crises in global tourism. Water scarcity is acute: the island's groundwater table has dropped dramatically as hotel swimming pools, golf courses, and tourist facilities consume water at rates that far exceed natural replenishment, threatening the traditional subak irrigation systems that sustain rice cultivation and that UNESCO has recognised as a cultural landscape of outstanding universal value. Waste management is overwhelmed: Bali generates approximately 4,000 tonnes of waste per day, much of it from tourism, and the island's limited landfill and recycling infrastructure cannot cope, resulting in illegal dumping, river pollution, and the beaches-strewn-with-plastic images that have damaged Bali's international reputation. Coral reef degradation from coastal construction, pollution, sunscreen chemicals, and climate-related bleaching threatens the marine biodiversity that supports dive and snorkelling tourism. Uncontrolled construction of hotels, villas, and tourism facilities has consumed agricultural land, destroyed natural drainage systems contributing to flooding, and altered the landscape character that originally attracted visitors. Air quality in the tourism corridor of southern Bali has deteriorated due to traffic congestion from millions of motorbike and vehicle movements.

Political and Policy Dimensions

The Indonesian and Balinese governments have introduced a series of policy interventions: a tourist levy of 150,000 Indonesian rupiah (approximately \$10) per international visitor, introduced in 2024, earmarked for environmental conservation and cultural preservation; a moratorium on new hotel construction in parts of southern Bali; a ban on single-use plastics; requirements for environmental impact assessments for tourism developments; and a crackdown on illegal villas and unregistered tourist accommodation. The provincial government has also intensified enforcement of behavioural standards for tourists, responding to public anger over incidents of cultural disrespect. However, the structural dependence of Bali's economy on tourism creates a political dilemma: the very measures needed to protect the island's environmental and cultural assets – visitor limits, construction controls, environmental regulations – are perceived as threats to the economic growth that Bali's population depends upon. The coordination challenges between national Indonesian government policy (which controls immigration, investment, and major infrastructure) and provincial Balinese governance (which manages local planning, culture, and environment) create additional institutional friction.

Discussion Questions

1. Apply the five-dimensional critical evaluation framework from this section (distribution, temporality, reversibility, interconnectedness, counterfactual) to Bali's tourism impacts. Which impacts are most severe, and which are irreversible?
2. Using Butler's TALC model, assess what stage of the destination lifecycle Bali has reached. What does the model suggest about Bali's future trajectory, and what would "rejuvenation" require?
3. The water crisis in Bali illustrates the interconnectedness of environmental and cultural impacts. Analyse how tourism's water consumption threatens the UNESCO-recognised subak irrigation system and assess the policy options available.
4. Evaluate the Balinese government's policy responses (tourist levy, construction moratorium, plastics ban, behavioural enforcement). Are these measures sufficient to address the scale of the impacts identified? What additional interventions would you recommend?
5. Apply the development theories from the previous sections (dependency, capability approach, sustainable development) to evaluate whether tourism has been a net positive or net negative for the Balinese population. How does the answer change depending on which theory you apply and whose perspective you adopt?

3.2 Critically analyse the affiliation between tourism and sustainable development

Introduction

The relationship between tourism and sustainable development is among the most debated, most politically consequential, and most analytically demanding questions in the study of tourism policy. On one hand, international institutions including the UN-Tourism, the United Nations, the World Bank, and national governments worldwide have positioned tourism as a powerful vehicle for sustainable development – capable of generating economic prosperity, preserving cultural heritage, funding environmental conservation, and promoting cross-cultural understanding in ways that contribute directly to the Sustainable Development Goals. On the other hand, a substantial body of critical scholarship argues that the relationship between tourism and sustainable development is fundamentally contradictory – that an industry predicated on long-distance travel, resource-intensive infrastructure, and the consumption of places, cultures, and environments cannot be rendered “sustainable” through incremental management improvements, and that the language of sustainable tourism serves primarily to legitimise continued growth rather than to constrain it.

Critically analysing this affiliation requires moving beyond both the uncritical advocacy of the tourism-as-development lobby and the categorical rejection of the anti-growth critique. It demands an engagement with the conceptual foundations of sustainable development as applied to tourism, the empirical evidence of what sustainable tourism has actually achieved, the structural tensions between tourism’s commercial imperatives and sustainability’s normative aspirations, and the emerging paradigms that seek to move the relationship beyond its current impasse.

1. The Conceptual Foundations: How Tourism Became Linked to Sustainable Development

The affiliation between tourism and sustainable development was not inevitable – it was constructed through a series of institutional, political, and intellectual developments that progressively embedded tourism within the sustainable development framework.

The conceptual foundation was laid by the Brundtland Commission’s 1987 report, which defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” Although the report did not address tourism specifically, its three-pillar framework – balancing economic development, environmental protection, and social equity – was rapidly adopted by tourism scholars and policy-makers who saw tourism as uniquely positioned across all three pillars: it generates economic value, it depends on and can fund environmental conservation, and it creates cross-cultural encounters that can promote social understanding.

The 1992 Rio Earth Summit and its output, Agenda 21, provided the institutional catalyst. The UN-Tourism, the World Travel and Tourism Council (WTTC), and the Earth Council produced Agenda 21 for the Travel and Tourism Industry in 1995, translating the sustainable development framework into tourism-specific principles and action items. This document established the foundational claim that has shaped tourism policy ever since: that tourism, properly managed, can be a force for sustainable development rather than a threat to it.

The United Nations' adoption of the Sustainable Development Goals in 2015 deepened the affiliation. Tourism was explicitly referenced in three SDG targets: SDG 8.9 (devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products), SDG 12.b (develop and implement tools to monitor sustainable development impacts for sustainable tourism), and SDG 14.7 (increase the economic benefits to SIDS and LDCs from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture, and tourism). The UN-Tourism subsequently mapped tourism's potential contribution to all seventeen SDGs, positioning the sector as a cross-cutting contributor to the entire sustainable development agenda. The designation of 2025 as the International Year of Sustainable Tourism for Development represented the high-water mark of institutional commitment to the tourism-sustainability affiliation.

2. Tourism and the Three Pillars of Sustainable Development

The affiliation between tourism and sustainable development is most commonly analysed through the three-pillar framework: economic sustainability, environmental sustainability, and socio-cultural sustainability. Critically analysing each pillar reveals both genuine contributions and fundamental tensions.

Economic sustainability. The economic case for tourism as a contributor to sustainable development is the strongest and most empirically supported of the three pillars. Tourism generates foreign exchange for developing countries, creates employment across skill levels, stimulates entrepreneurship and small enterprise development, diversifies economies away from commodity dependence, funds infrastructure that benefits the broader population, and generates fiscal revenue for public services. The UN-Tourism estimates that tourism accounts for approximately 10 per cent of global GDP and one in ten jobs worldwide. For Least Developed Countries and Small Island Developing States, the economic contribution is proportionately even greater. However, the critical analysis developed throughout this module reveals that tourism's economic contribution to sustainable development is heavily conditioned by the structure of the tourism economy: leakage rates, ownership patterns, value chain positioning, and distributional equity determine whether tourism generates inclusive prosperity or concentrated wealth. Tourism that grows GDP while increasing inequality, displacing communities, and creating economic monoculture is not economically sustainable in any meaningful sense, even if it generates impressive headline economic indicators.

Environmental sustainability. The environmental pillar presents the most profound contradiction in the tourism-sustainability relationship. Tourism both depends on and degrades environmental quality. At the destination level, well-managed tourism can and does fund conservation: national park entry fees, diving permit charges, wildlife tourism revenue, and eco-certification premiums all create economic incentives for environmental protection that might not otherwise exist. Costa Rica's conservation success, Rwanda's gorilla protection, and Australia's Great Barrier Reef management are all substantially funded by tourism. However, these localised conservation benefits exist within a global system whose aggregate environmental impact is deeply unsustainable. Tourism's carbon footprint – estimated at approximately 8 per cent of global greenhouse gas emissions, driven predominantly by aviation – is growing faster than other sectors and is incompatible with the Paris Agreement's temperature targets. The fundamental tension is structural: international tourism depends on long-distance air travel, which is the most carbon-intensive form of human mobility, and no currently available technology can eliminate aviation's climate impact at the scale required. This means that the tourism industry's aggregate environmental impact is moving away from, not toward, sustainability, even as individual

destinations and operators make genuine localised improvements. A coral reef protected by dive tourism revenue while the ocean temperatures that threaten its existence are driven upward by the aviation emissions that brought the divers to the reef encapsulates the paradox.

Socio-cultural sustainability. Tourism's relationship with socio-cultural sustainability is the most contested and context-dependent of the three pillars. Tourism can support cultural preservation, revitalise traditional practices, strengthen community pride, facilitate cross-cultural understanding, and empower marginalised communities through economic opportunity and political voice. But it can also commodify culture, displace communities, erode social cohesion, accelerate the demonstration effect, and subordinate local identity to the preferences and expectations of visitors. Whether tourism contributes to socio-cultural sustainability depends on who controls the terms of engagement: when communities have genuine agency in determining what aspects of their culture are shared with visitors, on what terms, and at what price, tourism can enhance cultural vitality. When these decisions are made by external operators, government agencies, or market forces without meaningful community participation, tourism is more likely to extract cultural value than to sustain it. The critical insight is that socio-cultural sustainability is not a technical management challenge but a governance and power question: it depends on whether affected communities have the institutional capacity, legal rights, and political voice to shape tourism on their own terms.

Table 1. Tourism's Relationship with the Three Pillars of Sustainable Development

Pillar	Tourism's Positive Contribution	Fundamental Tension	Condition for Genuine Sustainability
Economic	Foreign exchange; employment; diversification; entrepreneurship; infrastructure; fiscal revenue	Growth can concentrate wealth, create dependency, and produce monoculture vulnerability rather than inclusive prosperity	Local value retention; equitable distribution; diversification; decent employment; effective taxation
Environmental	Conservation funding; economic incentives for protection; environmental awareness; eco-infrastructure	Global carbon footprint (~8% of GHG) is growing and incompatible with climate targets; localised gains within globally unsustainable system	Decarbonisation of transport; carrying capacity management; genuine environmental accounting; net-positive impact models
Socio-Cultural	Heritage preservation; cultural revitalisation; cross-cultural exchange; community empowerment	Commodification; displacement; demonstration effect; erosion of authenticity when communities lack control over terms of engagement	Community agency; genuine participation; cultural self-determination; equitable benefit-sharing

3. Critical Perspectives on the Tourism-Sustainability Affiliation

The academic literature contains several distinct critical perspectives on the claim that tourism can contribute to sustainable development. Understanding these perspectives is essential for MBA-level analysis.

The weak sustainability critique. The concept of sustainable tourism as commonly operationalised represents what environmental economists call "weak sustainability" – the

assumption that natural capital (environmental assets) can be substituted by manufactured capital (built infrastructure, financial wealth) without loss of overall welfare. Under weak sustainability, a destination that destroys a mangrove forest to build a resort can claim sustainability if the economic returns from the resort exceed the economic value attributed to the mangrove. “Strong sustainability,” by contrast, holds that certain forms of natural capital are irreplaceable and non-substitutable – that no amount of economic return justifies the destruction of an ecosystem that cannot be recreated. The distinction matters profoundly for tourism policy: weak sustainability permits the continued conversion of natural assets into tourism infrastructure provided the economic arithmetic appears favourable, while strong sustainability demands that critical natural assets be protected regardless of the economic opportunity cost. Much of what is labelled “sustainable tourism” operates under weak sustainability assumptions, allowing continued environmental degradation provided it is offset by economic gain.

The growth paradox critique. The most fundamental critique of the tourism-sustainability affiliation concerns the compatibility of continuous growth with ecological limits. The dominant institutional framing – represented by the UN-Tourism and the WTTC – presents sustainable tourism as tourism that grows sustainably: more visitors, more revenue, more jobs, but managed in ways that reduce environmental impact per visitor and distribute benefits more equitably. Critics argue that this framing is internally contradictory: in a world with finite resources, atmospheric carbon budgets, and ecological carrying capacities, no form of growth can be sustained indefinitely, and the efficiency improvements achieved by individual operators and destinations are consistently overwhelmed by the aggregate growth of the system. Aviation illustrates this starkly: fuel efficiency per passenger-kilometre has improved significantly over decades, but total aviation emissions continue to rise because the number of flights has grown faster than efficiency has improved. The growth paradox suggests that genuinely sustainable tourism may require not better-managed growth but managed degrowth in over-consumed markets – a position that is politically radioactive within an industry and institutional ecosystem built on the assumption that growth is both desirable and achievable.

The greenwashing critique. A persistent criticism is that the language and institutional machinery of sustainable tourism serve primarily as legitimisation devices rather than genuine constraints on behaviour. The proliferation of sustainability certifications, eco-labels, green pledges, and CSR reports creates an appearance of environmental responsibility that may not be substantiated by meaningful operational change. Research has documented widespread greenwashing in the hospitality industry: hotels that promote towel reuse programmes as sustainability initiatives while making no effort to address their energy consumption, water usage, food waste, or supply chain impacts; airlines that offer carbon offset programmes while lobbying against emissions regulation; and destinations that brand themselves as sustainable while approving development projects that degrade their most valuable environmental assets. The greenwashing critique does not deny that genuine sustainability efforts exist but argues that the current institutional framework makes it too easy for operators and destinations to claim sustainability credentials without the rigorous verification and accountability that would distinguish genuine commitment from performative signalling.

The justice and equity critique. Drawing on dependency theory, post-colonial analysis, and environmental justice scholarship, this critique argues that the sustainable tourism framework inadequately addresses the distributional dimensions of the tourism-sustainability relationship. Whose sustainability is being sustained? The current global tourism system generates economic returns primarily for corporations and consumers in the Global North while imposing environmental and social costs disproportionately on communities in the Global South. The carbon emissions that drive climate change are generated primarily by travellers from wealthy

nations, but the climate impacts – sea level rise, coral bleaching, extreme weather, water scarcity – fall most heavily on the tourism-dependent developing countries that contributed least to the problem. This is not merely an implementation failure that better management could correct; it is a structural feature of a global system in which the benefits and costs of tourism are distributed along lines of pre-existing economic and political inequality. The justice critique argues that sustainable tourism without distributive justice is a contradiction in terms.

The degrowth and post-growth perspective. Emerging from ecological economics and political ecology, the degrowth perspective argues that genuine sustainability requires deliberately reducing the material throughput of the global economy, including tourism. Applied to tourism, this means accepting that some destinations are over-consumed and need fewer visitors, not better-managed ones; that aviation must be constrained rather than merely made more efficient; that the right to travel must be balanced against the right of communities and ecosystems to protection from tourism's impacts; and that measures of tourism success should shift from volume and revenue to wellbeing, equity, and ecological health. The degrowth perspective remains marginal in mainstream tourism policy but is gaining traction in academic literature and in destinations where overtourism has made the limits of the growth paradigm tangibly visible. Amsterdam's deliberate discouragement of certain tourist segments, Barcelona's visitor management reforms, and several destinations' post-COVID decisions to pursue "better" rather than "more" tourism reflect degrowth-influenced thinking even when they do not use the degrowth label.

4. Beyond Sustainable Tourism: Regenerative and Transformative Paradigms

In response to the limitations of the sustainable tourism framework, two emerging paradigms are attempting to redefine the tourism-sustainability relationship in more ambitious terms.

Regenerative tourism moves beyond sustainability's goal of minimising harm toward actively improving the places, communities, and ecosystems that tourism engages with. Rather than asking "how do we reduce tourism's negative impacts?", regenerative tourism asks "how does tourism leave this destination better than it found it?" This involves reimagining tourism as a contributor to ecological restoration (planting forests, restoring reefs, rewilding landscapes), community development (funding education, healthcare, infrastructure, and cultural preservation that would not otherwise exist), and social regeneration (strengthening community bonds, revitalising cultural practices, and building local institutional capacity). New Zealand's tourism industry transformation plan, which explicitly adopts regenerative principles, several Indigenous tourism enterprises that practice land stewardship as an integral part of the visitor experience, and a growing number of individual operators who measure their impact in net positive terms represent early expressions of the regenerative paradigm. The approach is philosophically compelling but faces significant challenges: measuring net positive impact requires sophisticated assessment methodologies, the commercial incentives within the global tourism system continue to reward extraction rather than regeneration, and scaling regenerative practice beyond individual operators to entire destinations and the global system remains an unresolved challenge.

Transformative tourism focuses on the transformative potential of the travel experience itself – the capacity of meaningful encounters with different cultures, landscapes, and ways of life to change travellers' values, behaviours, and worldviews in ways that contribute to sustainable development beyond the destination visit. If a visit to a coral reef not only funds its conservation

but transforms the visitor into a lifelong ocean conservation advocate, the sustainability impact extends far beyond the direct economic transaction. If a cultural immersion experience generates genuine empathy and understanding that the visitor carries into their civic, professional, and consumption decisions at home, the developmental contribution transcends the destination. Transformative tourism represents a shift from viewing tourists as consumers of experiences to viewing them as potential agents of change – a reframing that, if achievable at scale, could address the demand side of the tourism-sustainability equation rather than focusing exclusively on supply-side management.

Table 2. Evolution of Tourism-Sustainability Paradigms

Paradigm	Core Question	Goal	Limitation
Conventional Tourism	How do we maximise growth?	More visitors, more revenue	Ignores environmental and social costs
Sustainable Tourism	How do we balance growth with environmental and social limits?	Maintain current resources for future generations	Vague; co-optable; growth paradox; weak sustainability assumptions
Responsible Tourism	How do we make better places for people to live in and visit?	Minimise negative impacts; maximise positive contributions	Remains within growth paradigm; operator-focused rather than systemic
Degrowth Tourism	How do we reduce tourism's material throughput?	Fewer visitors; less consumption; more equity	Politically challenging; threatens livelihoods dependent on tourism
Regenerative Tourism	How does tourism leave places better than it found them?	Net positive ecological, social, and cultural contribution	Measurement challenges; commercial incentives misaligned; scaling difficulty
Transformative Tourism	How does travel change the traveller's values and behaviours?	Visitors as agents of sustainable change beyond the destination	Difficult to measure and achieve at scale; idealised assumptions about tourist motivation

5. Synthesis: An Honest Assessment of the Affiliation

The affiliation between tourism and sustainable development is neither the mutually reinforcing partnership that institutional advocates present nor the fundamental contradiction that radical critics assert. The honest assessment lies in a more nuanced and uncomfortable middle ground.

