Focus

Kicking goals or offside: is tourism development in the Pacific helping progress towards the MDGs?

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The allure of the Pacific islands to tourists is longstanding and the appeal of tourism-led development to governments in the region is the impetus it provides to counter the shortage of possible development alternatives. In the past decade, international visitor arrivals and tourism receipts have continued on an upward trajectory with ever-increasing private and public sector resources dedicated to tourism development initiatives. The extent to which tourism is assisting with the pursuit of the Millennium Development Goals and allowing Pacific islanders to profit from tourism remains unclear. In particular, opportunities for the urban poor and rural and outer-island communities to partake in the tourist economy are limited. While tourism is lauded as presenting Pacific island countries with an ideal means of poverty alleviation, the empirical evidence to support its pro-poor credentials is wanting. This article recommends