Tourism can contribute to sustainable development – but only under conditions that are difficult to establish and even harder to maintain. It contributes when local communities retain a meaningful share of economic value, when environmental carrying capacities are respected and funded, when cultural engagement is controlled by its custodians, when governance institutions have the capacity and political will to regulate the industry's behaviour, and when the terms of engagement between the global tourism system and destination communities are equitable rather than extractive. Where these conditions are present – as in carefully managed examples such as Bhutan, Costa Rica, community conservancies in East Africa, and Indigenous tourism enterprises in Australasia – tourism demonstrably contributes to development that is sustainable across all three pillars.

Tourism undermines sustainable development when growth is pursued without regard for ecological limits, when economic benefits are captured by external actors while costs are borne by host communities, when cultural commodification erodes the authenticity and vitality of host societies, when institutional weakness permits commercial interests to override public interest, and when the aggregate carbon impact of the global tourism system accelerates the climate change that threatens the destinations, communities, and ecosystems upon which tourism itself depends. Where these conditions prevail – as they do in a substantial proportion of the world's tourism destinations – the affiliation between tourism and sustainable development is more rhetorical than real.

The most productive analytical position is therefore not to ask whether tourism is sustainable but under what specific conditions it contributes to sustainable development and how policy intervention can create those conditions where they are absent. This is a political question as much as a technical one, because it involves redistributing power, constraining commercial freedom, valuing non-market outcomes, and making choices that benefit future generations at a cost to present consumption – choices that established interests within the global tourism system have historically resisted.

Need to Know –

Critically analysing the tourism-sustainability affiliation at the MBA level requires engaging with both the evidence that tourism can contribute to sustainable development and the structural reasons why it frequently does not. Assessors expect you to: trace the conceptual and institutional origins of the affiliation (Brundtland, Rio, SDGs); analyse the relationship through each of the three sustainability pillars with both positive evidence and critical tensions; engage with at least two of the critical perspectives (weak sustainability, growth paradox, greenwashing, justice, degrowth); demonstrate awareness of emerging paradigms (regenerative, transformative); and reach a nuanced, evidence-based conclusion rather than a categorical verdict. The strongest work recognises that the affiliation is neither inherently positive nor inherently contradictory but contingent on conditions that policy can influence – and that analysing those conditions is where the genuine intellectual and practical work lies.

Did you know...?

The Global Sustainable Tourism Council (GSTC) maintains the most widely recognised international standards for sustainable tourism, yet as of the mid-2020s, only a small fraction of the world's tourism businesses have achieved any form of recognised sustainability certification. A study by the Centre for Responsible Travel found that despite over 200 sustainability certification schemes operating worldwide, fewer than 4 per cent of tourism businesses globally are certified under any scheme. This gap between the institutional infrastructure of sustainable tourism (standards, certifications, frameworks, reporting requirements) and its actual adoption across the industry reveals a fundamental implementation deficit: the conceptual tools for sustainable tourism exist, but the incentives, enforcement mechanisms, and consumer demand necessary to drive widespread adoption do not. For critics, this implementation gap is evidence that sustainable tourism remains an aspirational discourse rather than an operational reality; for advocates, it represents an opportunity for policy intervention to close the gap between what is known and what is practised.

Industry Insight – New Zealand's Tourism Industry Transformation Plan: Testing the Tourism-Sustainability Affiliation in Practice

New Zealand provides arguably the most ambitious contemporary attempt by a developed country to redefine the relationship between tourism and sustainable development at a national level. The Tourism Industry Transformation Plan (ITP), launched in 2022, represents a deliberate policy shift from the pre-pandemic growth-oriented model toward an explicitly regenerative vision – making it a critical test case for whether the tourism-sustainability affiliation can be translated from principle into practice.

The pre-pandemic context. Before COVID-19, New Zealand's tourism sector had grown rapidly to become the country's largest export earner, attracting approximately 3.9 million international visitors annually to a country of 5 million residents. The economic contribution was substantial, but the sustainability tensions were acute and publicly visible. Iconic sites including Milford Sound, Queenstown, and the Tongariro Alpine Crossing experienced severe visitor pressure. Infrastructure in small towns and rural areas – roads, sewage systems, parking, conservation tracks – was overwhelmed by visitor numbers that had grown faster than infrastructure investment. The freedom camping phenomenon – international visitors camping in undesignated areas, often without adequate sanitation – generated widespread public anger and political pressure. Conservation estates managed by the Department of Conservation were unable to maintain track networks and ecological management programmes at the scale required by visitor growth. And Māori communities expressed increasing concern that their cultural heritage was being commercialised without adequate consent, benefit-sharing, or respect for tikanga (cultural protocols). New Zealand's tourism industry was generating impressive economic returns while degrading the environmental and cultural assets that made the country a compelling destination – a classic illustration of the growth paradox.

The pandemic reset. New Zealand's strict border closure during the pandemic – which reduced international arrivals to near zero for over two years – provided an unprecedented opportunity to observe the environmental and social consequences of tourism's absence and to rethink the model before visitors returned. Native bird populations recovered in areas previously disturbed by tourist activity. Overloaded infrastructure gained respite. Communities reported improved quality of life without visitor pressure. And a national conversation emerged about what kind of tourism New Zealand wanted to rebuild – and whether “more” should still be the objective.

The Transformation Plan. The Tourism ITP, developed through a partnership between the government, the tourism industry, Māori (through the Tourism Industry Aotearoa and He Ara Waiora wellbeing framework), and workers' representatives, established a vision for tourism to “enrich

Aotearoa New Zealand through sustainable, inclusive growth.” The plan is structured around five priority areas: better work (improving pay, conditions, and career pathways for tourism workers), Māori (ensuring tourism supports Māori cultural and economic aspirations), sustainability (reducing tourism’s environmental footprint and contributing to conservation goals), communities (ensuring host communities benefit from and support tourism), and visitor (attracting visitors who align with New Zealand’s values). The plan explicitly rejects the pre-pandemic growth-at-all-costs paradigm and adopts a value-over-volume approach that prioritises the quality of tourism’s contribution over the quantity of visitors.

Critical assessment. The Tourism ITP represents the most structurally ambitious attempt by a major tourism destination to operationalise the tourism-sustainability affiliation. Its strengths include the explicit inclusion of worker wellbeing as a sustainability dimension (most sustainable tourism frameworks focus on environment and culture while treating labour as an operational input), the centring of Māori self-determination in tourism governance (reflecting the rights-based approach discussed in this module), the multi-stakeholder governance structure that gives communities and workers genuine voice alongside government and industry, and the explicit rejection of growth as the primary success metric. However, the plan’s critics identify significant tensions. The aviation dependency that makes New Zealand accessible to long-haul international visitors cannot be reconciled with decarbonisation targets without technologies that do not yet exist at scale. The value-over-volume ambition may be difficult to reconcile with an industry workforce and infrastructure built for high-volume tourism. The Māori self-determination provisions, while progressive, face implementation challenges when commercial interests conflict with cultural priorities. And the plan’s success ultimately depends on whether the political commitment to transformation survives the inevitable pressure from industry stakeholders to revert to growth-oriented policies as the post-pandemic recovery matures.

New Zealand’s Tourism ITP is a living experiment in whether the tourism-sustainability affiliation can move from rhetorical aspiration to structural transformation. Its outcomes over the coming decade will provide some of the most important evidence for evaluating whether tourism can genuinely contribute to sustainable development or whether the structural contradictions identified by the critical perspectives in this section ultimately prove insurmountable.

Over to You – Student Activity

This activity requires you to source and critically engage with a peer-reviewed journal article that examines the relationship between tourism and sustainable development.

Task: Using an academic database, source one peer-reviewed journal article that analyses the relationship between tourism and sustainable development in a specific context. Suitable articles might examine: the effectiveness of sustainable tourism certification, tourism’s contribution to the SDGs, ecotourism and conservation outcomes, the growth paradox in sustainable tourism, greenwashing in the hospitality industry, regenerative tourism frameworks, community-based sustainable tourism, the carbon footprint of tourism, or a critical evaluation of sustainable tourism policy in a specific destination.

Suggested search terms: “tourism sustainable development critique” • “sustainable tourism effectiveness” • “tourism SDGs evaluation” • “greenwashing hospitality” • “regenerative tourism” • “tourism degrowth” • “tourism carbon footprint sustainability” • “ecotourism conservation outcomes” • “sustainable tourism certification effectiveness”

What to write (approximately 500–700 words): Identify which dimension of the tourism-sustainability affiliation the article examines and whether it supports, qualifies, or challenges the claim that tourism contributes to sustainable development. Assess the evidence presented: is it empirical or

conceptual? Does it address all three sustainability pillars or focus on one? Does it engage with any of the critical perspectives from this section (weak sustainability, growth paradox, greenwashing, justice, degrowth)? Conclude with a reflective paragraph in which you state your own critically informed position on the tourism-sustainability affiliation: under what conditions do you believe tourism genuinely contributes to sustainable development, and where do you see the most significant barriers? Reference both the article and the analytical framework from this section.

Revision on the Go

- The tourism-sustainability affiliation was constructed through Brundtland (1987), Rio/Agenda 21 (1992), the SDGs (2015), and the 2017 International Year of Sustainable Tourism for Development.
- Three pillars: economic sustainability (strongest case but conditioned by leakage, distribution, dependency), environmental sustainability (most profound contradiction – localised conservation within globally unsustainable carbon system), socio-cultural sustainability (most context-dependent – depends on community agency over terms of engagement).
- Weak vs strong sustainability: weak permits substitution of natural capital with economic capital; strong insists certain natural assets are irreplaceable.
- Growth paradox: efficiency gains per visitor are overwhelmed by aggregate system growth; aviation emissions illustrate this starkly.
- Greenwashing critique: fewer than 4% of tourism businesses hold any sustainability certification; institutional machinery may legitimise rather than constrain.
- Justice critique: benefits flow to Global North corporations and consumers; environmental and social costs fall disproportionately on Global South communities.
- Degrowth perspective: genuine sustainability may require fewer visitors in over-consumed destinations, not better-managed growth.
- Regenerative tourism asks how tourism leaves places better than it found them; transformative tourism asks how travel changes the traveller's values.
- The paradigm evolution: conventional → sustainable → responsible → degrowth → regenerative → transformative.
- The honest assessment: tourism can contribute to sustainable development under specific conditions that are difficult to establish; the question is not whether tourism is sustainable but under what conditions it contributes to sustainability.
- This is a political question as much as a technical one: it involves redistributing power, constraining commercial freedom, and valuing non-market outcomes.

Case Study – The Galápagos Islands: Testing the Limits of Tourism and Sustainable Development

Background

The Galápagos Islands, an Ecuadorian archipelago in the Pacific Ocean approximately 1,000 kilometres off the South American coast, represent perhaps the world's most significant test case for the affiliation between tourism and sustainable development. Designated a UNESCO World Heritage Site in 1978 and a UNESCO Biosphere Reserve, the archipelago is home to extraordinary endemic biodiversity – including giant tortoises, marine iguanas, blue-footed boobies, and the finch species that inspired Charles Darwin's theory of evolution – and has been managed under one of the world's

most stringent conservation regimes. Simultaneously, tourism has become the dominant economic activity, generating the majority of the local economy's revenue and supporting a resident population that has grown from approximately 6,000 in 1980 to over 33,000.

Tourism as Conservation's Champion

The positive case for the tourism-sustainability affiliation in the Galápagos is substantial. Tourism revenue funds the Galápagos National Park Service, which manages 97 per cent of the archipelago's land area as protected territory. Park entrance fees (currently \$100 per visitor) generate millions of dollars annually for conservation, invasive species control, and scientific research. The economic value of living wildlife to tourism far exceeds the economic value of extractive activities such as fishing, creating a powerful financial incentive for conservation that would not exist without tourism. International attention brought by tourism visitors and media has generated global advocacy for the islands' protection. And tourism employment provides livelihoods that reduce pressure on marine resources from overfishing.

Tourism as Sustainability's Threat

The negative case is equally compelling. Visitor numbers have grown from approximately 40,000 per year in the 1990s to over 270,000 by the late 2010s – testing the ecological carrying capacity of an ecosystem whose conservation value lies precisely in its isolation and fragility. Tourism-driven population growth has intensified demands on freshwater, energy, and waste management infrastructure that is difficult and expensive to provide on remote volcanic islands. Introduced species – historically the greatest threat to Galápagos biodiversity – are transported inadvertently by ships, aircraft, and cargo serving the tourism economy. Marine pollution from cruise ships and tour vessels affects the marine environment. And the carbon emissions associated with the long-haul flights necessary to reach the Galápagos contribute to the climate change that threatens the ocean temperatures, currents, and ecosystems upon which the islands' unique biodiversity depends. In 2007, UNESCO placed the Galápagos on its List of World Heritage in Danger, explicitly citing the impacts of tourism growth and uncontrolled immigration driven by the tourism economy.

The Policy Struggle

The Ecuadorian government has implemented a range of policy measures to manage the tourism-sustainability tension: visitor quotas (periodically adjusted), park entrance fees, licensed guide requirements, regulated visitor itineraries, restrictions on new hotel construction, immigration controls to manage population growth, and the Galápagos Special Law which establishes a unique governance framework for the archipelago. These measures represent one of the most intensive tourism management regimes in the world. Yet the tension persists: the economic pressure to increase visitor numbers (from the tourism industry, from the local population dependent on tourism livelihoods, and from the national government which benefits from tourism revenue and taxation) consistently pushes against the conservation imperative to constrain them. Each upward revision of the visitor quota is presented as compatible with sustainability, yet the cumulative growth has progressively increased pressure on the very ecosystems that the quota system was designed to protect. The Galápagos was removed from the World Heritage in Danger list in 2010 following improved management, but the underlying tension between tourism growth and ecological integrity remains unresolved.

The Growth Paradox in Microcosm

The Galápagos case encapsulates the growth paradox that is central to the critical analysis of the tourism-sustainability affiliation. Tourism funds the conservation that protects the islands. But tourism's growth threatens the very ecosystem that conservation is protecting. And the economic dependency that tourism creates makes it politically and socially impossible to reduce tourism to the level that the ecosystem's long-term health may require. The islands are simultaneously the strongest evidence that tourism can fund conservation and the strongest evidence that tourism

growth is ultimately incompatible with ecological sustainability in fragile environments. Whether this paradox can be resolved – through radical decarbonisation of aviation, through a shift to even higher-value, lower-volume tourism, through regenerative practices that deliver net ecological improvement, or through technologies and management innovations not yet available – remains the defining question for the affiliation between tourism and sustainable development.

Discussion Questions

1. Apply the three-pillar framework to the Galápagos. Where is the tourism-sustainability affiliation strongest, and where is it most contradictory?
2. Evaluate the Galápagos tourism management regime (quotas, fees, guides, itineraries, immigration controls) against the five critical perspectives discussed in this section. Which critique is most relevant?
3. The growth paradox in the Galápagos – tourism funds conservation but tourism growth threatens the ecosystem – is a microcosm of the global tourism-sustainability relationship. Can this paradox be resolved, or is it structural and permanent? What evidence would you need to answer this question?
4. If you were advising the Ecuadorian government, would you recommend reducing the visitor quota to levels that conservation scientists consider ecologically sustainable, even if this reduced tourism revenue and employment? Apply both utilitarian and deontological ethical reasoning to your recommendation.
5. Could a regenerative tourism model – in which every visitor's presence generates a measurable net positive ecological contribution – resolve the Galápagos paradox? What would such a model require in practice, and is it achievable with current knowledge and technology?

3.3 Analyse the ways in which tourism assists international development goals.

Introduction

The previous sections of this module have analysed the theoretical approaches to tourism and international development, critically evaluated the position of developing countries, examined tourism's destination impacts, and interrogated the affiliation between tourism and sustainable development. This section brings those analytical threads together by examining the specific mechanisms through which tourism assists – and under certain conditions fails to assist – international development goals, with particular focus on the United Nations Sustainable Development Goals (SDGs) as the dominant contemporary framework for measuring development progress.

At the MBA level, analysing how tourism assists development goals requires more than listing the SDGs to which tourism is linked. It demands a structured examination of the pathways through which tourism contributes to specific development outcomes, the evidence of what has actually been achieved, the conditions that determine whether tourism's potential development contribution is realised in practice, and the critical assessment of where the gap between advocacy and evidence is widest. This section provides that analysis across seven key development goal areas where tourism's contribution is most significant and most contested.

1. Tourism and the Sustainable Development Goals (SDGs): The Institutional Framework

The adoption of the 2030 Agenda for Sustainable Development and its seventeen SDGs by the United Nations General Assembly in 2015 provided the most comprehensive framework for international development goals in history. Tourism was explicitly referenced in three SDG targets and has been mapped by the UN-Tourism as a potential contributor to all seventeen goals. This institutional positioning reflects the scale and cross-cutting nature of the tourism economy: an industry that accounts for approximately 10 per cent of global GDP, one in ten jobs, and significant proportions of export earnings in many developing countries inevitably intersects with virtually every dimension of development.

The three explicit references to tourism in the SDGs are: SDG 8, Target 8.9 – by 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products; SDG 12, Target 12.b – develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products; and SDG 14, Target 14.7 – by 2030, increase the economic benefits to Small Island Developing States and Least Developed Countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture, and tourism.

Beyond these direct references, the UN-Tourism has articulated pathways through which tourism can contribute to each of the remaining fourteen goals. While some of these linkages are direct and evidence-supported, others are aspirational, and the critical analyst must distinguish between demonstrated contribution and hoped-for contribution. The following sections examine tourism's assistance to international development goals across the areas where its contribution is most substantive.



2. Poverty Reduction and Inclusive Economic Growth (SDGs 1 and 8)

The pathway. Tourism assists poverty reduction and economic growth through foreign exchange generation, job creation across skill levels, stimulation of entrepreneurship and small enterprise development, income distribution through supply chain linkages, and the creation of economic opportunities in rural and peripheral regions where alternative livelihood options are limited. The concept of pro-poor tourism (PPT), developed by researchers at the Overseas Development Institute and adopted by the UN-Tourism through its ST-EP (Sustainable Tourism – Eliminating Poverty) programme, specifically examines how tourism’s benefits can be directed toward the poorest segments of host populations through targeted supply chain linkages, employment programmes, and community revenue-sharing mechanisms.

The evidence. The macroeconomic evidence of tourism’s contribution to economic growth is substantial and well-documented through Tourism Satellite Accounts and WTTC economic impact data. Tourism is a significant contributor to GDP in over 40 developing countries and is the primary source of foreign exchange in many Small Island Developing States and Least Developed Countries. At the micro level, evidence from pro-poor tourism programmes in countries including The Gambia, Tanzania, Rwanda, Vietnam, and Laos has demonstrated that targeted interventions can increase the share of tourism expenditure reaching poor communities – through local food procurement, craft purchasing, community-owned accommodation, and informal-sector opportunities such as guiding, transport, and cultural performance.

The critical assessment. The critical analysis developed throughout this module tempers the optimistic narrative. Economic growth generated by tourism does not automatically reduce poverty; it does so only when the structure of the tourism economy distributes benefits to lower-income populations rather than concentrating them among investors, property owners, and established businesses. High leakage rates, foreign ownership dominance, and the concentration of employment in low-wage, seasonal positions mean that tourism’s poverty

reduction impact is often more modest than its GDP contribution suggests. The ILO has documented that tourism employment in developing countries frequently fails to meet decent work standards – characterised by low wages, long hours, precarious contracts, and limited social protection – raising the question of whether jobs that trap workers in poverty should be counted as a poverty reduction contribution. The most honest assessment is that tourism can assist poverty reduction and inclusive growth, but does so effectively only when deliberate policy measures ensure that benefits reach the poor, that employment is decent, and that economic linkages are actively managed rather than left to market forces alone.

3. Gender Equality and Women's Empowerment (SDG 5)

The pathway. Tourism is frequently cited as a sector with particular potential for women's economic empowerment. The UN-Tourism has reported that women constitute a majority of the global tourism workforce and that tourism offers relatively accessible entry points for women's entrepreneurship – in accommodation (guesthouses, homestays), food service, handicrafts, spa and wellness services, and cultural tourism. Tourism can provide women with independent income, skills development, social networks, and public visibility that may enhance their status within households and communities where women's economic participation is otherwise constrained by cultural norms, educational disadvantage, or limited access to formal employment.

The evidence. Case study evidence from community-based tourism projects in countries including Nepal, Kenya, Peru, and Morocco has documented instances where tourism has provided women with income, confidence, and a degree of economic independence that they did not previously possess. Women-owned tourism enterprises in several contexts have demonstrated the capacity to generate livelihoods while challenging gender norms. The UN-Tourism's Global Report on Women in Tourism has documented that tourism employs proportionately more women than many other economic sectors.

The critical assessment. The empowerment narrative requires significant qualification. While women constitute a majority of the tourism workforce, they are disproportionately concentrated in the lowest-paid, most precarious, and least visible roles – housekeeping, laundry, food preparation, and informal-sector services – while men dominate management, ownership, and decision-making positions. The gender pay gap in hospitality is documented globally. Women in tourism are disproportionately exposed to harassment and exploitation, particularly in contexts where labour regulation is weak and enforcement is limited. And the additional income that women earn through tourism may not translate into genuine empowerment if household power dynamics, cultural norms, and institutional barriers prevent women from controlling the income they generate. Tourism's assistance to gender equality is therefore conditional: it creates opportunities for women, but realising those opportunities as genuine empowerment requires deliberate intervention addressing the structural barriers that constrain women's participation, progression, and agency within the tourism economy.

4. Environmental Conservation and Climate Action (SDGs 13, 14, and 15)

The pathway. Tourism assists environmental development goals through the creation of economic incentives for conservation, the funding of protected area management, the generation of revenue for ecosystem restoration, and the raising of environmental awareness among both visitors and host communities. Nature-based tourism, ecotourism, wildlife tourism, marine

tourism, and adventure tourism all depend on healthy ecosystems and create financial returns that justify environmental protection over alternative, more extractive land uses. Tourism revenue funds national park systems, community conservancies, marine protected areas, and wildlife protection programmes throughout the developing world.

The evidence. The evidence of tourism's contribution to conservation is compelling in specific contexts. Rwanda's mountain gorilla population has recovered significantly under a tourism-funded conservation model. Costa Rica's decision to protect over 25 per cent of its territory as national parks and reserves was economically justified by the tourism revenue they generate. Community conservancies in Kenya and Namibia have demonstrated that wildlife-based tourism generates greater economic returns than pastoralism or agriculture, creating local incentives for conservation. Coral reef monitoring and protection programmes in destinations from the Maldives to Belize are substantially funded by dive tourism revenue. The Galápagos National Park's conservation budget is predominantly funded by visitor entrance fees.

The critical assessment. As analysed in the preceding section on the tourism-sustainability affiliation, these localised conservation successes exist within a global system whose aggregate environmental impact is moving away from sustainability. Tourism's carbon footprint of approximately 8 per cent of global greenhouse gas emissions, driven primarily by aviation, is incompatible with the Paris Agreement's climate targets (SDG 13). Marine ecosystems that tourism depends upon (SDG 14) are threatened by the ocean warming and acidification that tourism's carbon emissions contribute to. Terrestrial biodiversity (SDG 15) benefits from tourism-funded conservation in some locations while suffering from tourism-driven habitat loss, infrastructure development, and resource consumption in others. The critical assessment is that tourism assists environmental development goals at the destination level but undermines them at the systemic level – and that the systemic impact is currently growing faster than the destination-level benefit.

5. Cultural Heritage, Education, and Peace (SDGs 4, 11, and 16)

The pathway. Tourism assists cultural heritage preservation (SDG 11) by providing economic incentives for the maintenance, restoration, and interpretation of historic buildings, monuments, cultural landscapes, and intangible heritage practices. It supports education (SDG 4) through the development of hospitality and tourism training programmes, language learning, and the transfer of management and technical skills. It contributes to peace and understanding (SDG 16) through cross-cultural contact that builds familiarity, empathy, and mutual respect between peoples of different nations, cultures, and backgrounds – a contribution encapsulated in the UN-Tourism's long-standing positioning of tourism as a “passport to peace.”

The evidence. UNESCO World Heritage Sites worldwide are sustained in significant part by tourism revenue and the international attention that tourist visitation generates. The designation of heritage sites, cultural landscapes, and intangible heritage practices by UNESCO explicitly recognises their value for tourism alongside their intrinsic cultural significance. The global hospitality and tourism education sector has expanded enormously, creating training institutions, university programmes, and vocational qualifications that provide skills and career pathways for millions of people in developing countries. And while the “tourism as peace” thesis is difficult to prove empirically, the cross-cultural exchange facilitated by international tourism at minimum creates channels of human contact that would not otherwise exist between societies.

The critical assessment. Tourism's assistance to cultural heritage is double-edged: it funds preservation but can also drive commodification, over-visitation, and the transformation of living

cultural practices into consumer spectacles. The tourism education pathway creates employment but often channels developing-country graduates into low-wage service roles rather than managerial or entrepreneurial positions. And the “passport to peace” claim has been challenged by scholars who argue that the superficial encounters typical of mass tourism – brief, transactional, and often mediated through power imbalances between wealthy visitors and economically dependent hosts – are more likely to reinforce stereotypes than to build genuine understanding. Tourism’s contribution to these goals is therefore real but qualified, and highly dependent on the nature and quality of the tourist experience rather than merely its occurrence.

6. Infrastructure, Innovation, and Global Partnerships (SDGs 9 and 17)

The pathway. Tourism drives infrastructure development (SDG 9) that serves both visitors and host communities: airports, roads, port facilities, telecommunications, water and sanitation systems, energy infrastructure, and digital connectivity. In many developing countries, tourism has been the catalyst for infrastructure investment that the national budget alone could not fund, either through direct government investment justified by tourism revenue projections or through public-private partnerships where private tourism investment triggers matching public infrastructure provision. Tourism also stimulates technological innovation in areas including mobile payments, digital booking platforms, smart destination management, and renewable energy systems deployed in off-grid tourism facilities. At the global level, tourism contributes to international partnerships (SDG 17) through bilateral tourism agreements, regional cooperation frameworks, development agency programmes, and the extensive network of public-private partnerships that characterise the sector.

The evidence. The infrastructure legacy of tourism development is visible throughout the developing world: airports built or upgraded to serve tourist traffic in island and coastal destinations, road networks connecting remote tourism assets to urban centres, telecommunications infrastructure deployed to meet visitor connectivity expectations, and water and energy systems installed for resort developments that subsequently serve surrounding communities. The World Bank and regional development banks have financed numerous tourism infrastructure programmes on the explicit rationale that tourism generates the economic returns necessary to justify and repay infrastructure investment. The Enhanced Integrated Framework, a multi-agency trade-related technical assistance programme, has supported tourism development in Least Developed Countries as a pathway to economic integration and infrastructure improvement.

The critical assessment. The critical caveat is that tourism-driven infrastructure often serves tourism corridors and resort enclaves rather than the communities with the greatest infrastructure needs. An airport expansion that improves international tourist access may do nothing for the rural hinterland where poverty is most concentrated. A resort’s private water treatment system does not address the water scarcity experienced by surrounding villages. And the infrastructure investment that tourism catalyses is sometimes financed through public debt or fiscal concessions whose costs are borne by the broader population while the benefits accrue to the tourism sector and its international investors. Infrastructure that genuinely assists development goals must be planned to serve host communities as well as visitors, and must be financed through mechanisms that do not impose disproportionate costs on the populations that most need development investment.

7. The Conditions Under Which Tourism Effectively Assists Development Goals

The analysis across these development goal areas reveals a consistent pattern: tourism has genuine pathways to assist virtually every major international development goal, but the realisation of that potential is not automatic. It depends on conditions that must be deliberately created and sustained through policy intervention.

Tourism most effectively assists development goals when local economic linkages are strong and leakage is minimised through deliberate supply chain development, local procurement requirements, and support for local enterprise; when employment is decent, fairly compensated, and offers genuine career progression, particularly for women and youth; when environmental carrying capacities are respected, conservation is adequately funded, and the carbon footprint of the tourism system is being actively reduced; when cultural engagement is controlled by its custodians, heritage preservation is genuine rather than performative, and cross-cultural encounters are meaningful rather than superficial; when infrastructure investment serves host communities alongside visitors; when governance institutions have the capacity and political will to regulate tourism's behaviour, capture fiscal revenue, and distribute benefits equitably; and when the terms of engagement between the global tourism system and destination communities are equitable rather than extractive.

Conversely, tourism fails to assist development goals – and actively undermines them – when economic value leaks out of the destination, when employment is precarious and exploitative, when environmental assets are degraded for short-term commercial gain, when culture is commodified without community consent or benefit, when infrastructure serves tourists but not residents, when governance is weak or captured by commercial interests, and when the structural power imbalances of the global tourism system ensure that benefits flow to the already-wealthy while costs fall on the already-vulnerable.

Table 1. Tourism's Assistance to International Development Goals: Pathways, Evidence, and Conditions

Development Goal Area	Primary Pathway	Strength of Evidence	Critical Condition for Effectiveness
Poverty reduction (SDG 1)	Income generation for poor communities through employment, enterprise, and supply chain linkages	Moderate: macro evidence strong; micro evidence mixed; PPT programmes show promise	Deliberate targeting; local linkages; decent employment conditions
Economic growth (SDG 8)	Foreign exchange; GDP contribution; employment; entrepreneurship; diversification	Strong: well-documented through TSA and WTTC data	Local value retention; equitable distribution; economic diversification beyond tourism
Gender equality (SDG 5)	Women's employment; entrepreneurship entry points; independent income	Moderate: women employed but concentrated in lowest-paid roles; empowerment conditional	Address gender pay gap; management progression; anti-harassment measures; control over income

Development Goal Area	Primary Pathway	Strength of Evidence	Critical Condition for Effectiveness
Climate action (SDG 13)	None directly positive; potential through awareness and advocacy	Negative: tourism contributes ~8% of global GHG; aviation growing	Decarbonisation of transport; carbon accounting; emissions reduction targets
Marine conservation (SDG 14)	Dive/marine tourism revenue funds reef protection and marine management	Moderate: localised successes; systemic marine threats from climate and pollution	Carrying capacity management; genuine environmental investment; reduced marine impacts
Terrestrial conservation (SDG 15)	Wildlife and nature tourism creates economic incentives for habitat protection	Strong in specific contexts: Rwanda, Costa Rica, Kenya, Namibia conservancies	Tourism revenue exceeds extractive alternative value; conservation governance; community benefit
Cultural heritage (SDG 11)	Economic incentives for heritage preservation; international attention and advocacy	Moderate: funds preservation but can drive commodification and over-visitation	Community control; authentic interpretation; visitor management; heritage-first governance
Education (SDG 4)	Hospitality training; language skills; management and technical knowledge transfer	Moderate: education sector expanded; quality and career outcomes variable	Quality training; progression pathways; management access for developing-country nationals
Peace and understanding (SDG 16)	Cross-cultural contact; mutual economic interest; international visibility	Weak: difficult to prove empirically; superficial encounters may reinforce stereotypes	Meaningful encounters; equitable relationships; depth of cultural exchange
Infrastructure (SDG 9)	Airport, road, telecommunications, water, and energy investment catalysed by tourism demand	Moderate: infrastructure built; but may serve tourism corridors not communities	Community-serving design; equitable financing; host-population priority in planning
Partnerships (SDG 17)	Bilateral agreements; regional cooperation; public-private partnerships; development agency programmes	Moderate: institutional architecture exists; effectiveness of partnerships varies	Equitable terms; developing-country voice; accountability mechanisms

Need to Know –

Analysing how tourism assists international development goals at the MBA level requires more than mapping tourism to SDG targets. Assessors expect you to: identify the specific mechanisms or pathways through which tourism contributes to each goal (not just assert the link); evaluate the quality and strength of evidence for each claimed contribution; identify the conditions under which tourism's potential contribution is realised versus the conditions under which it fails to materialise; demonstrate awareness that tourism's contribution varies dramatically across different goal areas – strong for economic growth, contested for gender equality, and negative for climate action; and recognise that the gap between tourism's potential development contribution and its actual contribution is the space where policy intervention matters most. The strongest work is specific, evidence-based, and honest about what tourism has actually achieved rather than what it might theoretically achieve.

Did you know...?

The UN-Tourism's Sustainable Tourism – Eliminating Poverty (ST-EP) programme, launched in 2002, identified seven specific mechanisms through which tourism can reduce poverty: employment of the poor in tourism enterprises; supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor; direct sales of goods and services to visitors by the poor (informal economy); establishment and running of tourism enterprises by the poor (micro, small, and community-based enterprises); tax or levy on tourism income or profits with proceeds directed to benefit the poor; voluntary giving and support by tourism enterprises and tourists; and investment in infrastructure stimulated by tourism that also benefits the poor. This typology remains the most operationally useful framework for analysing the specific pathways through which tourism can assist poverty reduction, though critics have noted that the evidence for each mechanism is stronger in some contexts than others and that the structural conditions examined throughout this module determine which mechanisms actually function effectively.

Industry Insight – Tourism and the SDGs in Practice: How Namibia's Community Conservancy Model Assists Multiple Development Goals Simultaneously

Namibia's community conservancy programme is widely regarded as one of the most successful examples of tourism assisting international development goals across multiple dimensions simultaneously. The programme illustrates what is possible when the structural conditions identified throughout this module – community ownership, strong institutional frameworks, equitable benefit-sharing, and genuine conservation commitment – are deliberately created through policy intervention.

The model. Following independence in 1990, Namibia's government enacted legislation enabling rural communities to form conservancies – legally constituted communal entities with the right to manage and benefit from wildlife and tourism on their communal lands. Communities that form conservancies gain legal rights to manage their natural resources, operate tourism enterprises, enter into joint venture agreements with private-sector safari and lodge operators, and receive a share of tourism revenue generated on their land. The programme has grown from four conservancies in 1998 to over 86 registered conservancies covering approximately 20 per cent of Namibia's land area and supporting more than 200,000 community members.

Poverty reduction and economic growth (SDGs 1 and 8). The conservancy programme generates direct income for some of Namibia's poorest rural communities through joint venture lodge agreements (in which private operators pay conservancy fees, rental income, and staff-sourcing commitments), community-operated campsites and craft centres, and game meat distribution from managed wildlife harvests. The Namibian Association of CBNRM Support Organisations (NACSO) has documented that conservancies generate tens of millions of Namibian dollars annually in benefits to member communities through a combination of cash income, employment, and in-kind benefits. Employment is generated both directly in tourism operations (guides, lodge staff, craft workers) and indirectly through supply chain linkages (local food procurement, transport, construction).

Gender equality (SDG 5). While Namibian conservancies operate within a patriarchal social context, several have demonstrated women's economic empowerment through tourism: women-led craft cooperatives produce and sell traditional jewellery, baskets, and textiles to tourists; women hold positions on conservancy management committees; and tourism employment provides women with independent income in communities where women's economic participation was previously limited to subsistence agriculture. The extent of women's empowerment varies across conservancies and is constrained by pre-existing gender norms, but the economic opportunities that tourism creates have measurably improved women's economic agency in several documented cases.

Environmental conservation (SDGs 14 and 15). The conservancy programme's most celebrated achievement is its contribution to wildlife conservation. By giving communities legal rights to wildlife on their land and creating economic incentives through tourism, the programme has transformed the relationship between rural communities and wildlife from one of conflict to one of stewardship. Namibia is one of very few African countries where populations of large mammals – including desert-adapted elephants, lions, cheetahs, and black rhinos – have increased outside of national parks, specifically in conservancy areas where tourism revenue makes wildlife valuable to communities. Poaching has declined in conservancy areas because communities have an economic incentive to protect wildlife rather than tolerate its destruction. The environmental outcome is directly linked to the economic pathway: conservation succeeds because tourism makes it financially rational.

Cultural heritage and community governance (SDGs 11 and 16). Conservancy tourism has created incentives for cultural preservation: traditional tracking skills, knowledge of wildlife behaviour, and cultural practices that were declining as younger generations migrated to urban areas have been revitalised because they are valued by tourists and generate economic returns. The conservancy governance model has strengthened community institutional capacity, democratic participation, and transparent financial management – skills and structures that extend beyond tourism to benefit community governance more broadly.

Critical assessment. Namibia's conservancy model is not without limitations and challenges. Revenue distribution within conservancies is sometimes contested, with allegations of elite capture by conservancy committee members. The tourism income, while transformative for some households, represents a modest supplement to livelihoods that remain primarily dependent on subsistence agriculture and livestock. Human-wildlife conflict remains a significant source of tension: wildlife that is valuable for tourism also destroys crops and threatens livestock, and compensation mechanisms are often perceived as inadequate. The programme's dependence on international tourism demand means that external shocks – as the COVID-19 pandemic demonstrated devastatingly when lodge closures eliminated conservancy revenue overnight – can rapidly reverse development gains. And the carbon emissions associated with the long-haul flights that bring international visitors to Namibian conservancies represent the same global-local environmental paradox identified throughout this module.

Despite these limitations, Namibia's community conservancy programme demonstrates that when the structural conditions are right – community ownership, secure resource rights, supportive legislation,

institutional capacity support, genuine partnerships with private-sector operators, and a governance framework that ensures accountability – tourism can simultaneously assist poverty reduction, gender equality, environmental conservation, cultural heritage preservation, and community governance. It represents the strongest evidence available that tourism's assistance to international development goals is real, but conditional on deliberate policy design rather than market forces alone.

Over to You – Student Activity

This activity requires you to source and critically engage with a peer-reviewed journal article that examines tourism's contribution to one or more international development goals.

Task: Using an academic database, source one peer-reviewed journal article that analyses tourism's assistance to a specific international development goal or set of goals. Suitable articles might examine: tourism and poverty reduction (pro-poor tourism), tourism and gender empowerment, tourism-funded conservation, tourism and the SDGs, tourism and infrastructure development in developing countries, tourism and cultural heritage preservation, or community-based tourism and local governance.

Suggested search terms: “tourism SDGs contribution” • “pro-poor tourism effectiveness” • “tourism poverty reduction evidence” • “tourism gender empowerment developing countries” • “tourism conservation funding” • “community-based tourism development outcomes” • “tourism infrastructure developing countries” • “tourism cultural heritage SDG 11”

What to write (approximately 500–700 words): Identify which development goal(s) the article examines and the specific pathway through which tourism is claimed to assist. Evaluate the strength and quality of the evidence presented: is the contribution demonstrated through empirical data, or is it asserted without rigorous evidence? Assess whether the article identifies the conditions under which tourism's development contribution is realised and the barriers that prevent it. Conclude with a reflection on what the article reveals about the gap between tourism's theoretical potential to assist development goals and its actual demonstrated contribution, and what policy interventions would be needed to close that gap.

Revision on the Go

- Tourism is explicitly referenced in SDG targets 8.9 (sustainable tourism jobs and local culture), 12.b (monitoring tools), and 14.7 (SIDS/LDC marine economic benefits); mapped to all 17 SDGs by UN.
- Poverty reduction (SDG 1): tourism creates income pathways but only reduces poverty when benefits reach the poor through deliberate linkage programmes, decent employment, and local enterprise support.
- Economic growth (SDG 8): strongest evidence; ≈10% global GDP; but growth ≠ inclusive development without equitable distribution and diversification.
- Gender equality (SDG 5): women are majority of workforce but concentrated in lowest-paid roles; empowerment is conditional on addressing structural barriers.
- Climate action (SDG 13): tourism is part of the problem (≈8% of global GHG) not the solution; the most significant negative contribution.
- Conservation (SDGs 14, 15): strong localised evidence (Rwanda, Costa Rica, Namibia, Galápagos) but systemic environmental impact undermines destination-level gains.

- Cultural heritage (SDG 11): funds preservation but risks commodification; effectiveness depends on community control of cultural engagement.
- Peace (SDG 16): weakest evidence; difficult to prove empirically; superficial encounters may reinforce rather than reduce stereotypes.
- Infrastructure (SDG 9): tourism catalyses investment but infrastructure may serve tourism corridors not host communities.
- The ST-EP framework identifies seven specific poverty reduction mechanisms: employment, supply chains, direct sales, enterprise, taxation, voluntary giving, and infrastructure.
- The consistent pattern: tourism has genuine pathways to assist development goals but realisation depends on conditions that must be deliberately created through policy – it is never automatic.

Case Study – Tourism and Development Goals in Nepal: From Trekking Economy to Multi-Goal Development Aspiration

Background

Nepal, a landlocked South Asian nation of approximately 30 million people, illustrates both the potential and the limitations of tourism as a vehicle for assisting international development goals in one of the world's poorest countries. Nepal's tourism sector, which attracted approximately 1.2 million international visitors in 2019, is built primarily on two assets: the Himalayan mountain range (including eight of the world's fourteen peaks above 8,000 metres, most notably Mount Everest) and a rich cultural heritage (Kathmandu Valley's UNESCO World Heritage Sites, Buddhist pilgrimage destinations including Lumbini – the birthplace of the Buddha – and Hindu temple complexes). Tourism contributes approximately 8 per cent of GDP and supports an estimated 1 million direct and indirect jobs.

Poverty Reduction and Economic Growth

Tourism has created measurable economic opportunities in mountain regions where alternative livelihoods are scarce. The trekking economy employs thousands of porters, guides, lodge operators, and tea-house owners along routes including the Everest Base Camp trek, the Annapurna Circuit, and the Langtang Valley. Community homestay programmes in rural areas provide supplementary income to farming families. Tourism-related microenterprises in handicrafts, food service, and transport support livelihoods in Kathmandu and Pokhara. However, the distribution of economic benefits is deeply inequitable: tourism spending concentrates in Kathmandu and a small number of trekking corridors, leaving the majority of Nepal's rural population outside the tourism economy. The trekking porter workforce – predominantly low-caste and ethnic minority men carrying loads of 30 to 60 kilogrammes for minimal wages – represents some of the most exploitative labour conditions in global tourism, undermining claims that tourism employment automatically contributes to decent work (SDG 8). And the COVID-19 pandemic devastated the sector, eliminating income for hundreds of thousands of tourism-dependent workers who had no savings, no social protection, and no alternative employment to fall back upon.

Environmental Conservation

Nepal's national park and conservation area system – covering approximately 23 per cent of the country's territory – is partially funded by tourism entrance fees. The Annapurna Conservation Area Project (ACAP), managed by the National Trust for Nature Conservation, is one of the world's most cited examples of tourism-funded conservation, using trekking permit revenue to fund trail maintenance, reforestation, waste management, and community development. Chitwan National Park's wildlife tourism generates revenue that supports anti-poaching patrols and habitat management, contributing to the recovery of endangered species including the greater one-horned

rhinoceros and the Bengal tiger. However, the environmental pressures of tourism in the Himalayas are severe and growing. The Everest region faces a waste crisis: tonnes of abandoned climbing equipment, oxygen bottles, food packaging, and human waste litter the mountain and surrounding trekking routes. Helicopter tourism to Everest Base Camp has proliferated, increasing noise pollution and carbon emissions in a fragile alpine environment. Deforestation for lodge construction and firewood along trekking routes has degraded forest ecosystems. And glacier melt – accelerated by global climate change to which tourism’s aviation emissions contribute – is creating dangerous glacial lakes that threaten mountain communities and trekking routes with catastrophic flooding.

Cultural Heritage

Tourism has provided economic incentives for the preservation of Kathmandu Valley’s extraordinary architectural heritage – temples, palaces, courtyards, and traditional townscapes that constitute one of the world’s densest concentrations of cultural monuments. International tourism revenue and attention contributed to conservation efforts both before and after the devastating 2015 earthquake that damaged or destroyed numerous heritage structures. Lumbini, the Buddha’s birthplace, has benefited from international pilgrimage tourism and development assistance for the sacred site’s management. However, rapid urbanisation in Kathmandu – driven partly by tourism-related economic growth – threatens the cultural landscape with uncontrolled construction, traffic congestion, and the demolition of traditional buildings for commercial development. The commercialisation of cultural sites and religious festivals for tourist consumption has generated tension with local communities who feel that sacred spaces are being treated as entertainment venues.

Gender and Social Dimensions

Tourism has created opportunities for women’s economic participation in a society where gender inequality is deeply embedded. Women-owned tea houses, handicraft cooperatives, and community homestay programmes provide income and economic agency for women in rural areas. The establishment of women’s trekking guide training programmes – pioneered by organisations such as Three Sisters Adventure Trekking in Pokhara – has challenged gender norms in the male-dominated guiding profession and created role models for younger women. However, the broader tourism economy remains heavily gendered: women perform the majority of unpaid or low-paid hospitality labour (cooking, cleaning, serving) while men dominate guiding, management, and entrepreneurship. Sexual harassment and safety concerns for women working in tourism are documented but inadequately addressed.

Nepal’s Tourism Development Aspirations

Nepal’s government has articulated ambitious tourism development goals, including a target of attracting 2 million international visitors, developing tourism infrastructure beyond the traditional Kathmandu-Pokhara-Everest corridor, and positioning tourism as a transformative contributor to national development. The Visit Nepal campaign and subsequent recovery strategies reflect modernisation-informed optimism about tourism’s development potential. Yet the analysis above suggests that achieving these goals in ways that genuinely assist international development objectives requires addressing fundamental structural challenges: reducing economic concentration and leakage, improving labour conditions (particularly for porters), managing environmental impacts in fragile mountain ecosystems, ensuring that cultural heritage preservation takes precedence over commercial exploitation, and creating genuine pathways for women’s empowerment within the tourism economy.

Discussion Questions

1. Using Table 1 from this section, assess Nepal’s tourism sector against each of the development goal areas. Where is tourism’s contribution strongest, and where is it weakest or most contradictory?

2. The Everest waste crisis and the trekking porter exploitation represent two dimensions of tourism's negative impact on development goals in Nepal. Using the development theories from this module (dependency, capability approach), analyse the structural conditions that produce these outcomes and propose policy interventions to address them.
3. Compare the Annapurna Conservation Area Project (ACAP) with Namibia's community conservancy model (from the Industry Insight). What do the similarities and differences reveal about the conditions under which tourism effectively assists environmental conservation goals?
4. Evaluate the Three Sisters Adventure Trekking model as a pathway for tourism to assist gender equality goals (SDG 5) in Nepal. What conditions enabled its success, and how scalable is the model across the broader Nepali tourism economy?
5. Nepal's government aspires to double international visitor numbers. Using the analytical framework from this module, assess whether this growth-oriented strategy is likely to assist or undermine Nepal's progress toward international development goals. What alternative strategic approach would you recommend?

Summary

In this chapter you critically analysed the affiliation between tourism and international development.

You evaluated the impacts of tourism in destinations and the affiliation between tourism and sustainable development.

On completion of this chapter, you analysed the ways in which tourism assists international development goals.

Chapter Four – Develop plans for tourism projects to manage development problems

Introduction

In this chapter you will develop plans for tourism projects to manage development problems.

You will investigate and explain development issues in an international context.

Next, you will develop and explain plans for tourism projects that addresses and manages the development issues.

Learning Outcomes

On completing the chapter, you will be able to:

4. Develop plans for tourism projects to manage development problems

Assessment Criteria

4.1 Investigate and explain development issues in an international context

4.2 Develop and explain plans for tourism projects that addresses and manages the development issues

4.1 Investigate and explain development issues in an international context

Introduction

The preceding sections of this module have analysed the history and approaches to tourism policy, the multi-scalar institutional architecture of tourism governance, the theoretical frameworks for understanding tourism and international development, the structural position of developing countries, the impacts of tourism in destinations, the affiliation between tourism and sustainable development, and the pathways through which tourism assists development goals. This final section integrates and extends those analyses by investigating the contemporary development issues that define the international context within which tourism policy and development must now operate.

Development issues are not abstract academic concepts; they are the lived realities of communities, economies, and environments shaped by forces that transcend national boundaries. At the MBA level, investigating and explaining these issues requires understanding their origins, their manifestation in tourism contexts, their interconnections with one another, and their implications for tourism policy and hospitality management. This section examines eight critical development issues that are reshaping the international tourism landscape and explains how each affects the relationship between tourism and development.

1. The Climate Crisis and Tourism's Carbon Contradiction

The issue. Climate change is the most consequential development issue of the twenty-first century, and tourism is deeply implicated in it from both sides. Tourism contributes approximately 8 per cent of global greenhouse gas emissions, predominantly through aviation, making it a significant driver of the problem. Simultaneously, tourism-dependent destinations – particularly Small Island Developing States, coastal regions, alpine environments, and biodiversity-rich ecosystems – are among the most vulnerable to climate impacts including sea level rise, coral bleaching, extreme weather events, glacier retreat, water scarcity, and biodiversity loss. This creates what scholars have termed the “carbon contradiction”: the industry that depends most on environmental quality is a significant contributor to the environmental degradation that threatens its own future.

The international development context. Climate change is fundamentally an issue of international justice. The nations most responsible for historical carbon emissions (the industrialised Global North) are least vulnerable to climate impacts, while the nations least responsible (small island states, African nations, South Asian countries) bear the heaviest consequences. For tourism-dependent developing countries, this injustice is compounded: their tourism economies depend on visitors arriving by air from wealthy nations, generating the emissions that threaten the destinations those visitors are coming to enjoy. The Paris Agreement's targets for limiting global warming require radical decarbonisation of all sectors, including aviation, yet no commercially viable technology currently exists to decarbonise long-haul air travel at scale. Sustainable aviation fuels, electric aircraft, and hydrogen propulsion are in development but remain decades away from deployment at the scale necessary to make international tourism genuinely compatible with climate targets.

Implications for tourism policy. Tourism policy in the international context must now grapple with questions it has historically avoided: whether continued growth in international air travel is compatible with climate commitments; how the costs of aviation decarbonisation should be

distributed between tourism-generating and tourism-receiving nations; whether climate-vulnerable destinations should diversify away from international tourism rather than deepening their dependency on an aviation-dependent industry; and how the international community should compensate tourism-dependent nations for the loss and damage caused by a climate crisis they did not create. The UNFCCC's Loss and Damage fund, agreed at COP27, has direct relevance for tourism-dependent developing countries, though the fund's scale and implementation remain contested.

2. Geopolitical Instability and the Fragility of Tourism Demand

The issue. International tourism demand is acutely sensitive to geopolitical conditions. Armed conflict, terrorism, political instability, diplomatic tensions, and sanctions can collapse visitor flows to affected regions virtually overnight. The post-2020 period has been characterised by heightened geopolitical fragmentation: the war in Ukraine disrupted travel across Eastern Europe and redirected Russian tourism; tensions in the Middle East affected tourism across the broader region; political instability in Myanmar, Ethiopia, and other destinations deterred visitors; and the broader trend toward what commentators have described as a multipolar, less cooperative international order has increased the unpredictability of the geopolitical environment within which tourism operates.

The international development context. For developing countries that have invested heavily in tourism as a development strategy, geopolitical instability represents a structural vulnerability that is entirely beyond their control. Egypt's tourism economy has been repeatedly devastated by political upheaval, terrorism, and regional instability despite possessing some of the world's most iconic tourism assets. Tunisia's tourism sector collapsed following the 2015 terrorist attacks and has struggled to recover. Sri Lanka's tourism recovery from the civil war was interrupted by the 2019 Easter bombings and the 2022 economic crisis. These cases demonstrate that tourism-dependent development strategies are inherently fragile: the assets (culture, heritage, landscapes) are place-bound and immobile, but the demand is generated by consumers in other countries whose willingness to visit is shaped by perceptions of safety that a single incident can destroy. The development implication is that countries pursuing tourism-led development must maintain economic diversification rather than concentrating resources in a sector whose demand base is so vulnerable to exogenous shocks.

3. Pandemic Preparedness and Health Security

The issue. The COVID-19 pandemic represented the most severe disruption in the history of international tourism, reducing global international tourist arrivals by approximately 73 per cent in 2020 and causing an estimated loss of \$2.4 trillion in tourism export revenue over two years. The pandemic exposed the extreme vulnerability of tourism-dependent economies to public health crises, the inadequacy of crisis preparedness in most national tourism systems, and the absence of international mechanisms for supporting tourism workers and communities during prolonged demand shocks.

The international development context. The pandemic's development impact fell most heavily on tourism-dependent developing countries where workers lacked social protection, governments lacked fiscal capacity for stimulus and support programmes, and economies lacked the diversification to absorb the loss of tourism revenue. The UN-Tourism estimated that 62 million tourism jobs were lost globally in 2020, with a disproportionate share in developing countries.

The pandemic revealed that tourism-led development, without adequate social protection, fiscal reserves, and economic diversification, creates a form of prosperity that can evaporate in months, pushing millions of people back into poverty. The development lesson is not that tourism should be abandoned but that tourism-dependent economies must build resilience: social protection for tourism workers, fiscal reserves to sustain public services during demand shocks, economic diversification to provide alternative livelihoods, and crisis management protocols that enable rapid response and recovery.

The post-pandemic landscape. International tourism has recovered strongly – the UN-Tourism reported that global arrivals reached approximately 96 per cent of pre-pandemic levels by the end of 2024 – but the pandemic has permanently altered the policy landscape. Health security is now embedded in tourism planning in ways that it was not before. Digital health credentials, enhanced hygiene protocols, and pandemic preparedness provisions have become standard elements of tourism governance. Several destinations have used the pandemic disruption as an opportunity to rethink their tourism models, pursuing quality-over-volume strategies that reduce the vulnerability created by high-volume, low-margin tourism. The pandemic has also accelerated the digital transformation of tourism – contactless check-in, mobile booking, virtual experiences, and remote working-enabled travel – with implications for both how tourism is delivered and who participates in the tourism economy.

4. Global Inequality and the Distribution of Tourism's Benefits

The issue. International tourism is both shaped by and a shaper of global inequality. The ability to participate in international tourism as a consumer is heavily determined by income, citizenship, and the passport privilege that determines visa-free access to destinations. Citizens of wealthy nations enjoy virtually unrestricted global mobility, while citizens of many developing countries face restrictive visa regimes, prohibitive costs, and limited access to the international tourism system as either producers or consumers. Within destination countries, tourism's economic benefits are distributed according to pre-existing patterns of wealth, ownership, and power – those who own property, operate established businesses, and possess the education and social capital to engage with the tourism economy capture disproportionate benefit, while those without these assets are often limited to low-wage service roles or excluded entirely.

The international development context. The global tourism value chain concentrates value extraction in the Global North. Airlines, tour operators, online travel agencies, hotel management companies, and cruise lines headquartered in developed countries capture the majority of international tourist expenditure before any revenue reaches developing-country destinations. Within destinations, foreign-owned properties, expatriate managers, and imported goods further reduce the share of tourism spending retained locally. This structural inequality is not incidental to the international tourism system – it is embedded in its architecture, and no amount of sustainable tourism certification or pro-poor tourism programming can address it without structural reform of the value chain itself. The development issue is whether tourism can be reorganised to distribute its benefits more equitably, or whether its current architecture ensures that inequality is reproduced rather than reduced.

5. Digital Transformation and the Platform Economy

The issue. Digital transformation is reshaping every dimension of international tourism: how travellers discover, plan, and book travel; how tourism experiences are delivered and reviewed;

how destinations are marketed and managed; and who captures value within the tourism economy. The platform economy – dominated by companies including Booking.com, Airbnb, Expedia, Google, TripAdvisor, and increasingly generative AI search tools – has fundamentally altered the distribution architecture of international tourism, concentrating enormous power in a small number of technology intermediaries that extract commissions and data from transactions between travellers and local tourism providers.

The international development context. Digital disruption creates both opportunities and threats for developing-country tourism. The opportunity lies in disintermediation: digital platforms enable small-scale tourism operators in developing countries to connect directly with international travellers, bypassing traditional tour operator intermediaries and potentially capturing a greater share of visitor expenditure. Social media enables destinations with limited marketing budgets to reach global audiences through user-generated content and influencer partnerships. Mobile payment systems enable micro-enterprises to participate in the tourism economy. However, the threat is equally significant: the dominant platforms are owned by corporations headquartered in developed countries that extract commissions of 15 to 25 per cent from local operators, creating a new form of digital dependency. Algorithmic ranking systems determine which properties and experiences are visible to travellers, conferring enormous power on platform companies that are accountable to their shareholders rather than to the communities whose livelihoods depend on visibility in their systems. The digital divide – unequal access to internet connectivity, digital literacy, and technology infrastructure – means that the most marginalised communities and operators are least able to participate in the digital tourism economy. And the rise of generative AI in travel discovery creates new gatekeeping dynamics where the algorithms that mediate travel decisions are even further removed from local control and understanding.

6. The Overtourism-Undertourism Paradox

The issue. One of the most striking development issues in contemporary international tourism is the simultaneous existence of overtourism in some destinations and undertourism in others. Cities including Venice, Barcelona, Amsterdam, Dubrovnik, and Kyoto experience visitor pressure that degrades resident quality of life, overwhelms infrastructure, and threatens cultural and environmental assets. Meanwhile, vast regions of the developing world – much of sub-Saharan Africa, Central Asia, parts of South America, and many Pacific Island nations – struggle to attract sufficient visitors to generate meaningful development benefits despite possessing extraordinary natural and cultural assets.

The international development context. This paradox reflects the concentration of international tourism demand in a relatively small number of established destinations while the majority of developing countries remain on the periphery of global tourism flows. The concentration is driven by factors including air connectivity (hub airports in established destinations enjoy far greater international route networks), brand recognition (travellers gravitate toward destinations they have heard of), infrastructure quality (developed destinations offer the transport, accommodation, and service standards that international travellers expect), perceived safety (negative perceptions, whether accurate or not, deter visitors from unfamiliar destinations), and the self-reinforcing dynamics of online platforms (highly reviewed and frequently booked destinations achieve greater algorithmic visibility, attracting more visitors and more reviews in a positive feedback loop that is very difficult for new destinations to break into). Addressing the overtourism-undertourism paradox requires deliberate intervention: visitor dispersal strategies that redirect demand from congested destinations to undervisited ones, air connectivity development that opens routes to emerging destinations, targeted marketing that builds

awareness and confidence for less-established destinations, and investment in the infrastructure and service quality that enable emerging destinations to meet international visitor expectations.

7. Labour Rights, Migration, and the Hospitality Workforce

The issue. The international hospitality and tourism workforce is characterised by conditions that represent a significant development issue in their own right: low wages relative to other sectors, precarious employment contracts, long and antisocial working hours, limited career progression particularly for women and workers from developing countries, high turnover, and in the most extreme cases, forced labour and modern slavery in tourism supply chains. The hospitality industry is one of the world's largest employers of migrant workers, and the intersection of migration and hospitality labour raises complex development questions about the terms on which workers from developing countries participate in the tourism economies of wealthier nations, the conditions they work under, and whether the remittances they send home constitute a genuine development contribution or a reflection of exploitative labour conditions that wealthy nations benefit from and developing nations are unable to prevent.

The international development context. The Gulf states' hospitality sectors, which depend overwhelmingly on migrant workers from South and Southeast Asia, illustrate the development dimensions of tourism labour migration at their starkest. Workers often incur significant debts to recruitment agencies, face confiscation of passports, live in substandard accommodation, work excessive hours, and have limited legal recourse against exploitation under the kafala (sponsorship) system. While the remittances these workers send home make a significant contribution to the economies of their home countries – Bangladesh, Nepal, the Philippines, India, and others – the conditions under which these remittances are earned raise fundamental ethical questions about the development model they represent. The ILO's Decent Work Agenda (SDG 8) provides the normative framework for addressing these issues, but enforcement depends on national labour legislation and political will that are often insufficient in the countries where hospitality labour exploitation is most prevalent.

8. Post-Colonial Heritage, Identity, and the Politics of Representation

The issue. Many of the world's most visited tourism destinations in the developing world are products of colonial history: plantation great houses in the Caribbean, colonial architecture in Southeast Asia, safari landscapes in East Africa shaped by colonial conservation regimes, and ancient monuments whose "discovery" by European explorers became the basis for their international fame. The way these sites are interpreted, marketed, and experienced by international tourists raises development issues about whose narrative is told, whose history is centred, and whose agency is recognised.

The international development context. Post-colonial scholars have documented how tourism marketing frequently perpetuates colonial-era representations: developing-country destinations are marketed as exotic, primitive, timeless, and available for consumption by visitors from the former colonial powers. Safari tourism in Africa draws on imagery and narrative structures rooted in the colonial hunting tradition. Plantation tourism in the Caribbean has been criticised for romanticising sites of enslavement. Heritage interpretation at colonial-era sites often centres the coloniser's perspective while marginalising the experiences and resistance of colonised peoples. These representational practices are not merely academic concerns – they shape how international visitors understand developing countries, they influence the political and economic

relationships between tourism-generating and tourism-receiving nations, and they affect the self-image and cultural confidence of host communities. The development issue is whether tourism can be reimagined to centre indigenous and local narratives, to tell honest and complete histories, and to empower destination communities as authors of their own stories rather than objects of other people's consumption. Initiatives such as decolonising heritage interpretation, supporting indigenous tourism enterprises, and developing dark tourism experiences that confront rather than romanticise colonial history represent emerging responses to this challenge, though they remain marginal within the global tourism system.

The Interconnectedness of Development Issues

These eight development issues do not exist in isolation – they interact and compound in ways that create complex, multi-dimensional challenges for tourism policy and development practice. Climate change intensifies geopolitical instability by driving resource competition and migration, which in turn disrupts tourism demand. The pandemic exposed the inequality of the global tourism system and accelerated digital transformation, which is reshaping the distribution of power and value within the industry. Overtourism in established destinations coexists with undertourism in developing countries partly because the digital platforms that concentrate demand also concentrate visibility. Labour exploitation in the hospitality sector is enabled by the migration patterns that global inequality produces and by the weak governance structures that post-colonial institutional legacies have left in place.

For the MBA student, the critical skill is the ability to trace these interconnections – to see how a climate-related extreme weather event in a Caribbean island nation simultaneously threatens its tourism infrastructure, displaces its workforce, reduces its capacity to service the debt incurred for tourism development, erodes the environmental assets that attracted visitors, and deepens its dependency on international assistance and investment on terms it has limited power to negotiate. Understanding development issues in an international context means seeing the full system rather than isolated problems, and recognising that effective policy intervention must address interconnections rather than treating each issue in isolation.

Table 1. Contemporary Development Issues Affecting International Tourism

Development Issue	Tourism Manifestation	Developing-Country Impact	Policy Response Required
Climate crisis	Carbon contradiction; destination vulnerability; aviation dependency	Existential threat to SIDS and coastal destinations; injustice of bearing costs not caused	Decarbonisation; climate adaptation; loss and damage compensation; diversification
Geopolitical instability	Demand collapse from conflict, terrorism, diplomatic tensions	Tourism investment destroyed; workers lose livelihoods overnight; recovery takes years	Economic diversification; crisis protocols; regional cooperation; source market diversification
Pandemic preparedness	Demand shocks; border closures; worker displacement; economic collapse	Disproportionate impact on tourism-dependent economies lacking social protection	Social protection; fiscal reserves; diversification; health infrastructure; crisis management

Development Issue	Tourism Manifestation	Developing-Country Impact	Policy Response Required
Global inequality	Value chain concentration; leakage; passport privilege; distributional skew	Benefits flow to Global North corporations; costs borne by host communities	Value chain reform; local enterprise support; equitable partnerships; progressive taxation
Digital disruption	Platform dominance; algorithmic gatekeeping; commission extraction; digital divide	New dependency on tech platforms; marginalised operators excluded; data extracted	Digital literacy; platform regulation; local booking infrastructure; data governance
Overtourism-undertourism	Demand concentration in few destinations; emerging destinations excluded	Developing countries struggle for visibility while established destinations overflow	Visitor dispersal; connectivity development; targeted marketing; infrastructure investment
Labour and migration	Low wages; precarity; exploitation; kafala system; gender inequality	Workers from developing countries exploited in wealthy-nation hospitality sectors	Decent work standards; labour regulation; migration governance; social protection
Post-colonial heritage	Colonial narratives in marketing; romanticised interpretation; cultural extraction	Host communities represented through colonial lens; agency denied; histories erased	Decolonised interpretation; Indigenous tourism empowerment; honest heritage narratives

Need to Know –

Investigating and explaining development issues at the MBA level requires more than describing contemporary challenges. Assessors expect you to: explain why each issue constitutes a development challenge (not just a tourism management problem); connect each issue to the theoretical frameworks and structural analyses developed throughout this module; demonstrate awareness of how issues interact and compound rather than treating them in isolation; identify the specific implications for developing countries and tourism-dependent economies; and propose or evaluate policy responses that address root causes rather than symptoms. The strongest work connects the investigation of development issues back to the module's core themes: the multi-scalar nature of governance, the structural position of developing countries, the theoretical debates about tourism and development, the tourism-sustainability affiliation, and the conditions under which tourism assists or undermines development goals.

Did you know...?

The Henley Passport Index, which ranks passports by the number of destinations their holders can access without a prior visa, reveals a stark geography of mobility inequality. Citizens of Japan, Singapore, and several European nations can access over 190 destinations visa-free, while citizens of Afghanistan, Iraq, and Syria can access fewer than 30. This “passport privilege” is a direct legacy of colonial and post-colonial geopolitics and has profound implications for international tourism: citizens of the wealthiest nations enjoy virtually unrestricted global mobility as tourists, while citizens

of developing nations face restrictive visa regimes, prohibitive application costs, and systemic barriers to international travel. The asymmetry extends to the tourism economy itself: workers in developing countries seeking employment in wealthy-nation hospitality sectors face immigration barriers that restrict their mobility, while the tourists they serve cross borders with minimal friction. This mobility inequality is both a product of and a contributor to the global power structures that shape the international tourism system.

Industry Insight – Compounding Development Issues in the Pacific Islands: Climate, Connectivity, COVID, and Colonial Legacy

The Pacific Island nations – including Fiji, Vanuatu, Samoa, Tonga, the Cook Islands, Palau, and the Marshall Islands – provide a uniquely revealing case study in how multiple development issues compound to create an extraordinarily challenging environment for tourism-led development. These nations illustrate what happens when virtually every contemporary development issue converges on a single group of countries simultaneously.

Climate existential threat. Pacific Island nations are among the most climate-vulnerable places on Earth. Sea level rise threatens the physical existence of atoll nations such as Tuvalu, Kiribati, and the Marshall Islands. Coral bleaching is degrading the marine ecosystems that underpin dive and marine tourism throughout the region. Tropical cyclone intensity is increasing – Cyclone Pam in 2015 destroyed much of Vanuatu’s tourism infrastructure in hours. Coastal erosion is consuming beaches that form the core of the beach tourism product. And freshwater scarcity on small islands is being intensified by changing rainfall patterns. These climate impacts are being inflicted on nations that have contributed virtually nothing to global carbon emissions, representing the most extreme case of climate injustice in the international tourism system. The tourism industry that these nations depend upon for economic survival simultaneously contributes to the climate change that threatens their physical survival.

Connectivity and isolation. Geographic isolation – which creates the pristine, uncrowded environments that attract visitors – simultaneously constrains tourism development by limiting air connectivity, increasing transport costs, and making it prohibitively expensive to import the goods and materials that international tourism requires. Many Pacific nations are served by a single airline, making their tourism economies dependent on the commercial decisions of one carrier. The loss of a single air route can effectively close a destination. The cost of building and maintaining tourism infrastructure on remote islands is dramatically higher than on mainlands, and the extreme exposure to natural disasters means that infrastructure must be rebuilt more frequently. The overtourism-undertourism paradox is starkly evident: while global tourism flows concentrate in established destinations, Pacific Island nations struggle to attract even the modest visitor numbers that would sustain viable tourism economies.

Pandemic devastation. The COVID-19 pandemic was catastrophic for Pacific Island tourism. Border closures that protected small populations with limited healthcare capacity from the virus simultaneously eliminated the tourism revenue that constituted 20 to 60 per cent of GDP across the region. Fiji, the largest Pacific Island tourism economy, saw visitor arrivals collapse from approximately 900,000 in 2019 to fewer than 25,000 in 2020 and 2021, with devastating consequences for employment, government revenue, and social welfare. The pandemic revealed with brutal clarity the vulnerability of tourism monoculture in small island economies: when tourism stops, everything dependent on it stops. Recovery has been significant – Fiji in particular has recovered strongly – but the pandemic has reinforced the imperative for economic diversification and social resilience.

Colonial legacy and value extraction. Pacific Island tourism economies bear the imprint of colonial history. Many island nations gained independence relatively recently (Fiji in 1970, Vanuatu in 1980, Palau in 1994) and inherited colonial-era institutional frameworks, land tenure systems, and economic structures that continue to shape how tourism operates. Foreign ownership of major tourism assets is prevalent. International airlines and tour operators headquartered in Australia, New Zealand, and Asia capture a substantial share of visitor expenditure before it reaches the islands. The marketing representation of Pacific Islands often draws on colonial-era imagery – the “tropical paradise” narrative that reduces complex societies to consumer fantasies of escape and relaxation. The development issue is whether Pacific Island nations can reclaim agency over their tourism economies, tell their own stories, and restructure the value chain to retain a greater share of the wealth that tourism generates.

Digital challenges and opportunities. The digital divide compounds the Pacific Islands’ connectivity challenges. Internet access remains expensive and unreliable in many Pacific nations, limiting the ability of local tourism operators to manage online bookings, maintain social media presence, and participate in the digital tourism economy on equal terms with operators in better-connected destinations. However, digital technology also offers pathways for disintermediation: Pacific Island operators who can access digital platforms and develop direct booking capabilities may bypass traditional intermediaries and capture more value. Initiatives such as the Pacific Tourism Organisation’s digital capacity building programmes represent attempts to address the digital dimension of the development challenge.

The Pacific Islands case demonstrates with exceptional clarity how development issues are interconnected rather than independent: climate change intensifies infrastructure vulnerability, which increases the cost of maintaining tourism competitiveness, which deepens dependence on international assistance and investment, which reinforces the structural power asymmetries that colonial legacy established, which limits the policy autonomy necessary to address any of the individual issues effectively. For MBA students, the Pacific Islands represent the most challenging test case for the proposition that tourism can assist international development goals – and the most urgent case for the international community to address the structural conditions that determine whether tourism delivers development or dependency.

Over to You – Student Activity

This activity requires you to source and critically engage with a peer-reviewed journal article that investigates a specific development issue affecting tourism in an international context.

Task: Using an academic database, source one peer-reviewed journal article that examines one of the eight development issues discussed in this section (climate crisis, geopolitical instability, pandemic impacts, global inequality, digital disruption, overtourism-undertourism, labour and migration, or post-colonial heritage) as it affects tourism in a specific international context.

Suggested search terms: “climate change tourism SIDS” • “tourism geopolitical risk” • “COVID-19 tourism developing countries recovery” • “tourism inequality global value chain” • “digital platforms tourism developing countries” • “overtourism undertourism paradox” • “hospitality labour migration exploitation” • “post-colonial tourism representation” • “tourism development issues international”

What to write (approximately 500–700 words): Identify the specific development issue and international context examined. Explain why the issue constitutes a development challenge rather than merely a tourism management problem. Connect the issue to at least one theoretical framework from this module (dependency theory, capability approach, sustainable development, post-colonial theory). Assess whether the article identifies connections between the issue examined and other development issues (interconnectedness). Evaluate any policy responses discussed and assess

their adequacy. Conclude with a reflection on what the article reveals about the conditions under which tourism can assist development in the face of the issue examined – and what must change for those conditions to be established.

Revision on the Go

- Eight critical development issues: climate crisis, geopolitical instability, pandemic preparedness, global inequality, digital disruption, overtourism-undertourism paradox, labour and migration, and post-colonial heritage.
- Climate: tourism's carbon contradiction – the industry contributes ~8% of GHG while depending on the environmental quality that climate change degrades.
- Geopolitical: tourism demand is acutely sensitive to conflict, terrorism, and instability; developing countries that invest in tourism bear disproportionate vulnerability.
- Pandemic: COVID-19 caused 62 million job losses; tourism monoculture creates prosperity that can evaporate in months; resilience requires diversification and social protection.
- Inequality: passport privilege, value chain concentration, and distributional skew reproduce global inequality through the tourism system.
- Digital: platforms create new dependencies (15–25% commissions, algorithmic gatekeeping, data extraction) alongside opportunities for disintermediation.
- Overtourism-undertourism: demand concentrates in established destinations while developing countries struggle for visibility; driven by connectivity, brand recognition, and algorithmic self-reinforcement.
- Labour: hospitality characterised by low wages, precarity, and exploitation; migrant workers from developing countries face particular vulnerabilities; the kafala system exemplifies extreme conditions.
- Post-colonial: tourism marketing and heritage interpretation frequently perpetuate colonial-era narratives; decolonising tourism representation is an emerging imperative.
- Development issues are interconnected, not independent: climate intensifies instability, inequality shapes digital access, colonial legacy structures value extraction, and pandemic exposure reflects economic concentration.
- Effective policy must address interconnections and root causes, not treat each issue in isolation; the most vulnerable countries face the most compounding issues simultaneously.

Case Study – Compounding Development Issues in Ethiopia's Tourism Sector

Background

Ethiopia, Africa's second most populous nation with approximately 126 million people, possesses one of the continent's richest and most diverse tourism asset bases. The country is home to nine UNESCO World Heritage Sites including the rock-hewn churches of Lalibela, the ancient obelisks of Aksum, the castles of Gondar, the Lower Valley of the Omo and Awash with their palaeontological significance, and the Simien Mountains National Park with its endemic gelada baboons and Ethiopian wolves. Ethiopia is the birthplace of coffee, the home of one of Africa's oldest written languages (Ge'ez), and possesses a cultural heritage that spans three thousand years of continuous civilisation. Ethiopian Airlines, Africa's largest and most successful carrier, provides hub connectivity that most African nations lack. The Ethiopian government identified tourism as a priority sector in its

Growth and Transformation Plans, targeting 2.5 million international visitors and \$5 billion in tourism revenue.

Yet Ethiopia's tourism sector has consistently underperformed relative to its asset base and policy ambitions. International arrivals reached approximately 812,000 in 2018 before a devastating sequence of compounding development issues halted progress and reversed gains. This case illustrates how multiple development issues can converge to prevent a country with extraordinary tourism potential from translating that potential into development outcomes.

Geopolitical Instability and Conflict

The Tigray War (2020–2022), a devastating conflict between the Ethiopian federal government and the Tigray People's Liberation Front, caused an estimated hundreds of thousands of deaths, displaced millions, and generated widespread international condemnation. The conflict zone encompassed some of Ethiopia's most important tourism assets: the rock-hewn churches of Lalibela, the obelisks of Aksum, and the historic town of Mekelle were all in or adjacent to the conflict area. Heritage sites suffered damage, infrastructure was destroyed, and the tourism industry in northern Ethiopia collapsed entirely. International travel advisories warning against travel to Ethiopia were issued by the United States, the United Kingdom, and European governments, deterring visitors not only from the conflict zone but from the entire country. Even after the November 2022 ceasefire, the reputational damage has proven slow to repair: perception recovery after conflict typically takes five to ten years, during which the tourism economy and the communities dependent on it suffer continued deprivation.

Pandemic Compounding

The COVID-19 pandemic struck Ethiopia's tourism sector in 2020 just as the first ethnic tensions that would escalate into the Tigray War were emerging. International arrivals collapsed alongside the global shutdown. Ethiopian Airlines, which had been the primary driver of tourism connectivity growth, pivoted to cargo operations to survive but reduced passenger services dramatically. Hotels, tour operators, and community tourism enterprises that had been building capacity for years lost revenue, laid off staff, and in many cases closed permanently. The sequential nature of the shocks – pandemic followed immediately by conflict – meant that the sector had no opportunity to recover from one crisis before the next struck, creating a compounding effect that was far more destructive than either shock in isolation.

Inequality and Value Chain Issues

Even before the crisis period, Ethiopia's tourism economy exhibited structural characteristics that limited its development contribution. International tour operators based in Europe and North America controlled a significant share of the high-end cultural tourism market, capturing margins that reduced local value retention. Accommodation infrastructure outside Addis Ababa and a few major tourism towns was limited, channelling visitors through a narrow set of established routes. The institutional capacity of regional tourism bureaux to develop and manage tourism in their jurisdictions was constrained by limited budgets, staffing, and technical expertise. And the distribution of tourism's economic benefits was geographically concentrated, with Addis Ababa and the historic northern circuit capturing the vast majority of tourism spending while other regions with significant assets – the Omo Valley's cultural diversity, the Danakil Depression's geological wonders, the Bale Mountains' endemic wildlife – remained undervisited and underinvested.

Digital and Connectivity Challenges

Ethiopia's digital infrastructure, while improving rapidly in Addis Ababa, remains limited in the rural and regional areas where many tourism assets are located. Internet connectivity is unreliable, mobile banking is nascent, and the digital presence of Ethiopian tourism operators – particularly community-based and small-scale enterprises – lags significantly behind competitors in East Africa. The

Ethiopian government's periodic internet shutdowns during periods of political tension have further undermined digital reliability and international confidence. This digital gap limits Ethiopian operators' ability to market directly to international travellers, manage online bookings, and participate in the platform economy that increasingly mediates global tourism demand.

Heritage Interpretation and Representation

Ethiopia occupies a unique position in the post-colonial heritage discussion: it is one of only two African nations never colonised by a European power (alongside Liberia), giving it a heritage narrative fundamentally different from most African tourism destinations. This independence offers an opportunity for Ethiopian tourism to tell a story centred on African agency, civilisational achievement, and cultural continuity rather than the colonial-era narratives that shape tourism marketing across much of the continent. However, this opportunity has been underexploited in international marketing, and Ethiopia's international image has been more powerfully shaped by media coverage of famine, conflict, and poverty than by its extraordinary cultural heritage – a representational injustice that directly suppresses tourism demand.

Discussion Questions

1. Map the eight development issues from this section onto Ethiopia's tourism situation. Which issues are most impactful, and how do they interact to compound one another?
2. Using dependency theory and the capability approach, evaluate whether tourism was an appropriate development strategy for Ethiopia given the structural conditions that existed before the Tigray conflict. What conditions would have needed to be different for tourism to deliver its development potential?
3. Compare Ethiopia's tourism development trajectory with Rwanda's (discussed in a previous section). Both are East African nations with significant cultural and natural heritage. What structural, institutional, and political factors explain their divergent outcomes?
4. Ethiopia's heritage narrative – as an uncolonised African civilisation with three thousand years of continuous history – offers a distinctive positioning in international tourism. Using the post-colonial heritage analysis from this section, propose a tourism marketing and interpretation strategy that centres this narrative. What barriers would need to be overcome?
5. If you were advising the Ethiopian Tourism Ministry on a post-conflict tourism recovery strategy, which of the eight development issues would you prioritise addressing first, and what specific interventions would you recommend? Reference the multi-scalar governance framework and the development theories from this module in your recommendation.

4.2 Develop and explain plans for tourism projects that addresses and manages the development issues

Introduction

This section represents the applied culmination of the entire Tourism Policy in International Context and Development module. Where the preceding sections analysed the history and approaches to tourism policy, examined the multi-scalar institutional architecture, evaluated theoretical frameworks, assessed the position of developing countries, investigated destination impacts, interrogated the tourism-sustainability affiliation, analysed the pathways to development goals, and investigated contemporary development issues, this final section integrates all of that analytical work into its ultimate practical purpose: the ability to develop and explain plans for tourism projects that directly address the development issues identified.

At the MBA level, developing tourism project plans that manage development issues requires the synthesis of multiple competencies: the analytical capacity to diagnose the specific development issues confronting a destination or community, the theoretical knowledge to understand why those issues exist and what structural conditions shape them, the institutional literacy to navigate the multi-scalar governance environment within which projects must operate, the project planning discipline to translate development objectives into actionable implementation frameworks, and the critical awareness to anticipate unintended consequences and build adaptive management into the project design. This section provides a structured methodology for developing such plans, examines the principles that distinguish development-oriented tourism project planning from conventional commercial tourism planning, and demonstrates their application through industry examples and a comprehensive case study.

1. A Seven-Stage Planning Methodology for Development-Oriented Tourism Projects

Tourism projects that genuinely address development issues require a planning methodology that differs from conventional commercial project planning in several critical respects: the objectives extend beyond financial return to encompass development outcomes, the stakeholder environment includes communities and ecosystems that are not merely consulted but positioned as primary beneficiaries, the success metrics span economic, social, environmental, and governance dimensions, and the risk assessment must account for the structural vulnerabilities that characterise developing-country contexts. The following seven-stage methodology provides a structured framework.

Stage 1: Development Issue Diagnosis. The planning process begins with a rigorous assessment of the specific development issues that the project is intended to address. This is not a generic tourism feasibility study but a development-focused diagnostic that identifies: which of the development issues examined in this module are present in the project context (climate vulnerability, inequality, labour conditions, post-colonial heritage dynamics, digital exclusion, economic leakage, overtourism or undertourism, pandemic vulnerability); how these issues interact and compound in the specific context; which communities and populations are most affected; what institutional and governance structures exist at local, national, and international scales; and what previous interventions have been attempted, with what results. The diagnosis should draw explicitly on the development theories studied in this module – using dependency theory to examine value chain structures, the capability approach to assess the freedoms and opportunities of affected populations, sustainable development criteria to evaluate the balance of

economic, social, and environmental conditions, and post-colonial analysis to surface power dynamics and representational issues.

Stage 2: Stakeholder Mapping and Community Engagement. Development-oriented tourism projects must identify and meaningfully engage all stakeholders whose interests, rights, and wellbeing will be affected by the project, with particular attention to those who are most vulnerable, least powerful, and most likely to bear the costs of poorly designed interventions. Stakeholder mapping should use the multi-scalar framework from this module: global actors (international development agencies, multinational operators, airline companies), national actors (government ministries, NTOs, regulatory bodies), regional actors (provincial governments, DMOs), and local actors (communities, indigenous governance bodies, small enterprises, civil society organisations, environmental groups). The critical principle is that community engagement must be genuine, not performative. Free, prior, and informed consent (FPIC) – a standard established in the UN Declaration on the Rights of Indigenous Peoples – provides the ethical benchmark for community engagement in projects that affect indigenous and traditional communities. Even where FPIC is not legally mandated, its principles (that affected communities must be informed about the project before decisions are made, that their participation must be free from coercion, and that their consent must be obtained rather than merely their consultation) represent the standard against which development-oriented projects should be assessed.

Stage 3: Development Objective Setting. The project's objectives must be articulated in terms of the development outcomes it is intended to achieve, not merely the tourism outputs it will produce. Tourism outputs (visitor numbers, revenue, occupancy rates) are means to development ends, not ends in themselves. Development objectives should be framed using the SDG framework and the capability approach: what specific improvements in people's lives, communities' resilience, and environmental health will the project deliver? Objectives should be SMART (specific, measurable, achievable, relevant, and time-bound) and should explicitly address the development issues diagnosed in Stage 1. For example: "Increase the share of tourism expenditure retained within the local economy from an estimated 35 per cent to 55 per cent within five years by developing local supply chains and supporting community-owned tourism enterprises" is a development objective. "Attract 50,000 additional visitors" is a tourism output that says nothing about development.

Stage 4: Project Design and Intervention Logic. The project design translates development objectives into a structured set of activities, outputs, outcomes, and impacts connected by a clear intervention logic – a "theory of change" that explains why the proposed activities are expected to produce the intended development outcomes. The Logical Framework Approach (LogFrame), widely used in international development project planning, provides a structured tool for articulating this intervention logic. The LogFrame matrix specifies the project's overall goal (the development impact it contributes to), its purpose (the specific outcome the project is designed to achieve), its outputs (the deliverables the project will produce), and its activities (the work that will be undertaken), along with the indicators that will measure achievement at each level, the sources of verification for those indicators, and the assumptions that must hold for the intervention logic to function. In tourism project planning, the intervention logic must explicitly explain the causal pathway from tourism activity to development outcome – because, as this module has demonstrated extensively, the link between tourism and development is not automatic but contingent on specific conditions that the project design must create.

Stage 5: Financial Planning and Resource Mobilisation. Development-oriented tourism projects require financial planning that addresses both the investment needed to establish the project and the revenue model that will sustain it beyond the initial funding period. Funding sources for development-oriented tourism projects typically include a blend of: development

agency grants (from bilateral donors, the World Bank, regional development banks, UN agencies, and international NGOs); government budget allocations (from national tourism ministries, local government, and infrastructure budgets); private-sector investment (from hotel companies, tour operators, and impact investors who combine financial return expectations with development impact objectives); community contributions (in the form of land, labour, local knowledge, and cultural assets); and earned revenue (from tourism operations once the project is functional). Financial sustainability is a critical planning consideration: projects that depend permanently on external funding are vulnerable to donor fatigue and policy changes, while projects that generate sufficient earned revenue to cover their operating costs and reinvest in their development objectives are structurally more resilient. The financial plan should include realistic projections, sensitivity analysis against adverse scenarios, and a clear pathway from donor-dependent start-up to self-sustaining operation.

Stage 6: Implementation Planning and Governance. The implementation plan specifies the phased sequence of activities, the institutional arrangements for project management, the governance structure that will oversee the project and ensure accountability, the human resource requirements, and the risk management provisions. Governance is especially important in development-oriented tourism projects because multiple stakeholders with different interests must be coordinated, and the risk of elite capture – where project benefits are diverted to powerful individuals or groups at the expense of intended beneficiaries – must be actively managed. Best practice in development project governance includes: a multi-stakeholder steering committee with genuine community representation and decision-making authority; transparent financial management with regular public reporting; independent monitoring and evaluation; grievance mechanisms that enable beneficiaries to raise concerns without fear of retaliation; and clearly defined roles, responsibilities, and accountability structures for all implementing partners.

Stage 7: Monitoring, Evaluation, and Adaptive Management. Development-oriented tourism projects must embed monitoring and evaluation (M&E) systems that track progress against development objectives, not merely tourism performance metrics. The M&E framework should include: baseline data collected before the project begins, against which progress can be measured; output indicators that track what the project delivers (training sessions conducted, enterprises established, infrastructure built); outcome indicators that track the development changes the project produces (income levels, employment quality, environmental health, community participation, cultural vitality); and impact indicators that assess the project's contribution to broader development goals (poverty reduction, gender equality, environmental sustainability, governance quality). Adaptive management is the principle that the project should adjust its approach based on what monitoring and evaluation reveal, rather than rigidly adhering to the original plan regardless of evidence. This requires regular review cycles, a governance structure empowered to make course corrections, and a culture of honest assessment rather than defensive reporting.

Table 1. Seven-Stage Planning Methodology for Development-Oriented Tourism Projects

Stage	Primary Activity	Key Tools and Frameworks	Output
1. Diagnosis	Assess development issues in the specific project context	PESTLE; development theories; impact assessment; community situation analysis	Development issue profile with root cause analysis

Stage	Primary Activity	Key Tools and Frameworks	Output
2. Stakeholder Engagement	Map stakeholders across scales; establish genuine community engagement	Multi-scalar mapping; FPIC principles; participatory methods	Stakeholder map; engagement strategy; community consent
3. Objective Setting	Define development outcomes the project will achieve	SDG framework; capability approach; SMART criteria	Development objectives linked to diagnosed issues
4. Project Design	Design activities, outputs, outcomes, and intervention logic	LogFrame; theory of change; value chain analysis	Project design document with intervention logic
5. Financial Planning	Secure funding; design sustainable revenue model	Blended finance; cost-benefit analysis; sensitivity analysis	Financial plan with pathway to self-sustainability
6. Implementation	Manage delivery; establish governance and accountability	Phased milestones; steering committee; risk management	Implementation plan with governance structure
7. M&E and Adaptation	Monitor progress; evaluate outcomes; adjust approach	Baseline data; outcome indicators; impact assessment; review cycles	M&E framework with adaptive management provisions

2. Principles That Distinguish Development-Oriented Tourism Project Planning

Several principles distinguish tourism projects designed to address development issues from conventional commercial tourism projects. These principles should guide the planning process and serve as evaluation criteria for assessing whether a project's design is genuinely development-oriented.

Development primacy. The project's primary purpose is to achieve development outcomes; tourism is the mechanism, not the objective. This means that if a tension arises between maximising tourism revenue and achieving development objectives – for example, between attracting higher-spending visitors through an international hotel brand and retaining more revenue in the local economy through community-owned accommodation – the development objective takes precedence in project design.

Community agency. Affected communities are positioned as agents of their own development rather than passive beneficiaries of externally designed interventions. This means community participation is not limited to consultation but extends to genuine decision-making power over project design, implementation, and governance. The capability approach provides the theoretical foundation: the project should expand people's real freedoms and opportunities, which requires that they have agency in the process, not merely access to its outputs.

Structural awareness. The project design acknowledges and addresses the structural conditions – economic leakage, value chain positioning, institutional asymmetry, power imbalances – that determine whether tourism generates genuine development or perpetuates

dependency. This means the project must include deliberate mechanisms for local value retention (procurement policies, community ownership models, skills development for management roles), for equitable benefit distribution, and for building the institutional capacity that enables communities to manage tourism on their own terms beyond the project's duration.

Environmental integrity. The project design operates within ecological carrying capacities and contributes to environmental health rather than degrading the natural assets upon which both tourism and community wellbeing depend. This requires environmental impact assessment, carrying capacity analysis, genuine investment in conservation and ecological restoration, and carbon accounting that honestly addresses the project's contribution to greenhouse gas emissions including the transport emissions of visitors.

Resilience building. The project strengthens the destination's and community's resilience to the external shocks that this module has identified as defining features of the tourism-development relationship: climate events, pandemics, geopolitical instability, and demand volatility. This means incorporating economic diversification (so that the community is not wholly dependent on tourism), infrastructure that can withstand climate-related extreme events, social protection mechanisms for tourism workers, and contingency provisions that enable the project to adapt to adverse conditions rather than collapsing when they occur.

Long-term sustainability. The project is designed for institutional and financial sustainability beyond the initial funding period. Donor-funded projects that create impressive outputs during the funded period but collapse when external funding ends have been a persistent failure in international tourism development. Sustainable project design requires: a revenue model that generates sufficient income to cover operating costs; institutional capacity within the community or local government to manage the project without permanent external support; knowledge transfer from external experts to local personnel; and governance structures that maintain accountability and quality after the original project team departs.

3. Typologies of Development-Oriented Tourism Projects

Development-oriented tourism projects take diverse forms depending on the specific development issues they address, the scale at which they operate, and the institutional context within which they are implemented. Understanding the range of project typologies helps the planner identify the most appropriate intervention for a given context.

Project Type	Development Issue Addressed	Typical Scale	Example
Community-based tourism enterprise	Poverty; inequality; leakage; community agency	Local: single community or cluster	Village-owned lodge, homestay network, cultural tour cooperative
Local supply chain development	Economic leakage; local value retention; enterprise development	Destination or regional	Farm-to-hotel procurement; artisan-to-retailer linkage; skills training for local suppliers

Project Type	Development Issue Addressed	Typical Scale	Example
Conservation-tourism integrated project	Biodiversity loss; environmental degradation; climate adaptation	Protected area or landscape	Community conservancy; marine protected area tourism; reforestation with eco-tourism
Heritage interpretation and cultural tourism	Cultural commodification; post-colonial representation; identity	Site-specific or route-based	Indigenous-led heritage trail; decolonised museum interpretation; living culture experiences
Destination management and visitor dispersal	Overtourism; geographic concentration; infrastructure pressure	Destination or national	Visitor management system; alternative route development; off-peak programming
Digital inclusion and market access	Digital divide; platform dependency; disintermediation	Enterprise or destination	Digital literacy training; community booking platform; social media capacity building
Workforce development and decent work	Labour exploitation; gender inequality; skills gaps; precarity	Sector-wide or destination	Hospitality training academy; living wage initiative; women's leadership programme
Climate adaptation and resilience	Climate vulnerability; infrastructure fragility; economic monoculture	Destination or national	Climate-resilient infrastructure; economic diversification; renewable energy for tourism
Post-conflict tourism recovery	Geopolitical instability; reputation damage; heritage destruction	National or regional	Heritage restoration; perception management; community reconciliation through tourism
Regenerative tourism destination	Multiple compounding issues; systemic transformation	Destination or landscape	Integrated regenerative plan combining conservation, community, culture, and enterprise

4. Common Pitfalls in Tourism Development Project Planning

The history of tourism development projects in international contexts is littered with interventions that failed to achieve their development objectives, wasted resources, or produced unintended negative consequences. Understanding these common pitfalls is essential for designing projects that avoid them.

Supply-side bias. Many tourism development projects focus on building supply (accommodation, infrastructure, visitor facilities) without adequately assessing whether demand exists to sustain the investment. A community lodge built with development funding in a location that cannot attract sufficient visitors to cover its operating costs becomes a monument to well-intentioned but poorly planned intervention. Development-oriented project planning must include rigorous demand assessment that goes beyond optimistic projections to consider realistic visitor

volumes, willingness to pay, competitive alternatives, and the marketing and distribution capacity required to reach the target market.

Project-ism. The tendency to conceive of development as a series of discrete, time-limited projects rather than a continuous process of structural change and capacity building. Tourism development projects that are designed, funded, implemented, and then declared “complete” at the end of the funding cycle frequently fail to produce lasting development outcomes because the conditions for sustainability – institutional capacity, market access, financial self-sufficiency, community governance – have not been established within the project period. The most effective projects are those that view the funded period as a catalyst for longer-term change rather than a self-contained intervention.

Elite capture. In many community-based tourism projects, the benefits that were intended for the broader community are captured by local elites – village leaders, landowners, educated individuals, or those with pre-existing connections to the tourism industry – while the poorest and most marginalised community members receive little or nothing. Elite capture is not the result of individual corruption alone; it is a structural feature of projects that do not deliberately design governance mechanisms to prevent it. Transparent financial management, rotating leadership positions, benefit-sharing formulas that explicitly include marginalised groups, and independent monitoring can all reduce elite capture risk, but they must be designed into the project from the outset rather than addressed reactively when problems emerge.

Donor-driven design. Projects designed primarily to meet the priorities, timelines, and reporting requirements of international donors rather than the actual needs and aspirations of destination communities. Donor-driven projects may achieve impressive outputs (training sessions delivered, infrastructure built, certifications obtained) that satisfy reporting requirements without producing meaningful development outcomes. The principle of community agency requires that project design is genuinely responsive to community priorities rather than fitting community needs into pre-determined donor frameworks.

Ignoring the structural context. Projects that focus on local-level interventions without addressing the structural conditions that determine outcomes at that level. A community-based tourism enterprise can be perfectly designed and managed but still fail if international tour operators refuse to include it in their itineraries, if national aviation policy limits tourist access to the region, if environmental regulation is inadequately enforced, or if land tenure insecurity undermines the community’s ability to invest in long-term development. Effective project planning requires engaging with the multi-scalar governance architecture identified in this module and addressing structural barriers that operate above the project level.

Need to Know –

Developing tourism project plans that address development issues at the MBA level requires demonstrating: the integration of analytical competencies from across this module (policy approaches, multi-scalar governance, development theory, structural analysis, impact assessment, sustainability evaluation, and development issue investigation); a structured planning methodology with clear stages from diagnosis through to monitoring and evaluation; development objectives that are genuinely about improving people’s lives rather than merely increasing tourism output; awareness of the principles that distinguish development-oriented projects from commercial tourism projects (development primacy, community agency, structural awareness, environmental integrity, resilience building, long-term sustainability); and honest engagement with the common pitfalls that have undermined tourism development projects historically. The strongest work produces a plan that

is analytically grounded, operationally realistic, ethically sound, and critically self-aware about its assumptions and limitations.

Did you know...?

A comprehensive review by the Overseas Development Institute of tourism projects funded by international development agencies found that the most successful projects shared three common characteristics: they were designed with genuine community participation from the outset rather than imposing externally conceived models; they included deliberate mechanisms for local value retention and equitable benefit distribution rather than assuming these would occur naturally through market forces; and they invested in building local institutional capacity for long-term self-management rather than depending on external management and expertise throughout the project lifetime. Conversely, the projects that failed most consistently were those that prioritised tourism infrastructure over community capacity, that assumed demand would materialise without investment in marketing and market access, and that did not plan for financial sustainability beyond the donor-funded period. These findings validate the planning principles and methodology presented in this section and underscore that the quality of the planning process is as important as the quality of the tourism product in determining development outcomes.

Industry Insight – The Ololosokwan Community Tourism Project, Tanzania: Development-Oriented Planning in Practice

The Maasai community of Ololosokwan, located in the Loliondo area adjacent to the Serengeti National Park in northern Tanzania, provides a compelling real-world illustration of how development-oriented tourism project planning can address multiple development issues simultaneously when the planning principles outlined in this section are applied.

Development issue diagnosis. The Ololosokwan community confronted several compounding development issues. Economically, the community derived little benefit from the millions of tourists who visited the neighbouring Serengeti each year – tourist expenditure flowed to national park entrance fees, international safari operators, and lodges owned by external investors, while the Maasai community whose traditional lands bordered the park received almost nothing. Environmentally, the community's cattle-grazing practices were in tension with conservation objectives, and government proposals to expand the national park or create exclusive hunting concessions threatened to displace the community from ancestral land. Politically, the Maasai had limited voice in tourism governance decisions that directly affected their territory and livelihoods. And culturally, the Maasai heritage was commodified by tourism operators who offered “Maasai village visits” without community consent, benefit-sharing, or authentic representation.

Stakeholder engagement and community agency. Rather than accepting external tourism development imposed upon them, the Ololosokwan community, supported by advocacy organisations and legal assistance, asserted their land rights and established community-controlled tourism enterprises on their communal territory. The community established a Wildlife Management Area (WMA) under Tanzanian legislation that grants communities the right to manage wildlife and tourism on village land. Governance was structured through the village assembly – a democratic institution in which all adult community members have voice – with a dedicated tourism committee responsible for managing relationships with tourism partners, distributing revenue, and overseeing enterprise operations.

Project design and intervention logic. The community entered into a joint venture partnership with a responsible safari operator, granting a concession to operate a tented camp on community land in exchange for a fixed annual lease fee, a per-visitor bed-night fee, employment commitments with preference for community members, and investment in community infrastructure (a borehole for clean water, classroom construction, and a community dispensary). The intervention logic was explicit: by creating economic value from wildlife through tourism, the project would create incentives for the community to protect wildlife habitat rather than converting it to agriculture or competing uses, while simultaneously generating income for community development priorities identified through participatory planning. Cultural tourism activities were designed and managed by the community itself, ensuring that Maasai cultural engagement with visitors occurred on terms the community determined.

Development outcomes. The project has generated measurable development outcomes across multiple dimensions. Economically, tourism revenue has provided the community with a significant and growing income stream that funds education, healthcare, water infrastructure, and livestock improvement programmes. Environmentally, wildlife populations on community land have been maintained because the community has an economic incentive to protect rather than displace them – anti-poaching patrols are managed by community game scouts. Politically, the community's successful assertion of land and resource rights has strengthened its position in ongoing negotiations with government over land tenure and conservation policy. And culturally, the community controls the narrative of its own cultural presentation, ensuring that Maasai heritage is shared with visitors in ways that the community considers authentic and dignified.

Critical assessment. The project is not without challenges and limitations. Revenue distribution within the community has generated internal disputes about equity and transparency. The joint venture partnership, while more equitable than the alternatives, still positions the community as the junior partner dependent on an international operator for market access, management expertise, and financial systems. The project's success depends on the continued flow of international tourists to northern Tanzania – a demand source vulnerable to the same geopolitical, pandemic, and climate risks identified throughout this module. And the broader structural context remains challenging: government decisions about land tenure, conservation boundaries, and investment concessions continue to threaten community rights in ways that a single project, however well-designed, cannot fully address. The case illustrates both the genuine development potential of well-planned tourism projects and the structural limits that constrain their impact within a wider governance and political economy that is not always supportive.

The Ololosokwan case demonstrates the planning methodology and principles in action: the project began with a development issue diagnosis, established genuine community agency through democratic governance and legal rights assertion, set development objectives that extended far beyond tourism metrics, designed the project around an explicit intervention logic, structured a financial model blending earned revenue with community benefit mechanisms, implemented governance structures to manage accountability and benefit distribution, and monitors outcomes across economic, environmental, political, and cultural dimensions. It represents the kind of development-oriented tourism project that this module's analytical framework prepares students to design, evaluate, and manage.

Over to You – Capstone Student Activity

This capstone activity integrates the analytical competencies developed across the entire module. It requires you to develop and explain a tourism project plan that addresses development issues, supported by academic evidence.

Task Part A – Academic Foundation (approximately 400–500 words): Using an academic database, source one peer-reviewed journal article that evaluates a tourism development project or programme in a developing-country context. Prepare a critical summary covering: the development issues the project addressed, the planning approach and intervention logic, the evidence of outcomes, and the lessons learned.

Suggested search terms: “tourism development project evaluation” • “community-based tourism project outcomes” • “pro-poor tourism project planning” • “tourism conservation project developing country” • “tourism development intervention evaluation” • “regenerative tourism project design”

Task Part B – Project Plan Development (approximately 800–1,000 words): Select a developing country or destination and develop a tourism project plan that addresses at least two of the development issues examined in this module. Your plan should follow the seven-stage methodology from this section and include: (1) a development issue diagnosis identifying the specific issues the project will address and their structural causes; (2) a stakeholder map identifying key stakeholders at multiple scales and your engagement approach; (3) three SMART development objectives framed in terms of people’s lives, not tourism outputs; (4) an outline project design with clear intervention logic (if X activities are undertaken, they will produce Y outputs, which will generate Z development outcomes because of the following causal pathway); (5) a financial plan outline identifying funding sources and the pathway to self-sustainability; (6) a governance structure that ensures community agency and prevents elite capture; and (7) at least four monitoring indicators spanning economic, social, environmental, and governance dimensions. Reference your journal article and at least two concepts from this module (development theories, policy approaches, structural analysis, sustainability frameworks, or development issues) to justify your planning decisions.

Revision on the Go

- Development-oriented tourism project planning differs from commercial planning: development outcomes are the objective; tourism is the mechanism.
- Seven-stage methodology: development issue diagnosis → stakeholder engagement → development objective setting → project design and intervention logic → financial planning → implementation and governance → monitoring, evaluation, and adaptive management.
- Six principles: development primacy, community agency, structural awareness, environmental integrity, resilience building, and long-term sustainability.
- The LogFrame (Logical Framework) provides the structured tool: goal → purpose → outputs → activities, with indicators, verification sources, and assumptions at each level.
- Free, Prior, and Informed Consent (FPIC) provides the ethical benchmark for community engagement in tourism development projects.
- Development objectives must be SMART and framed in terms of people’s lives (capability expansion), not tourism outputs (visitor numbers).
- Financial sustainability requires a pathway from donor dependence to self-sustaining earned revenue; permanently donor-dependent projects are structurally fragile.
- Common pitfalls: supply-side bias (building before confirming demand), project-ism (discrete interventions without lasting change), elite capture, donor-driven design, and ignoring the structural context.
- Ten project typologies from community enterprise through conservation-tourism integration to regenerative destination plans; the right type depends on the specific development issues diagnosed.
- Monitoring must track development outcomes (improved lives, stronger institutions, healthier environments), not just tourism outputs (visitor numbers, revenue).

- This learning outcome integrates every competency in the module: policy analysis, governance, development theory, structural evaluation, sustainability, impact assessment, and development issue investigation – all applied to practical project planning.

Case Study – Developing a Tourism Project Plan for the Island of Rodrigues, Mauritius

Background

Rodrigues is a small volcanic island of approximately 108 square kilometres and 44,000 residents, located 650 kilometres east of Mauritius in the Indian Ocean. An autonomous region within the Republic of Mauritius, Rodrigues possesses a distinctive Creole cultural heritage, relatively pristine marine and terrestrial environments, a lagoon twice the size of the island itself with exceptional snorkelling and diving potential, endemic plant and animal species, and a warm, hospitable population that has retained traditional fishing, farming, and craft practices that have largely disappeared from the more developed main island of Mauritius. Tourism to Rodrigues is modest – approximately 70,000 visitors per year, the majority from Mauritius itself – and the local economy remains dependent on subsistence fishing, agriculture, and public-sector employment supplemented by transfers from the Mauritian central government.

The Rodrigues Regional Assembly has identified tourism as a priority sector for economic diversification and has commissioned the development of a tourism project plan that explicitly addresses the island's development issues while learning from the mistakes and successes of tourism development elsewhere in the Indian Ocean region, particularly the experience of Mauritius itself, where mass tourism development has delivered economic growth but at significant environmental and social cost.

Development Issues

A development issue diagnosis for Rodrigues reveals several interacting challenges. Economic vulnerability: the island's economy offers limited livelihood options, youth outmigration to Mauritius is significant, and financial dependence on central government transfers creates structural dependency. Climate vulnerability: as a small island in the cyclone belt with a low-lying lagoon system, Rodrigues faces severe climate-related threats including coral bleaching, coastal erosion, water scarcity, and cyclone damage. Environmental fragility: the lagoon ecosystem is sensitive to pollution, sedimentation, and overfishing, and terrestrial biodiversity is threatened by invasive species and habitat degradation. Connectivity constraints: Rodrigues is served by a single airline (Air Mauritius) with limited flight capacity and no direct international connections, making tourism access entirely dependent on transit through Mauritius. Digital exclusion: internet connectivity is limited and expensive, constraining local tourism operators' ability to market directly to international visitors. Cultural vulnerability: the distinctive Rodriguan Creole culture – language, music, cuisine, craft traditions, and community practices – is under pressure from modernisation and media influence, yet represents the island's most distinctive tourism asset.

Your Task

Using the seven-stage planning methodology and the development-oriented planning principles from this section, develop a tourism project plan for Rodrigues that addresses the identified development issues. Your plan should demonstrate the integration of analytical competencies from across this module.

1. Development Issue Diagnosis: Prioritise the development issues identified above. Which are most critical to address? How do they interact and compound? Apply at least one development theory from this module to explain the structural conditions shaping Rodrigues's position.
2. Stakeholder Mapping: Identify the key stakeholders at local (Rodrigues Regional Assembly, community organisations, fishing cooperatives, artisan groups), national (Mauritian central government, Air Mauritius, MTPA), and international (development agencies, potential tourism investors, regional tourism bodies) scales. What engagement approach would you adopt for each?
3. Development Objectives: Define three SMART development objectives that the project will achieve, framed in terms of improvements in people's lives and community resilience rather than tourism output metrics.
4. Project Design: Propose a specific tourism project or integrated set of interventions for Rodrigues. Using the project typology table, identify which type(s) of project are most appropriate. Articulate the intervention logic: why will these activities produce the development outcomes you have specified?
5. Financial Plan: Identify the most realistic funding sources for the project and outline a pathway from funded start-up to financially self-sustaining operation. What revenue model will sustain the project beyond the initial investment period?
6. Governance and Resilience: Design a governance structure that ensures genuine community agency, prevents elite capture, and maintains accountability. How will the project build resilience against the external shocks (climate events, pandemic, demand volatility) that threaten small island tourism economies?
7. Monitoring and Evaluation: Propose four monitoring indicators – one each for economic, social, environmental, and governance outcomes – that will track whether the project is achieving its development objectives. How will adaptive management enable course correction based on what monitoring reveals?
8. Critical Reflection: What are the greatest risks to this project's success? Which common pitfalls from this section is the project most vulnerable to, and how has your design addressed them? If you could change one structural condition in the international tourism system that would most improve this project's chances of achieving genuine development outcomes, what would it be?

Summary

In this chapter you developed plans for tourism projects to manage development problems.

You investigated and explained development issues in an international context.learnt [how to use](#)

On completion of this chapter, you developed and explained plans for tourism projects that addresses and manages the development issues.

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Summary

In this chapter you identified

You learnt how to

On completion of this chapter, you

Glossary of Key Terms

Term	Definition
Agenda 21 for Travel and Tourism	The 1995 document translating the Rio Earth Summit's sustainable development principles into tourism-specific action items. Established the foundational claim that tourism can be a force for sustainable development.
Boosterism	The most basic tourism policy approach: treats tourism growth as inherently good and the state's role as maximising it. Ideological rather than analytical; provides no tools for assessing trade-offs.
Brundtland Definition	Development that meets the needs of the present without compromising future generations' ability to meet their own needs. Published in Our Common Future (1987); provides the conceptual foundation for sustainable tourism.
Butler's TALC	Tourism Area Life Cycle: destinations evolve through exploration, involvement, development, consolidation, stagnation, and then decline or rejuvenation. Each stage carries different impact profiles.
Capability Approach	Development theory (Sen, Nussbaum) redefining development as expansion of human freedoms and capabilities, not GDP growth. Asks whether tourism improves people's genuine opportunities and wellbeing.
Carbon Contradiction	Tourism depends on environmental quality while contributing approximately 8% of global greenhouse gas emissions, predominantly through aviation. The industry threatens the assets it depends upon.
Carrying Capacity	The maximum visitors a destination can accommodate without unacceptable environmental, social, or experiential deterioration. Operates across ecological, physical, social, and perceptual dimensions.
Commodification	The process by which cultural practices, heritage, and community life are transformed into products for tourist consumption, potentially losing meaning, authenticity, and significance for practitioners.
Community-Based Tourism (CBT)	Tourism owned, managed, and controlled by local communities, who determine the nature, scale, and terms of tourist engagement. Aims to distribute benefits equitably and protect cultural integrity.
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation. ICAO's mechanism for addressing aviation emissions, with direct implications for the cost structure of international tourism.
Degrowth	The perspective that genuine sustainability may require deliberately reducing tourism volume in over-consumed destinations rather than pursuing better-managed growth. Politically challenging but gaining academic traction.
Demand-Side Dependency	Developing countries' vulnerability to tourism demand generated in wealthier nations, over whose economic conditions, consumer preferences, and political decisions they have no control.

Term	Definition
Demonstration Effect	The process by which host communities adopt the consumption patterns, behaviours, and values of tourists, potentially eroding traditional social structures and cultural identity.
Dependency Theory	Development theory (Frank, Wallerstein) arguing the global system structurally benefits wealthy core nations at the expense of the periphery. Tourism replicates colonial extraction through leakage and value chain positioning.
Destination Management Organisation (DMO)	The institutional body responsible for local tourism governance, evolving from destination marketing toward destination management including visitor dispersal, sustainability, and community engagement.
Development Primacy	The principle that in development-oriented tourism projects, development outcomes are the objective and tourism is the mechanism, not the other way around.
Doxey's Irridex	Model of evolving host community attitudes: euphoria (welcome) → apathy (routine) → irritation (concern) → antagonism (hostility) as tourism grows and impacts accumulate.
Economic Leakage	The proportion of tourist expenditure that leaves the destination economy through imports, profit repatriation, commissions to foreign intermediaries, and expatriate wages. Estimated at 40–80% in some SIDS/LDCs.
Economic-Rational Approach	Tourism policy approach applying cost-benefit analysis and market failure theory. Analytically rigorous but reduces policy to economics, inadequately capturing cultural and ecological values.
Elite Capture	When project benefits intended for broader communities are diverted to local leaders, landowners, or connected individuals, leaving the poorest and most marginalised without proportionate benefit.
Environmental Justice	The principle that environmental costs and benefits should be distributed equitably. In tourism, carbon emissions from wealthy-nation travellers cause climate impacts borne by vulnerable destinations.
Free, Prior, and Informed Consent (FPIC)	The ethical benchmark for community engagement: affected communities must be informed before decisions are made, participation must be free from coercion, and consent must be obtained, not merely consultation.
Global Sustainable Tourism Council (GSTC)	Maintains the most widely recognised international standards for sustainable tourism. Fewer than 4% of global tourism businesses hold any sustainability certification.
Greenwashing	Overstating environmental credentials in marketing or reporting, creating an appearance of sustainability not substantiated by genuine practice. A persistent critique of the sustainable tourism framework.

Term	Definition
Growth Paradox	Efficiency improvements per visitor are overwhelmed by aggregate system growth; aviation emissions illustrate this starkly. Continuous growth is incompatible with ecological limits.
ICAO	International Civil Aviation Organization. UN agency governing international air transport; policies on emissions, safety, and air service agreements directly affect tourism flows and costs.
Institutional Asymmetry	Developing countries' weaker capacity to negotiate terms, regulate international operators, enforce standards, and capture fiscal revenue from tourism compared to developed-country counterparts.
Intergenerational Justice	Present generations have obligations to future generations. Relevant where tourism strategies deplete natural or environmental assets for current commercial gain.
Intervention Logic	The theory of change connecting a project's activities to its intended development outcomes: if X activities are undertaken, they will produce Y outputs, generating Z outcomes because of the following causal pathway.
Least Developed Countries (LDCs)	The 46 nations classified by the UN as the world's poorest. Tourism is a key sector in over half, yet LDCs receive less than 2% of global tourism receipts.
Logical Framework (LogFrame)	A structured project planning tool specifying goal, purpose, outputs, and activities with indicators, verification sources, and assumptions. Widely used in international development project planning.
Modernisation Theory	Development theory (Rostow) viewing development as linear progression from traditional to modern economies. Tourism positioned as a vehicle for transformation. Limitation: growth does not equal inclusive development.
Multi-Scalar Governance	Tourism policy operates simultaneously at global, supranational, national, regional, and local scales. Different institutions with different mandates shape outcomes at each level.
National Tourism Organisation (NTO)	A country's dedicated destination marketing body. Evolving from government departments to semi-autonomous agencies with private-sector governance; raises accountability questions.
Neoliberal Development Theory	Development through market liberalisation, deregulation, privatisation, and foreign investment (Washington Consensus). Delivered tourism growth but concentrated benefits, weakened regulation, and created a race to the bottom.
OECD Tourism Committee	Produces comparative tourism policy analysis across member countries. The Tourism Trends and Policies report is a key reference for national policy-makers.
Overtourism	Tourism volume exceeding a destination's capacity without degrading resident quality of life, visitor experience, or natural and cultural assets.

Term	Definition
	Concentrated in established destinations while developing countries experience undertourism.
Passport Privilege	The asymmetry in global mobility: citizens of wealthy nations access 190+ destinations visa-free while citizens of the poorest nations access fewer than 30. A legacy of colonial and post-colonial geopolitics.
Post-Colonial Theory	Examines how colonial-era power structures persist in contemporary tourism: economic extraction, cultural representation, and the framing of developing countries as exotic objects for consumption.
Post-Development Theory	Challenges the development concept itself (Escobar, Sachs) as cultural imperialism that devalues indigenous knowledge and universalises Western economic models. Primarily deconstructive; limited practical alternatives.
Pro-Poor Tourism (PPT)	Tourism designed to increase net benefits for the poorest community members through targeted supply chain linkages, employment programmes, and community revenue-sharing mechanisms.
Regenerative Tourism	Tourism that actively improves communities, environments, and cultural assets, going beyond sustainability's goal of minimising harm toward net positive contribution.
Rights-Based Approach	Tourism policy framed in terms of human rights and social justice: who has the right to travel, who controls tourism in their community, and how are benefits and costs distributed equitably?
SDGs (Sustainable Development Goals)	The UN's 17 goals for 2030. Tourism explicitly referenced in SDGs 8.9 (sustainable tourism jobs), 12.b (monitoring tools), and 14.7 (SIDS/LDC marine benefits); mapped to all 17 by UN-Tourism.
Small Island Developing States (SIDS)	Island nations facing unique development challenges: small economies, geographic isolation, climate vulnerability, limited diversification, and high dependency on tourism and external assistance.
Social Tourism	Government policies enabling working-class and disadvantaged citizens to participate in leisure travel through subsidised facilities, paid holiday legislation, and social holiday programmes.
ST-EP Programme	UN-Tourism's Sustainable Tourism – Eliminating Poverty programme. Identifies seven mechanisms: employment, supply chains, direct sales, enterprise, taxation, voluntary giving, and infrastructure.
Stakeholder Mapping	Identifying and prioritising all parties affected by tourism decisions across multiple governance scales. In development contexts, must include voiceless stakeholders: future generations and the natural environment.
Strategic-Planning Approach	Tourism policy approach applying corporate strategic management tools to destinations. Brings analytical discipline but may impose commercial logic on a public policy domain with contested objectives.

Term	Definition
Strong Sustainability	Certain natural capital is irreplaceable and non-substitutable; no economic return justifies destroying irreplaceable ecosystems. Contrasts with weak sustainability which permits natural-manufactured capital substitution.
Structural Adjustment	Policy conditions imposed by the World Bank and IMF requiring developing countries to liberalise economies, privatise enterprises, and reduce state intervention. Shaped tourism development policy from the 1980s.
Sustainable Development Approach	Balances economic, social, and environmental pillars. The dominant international tourism policy framework since the 1990s. Criticised as vague, co-optable, and potentially reconciling incompatible objectives.
Tourism Satellite Account (TSA)	UN-Tourism-developed methodology for measuring tourism's economic contribution through national accounts. Measures gross activity not net benefit; does not deduct environmental or social costs.
Transformative Tourism	Tourism designed to change travellers' values and behaviours, creating agents of sustainable change beyond the destination visit. Shifts tourists from consumers of experiences to potential agents of change.
UN-Tourism	United Nations Tourism. Lead international tourism agency; 160 member states. Sets norms, produces data standards, provides technical assistance. Advisory not regulatory; growth mandate creates sustainability tension.
Value Chain Positioning	Developing countries occupy the lowest-value segments of the tourism value chain while highest-value activities (aviation, distribution, hotel management) are controlled by developed-country corporations.
Vertical Coordination	The challenge of aligning tourism policy decisions across governance scales (global, national, local). National strategies may conflict with local realities; international frameworks may be disconnected from operational contexts.
Washington Consensus	The set of neoliberal economic policy prescriptions (liberalisation, deregulation, privatisation) promoted by the World Bank and IMF. Shaped tourism development policy in developing countries from the 1980s onward.
Weak Sustainability	Natural capital can be substituted by manufactured capital without welfare loss. Permits environmental degradation if economic returns compensate. Underpins much of what is labelled "sustainable tourism."
WTTC	World Travel and Tourism Council. Global private-sector tourism body. Advocates growth-oriented, market-friendly policies. Annual economic impact research widely cited; criticised for underplaying environmental and social costs.

Note: *This glossary covers the core terminology for this module. You should supplement these definitions with examples and case study references from the study guide.*

Self-Check Activities – Academic Journal Review

Tourism Policy in International Context and Development

SELF-CHECK 1: Tourism Public Policy: Concepts, Theories, and Approaches

Learning Outcome 1: Identify and critically analyse the concepts and theories related to public policy for tourism

Task: Source one peer-reviewed journal article that examines the history, concepts, or approaches to tourism public policy in a specific national, regional, or destination context. Suitable articles might examine: the evolution of tourism policy in a particular country, a critical evaluation of a specific policy approach (boosterism, sustainable development, community-based, rights-based, regenerative), the role of multi-scalar institutions (UN-Tourism, NTOs, DMOs) in shaping tourism policy, or a comparison of policy approaches across different contexts.

Suggested search terms: “tourism policy history” • “national tourism policy evolution” • “sustainable tourism policy critique” • “community-based tourism governance” • “tourism policy approaches comparison” • “UN-Tourism governance critique” • “DMO destination management” • “multi-level tourism governance”

What to write (approximately 500–700 words): Identify which policy approach or concept the article examines (boosterism, economic-rational, sustainable development, community-based, strategic-planning, rights-based, or regenerative). Assess whether the article analyses policy at a single governance scale or across multiple scales (global, national, local). Evaluate the approach’s strengths and limitations as demonstrated in the specific context studied. Consider whether the article identifies tensions between different policy approaches or between different scales of governance. Conclude with a reflection on which approach or combination of approaches you consider most appropriate for contemporary tourism governance, justifying your position with reference to the article and the analytical frameworks from this study guide.

Suggested starting point: Hall, C.M. (2011). ‘A typology of governance and its implications for tourism policy analysis’, *Journal of Sustainable Tourism*, 19(4–5), 437–457; or Dredge, D. & Jamal, T. (2015). ‘Progress in tourism planning and policy: A post-structural perspective on knowledge production’, *Tourism Management*, 51, 285–297. You are encouraged to find your own article that aligns with your interests.

SELF-CHECK 2: International Hospitality and Tourism Development Theories

Learning Outcome 2: Critically evaluate theories in international hospitality and tourism development

Task: Source one peer-reviewed journal article that applies or critically evaluates a development theory (modernisation, dependency, neoliberal, sustainable development, post-development/post-colonial, or the capability approach) in the context of international tourism. The article should provide evidence that enables assessment of the theory's usefulness in explaining tourism's contribution to development – or its failure to contribute – in a specific country, region, or destination context.

Suggested search terms: “tourism development theory critique” • “dependency theory tourism” • “tourism modernisation developing countries” • “capability approach tourism” • “post-colonial tourism critique” • “neoliberal tourism policy developing world” • “tourism economic leakage developing countries” • “pro-poor tourism evaluation”

What to write (approximately 500–700 words): Identify which development theory the article applies or reflects. Assess the evidence presented regarding tourism's actual development contribution in the specific context studied – does tourism generate inclusive prosperity, or does it reproduce structural inequality? Evaluate whether the theory employed is useful in explaining the outcomes observed: does it illuminate the key dynamics, or does it miss important dimensions that a different theory would capture? Consider how the structural factors examined in this module – economic leakage, value chain positioning, institutional asymmetry, climate vulnerability, labour conditions – manifest in the article's case. Conclude with a reflection on which combination of theories you consider most useful for evaluating tourism's development contribution in the contemporary global context, explaining why no single theory is sufficient.

Suggested starting point: Scheyvens, R. (2007). 'Exploring the tourism-poverty nexus', *Current Issues in Tourism*, 10(2–3), pp. 231–254; or Mowforth, M. & Munt, I. (2015). *Tourism and Sustainability: Development, Globalisation and New Tourism in the Third World*, 4th edn., Routledge (selected chapters via library). You are encouraged to find a recent article examining a specific country case.

SELF-CHECK 3: The Affiliation Between Tourism and International Development

Learning Outcome 3: Show critical analysis in the affiliation between tourism and international development

Task: Source one peer-reviewed journal article that critically examines the relationship between tourism and sustainable development, or analyses how tourism assists (or fails to assist) specific international development goals. Suitable articles might examine: tourism and the

SDGs, the growth paradox in sustainable tourism, greenwashing in the hospitality industry, regenerative tourism frameworks, tourism's carbon footprint and climate compatibility, the overtourism-undertourism paradox, tourism and gender equality, or the effectiveness of tourism-led conservation.

Suggested search terms: “tourism sustainable development critique” • “tourism SDGs evidence” • “greenwashing tourism hospitality” • “regenerative tourism” • “tourism carbon footprint sustainability” • “tourism gender empowerment developing countries” • “tourism conservation funding effectiveness” • “overtourism undertourism paradox” • “tourism degrowth”

What to write (approximately 500–700 words): Identify which dimension of the tourism-development affiliation the article examines. Assess whether the article supports, qualifies, or challenges the institutional claim that tourism contributes to sustainable development – and through which of the three sustainability pillars (economic, environmental, socio-cultural). Evaluate the strength of the evidence: is the contribution demonstrated empirically or asserted theoretically? Consider whether the article engages with the critical perspectives studied in this module (weak versus strong sustainability, the growth paradox, the justice critique, degrowth, or the greenwashing critique). Conclude with your own critically informed position: under what specific conditions does tourism genuinely contribute to sustainable development, and where do you see the most significant barriers? Reference the article and at least two analytical frameworks from this study guide.

Suggested starting point: Gössling, S., Scott, D. & Hall, C.M. (2020). ‘Pandemics, tourism and global change: A rapid assessment of COVID-19’, *Journal of Sustainable Tourism*, 29(1), 1–20; or Higgins-Desbiolles, F. (2018). ‘Sustainable tourism: Sustaining tourism or something more?’, *Tourism Management Perspectives*, 25, 157–160. You are strongly encouraged to find a recent article that connects tourism's development contribution to a specific contemporary development issue.

SELF-CHECK 4: Developing Plans for Tourism Projects to Manage Development Problems

Learning Outcome 4: Develop plans for tourism projects to manage development problems

Task: Source one peer-reviewed journal article that evaluates a tourism development project or programme designed to address development issues in a developing-country or destination context. Suitable articles might examine: community-based tourism project outcomes, pro-poor tourism programme evaluation, conservation-tourism integrated projects, heritage tourism as a development intervention, tourism and post-conflict recovery, digital inclusion projects for tourism entrepreneurs, or destination management plans addressing overtourism.

Suggested search terms: “tourism development project evaluation” • “community-based tourism project outcomes” • “pro-poor tourism programme effectiveness” • “tourism

conservation project developing country” • “tourism post-conflict recovery planning” • “destination management plan overtourism” • “regenerative tourism project design” • “tourism development intervention lessons”

What to write (approximately 500–700 words): Identify the development issue(s) the project addressed and the specific context. Assess the project’s planning approach against the seven-stage methodology from this study guide: was there a genuine development issue diagnosis? Were stakeholders meaningfully engaged? Were objectives framed as development outcomes rather than tourism outputs? Was there a clear intervention logic? Was financial sustainability planned? Were governance structures adequate to prevent elite capture? Was monitoring focused on development outcomes? Evaluate the evidence of the project’s effectiveness: did it achieve its development objectives, and what conditions contributed to success or failure?

Reflection: Conclude by identifying the two most important lessons the article provides for anyone designing a tourism project to address development issues. Connect these lessons to at least two of the planning principles from this study guide (development primacy, community agency, structural awareness, environmental integrity, resilience building, or long-term sustainability). If you were redesigning the project evaluated in the article, what would you do differently and why?

Suggested starting point: Spenceley, A. & Meyer, D. (2012). ‘Tourism and poverty reduction: Theory and practice in less economically developed countries’, *Journal of Sustainable Tourism*, 20(3), 297–317; or Snyman, S. (2017). ‘The role of private sector ecotourism in local socio-economic development in southern Africa’, *Journal of Ecotourism*, 16(3), 247–268. You are encouraged to find an article evaluating a specific project rather than a general review.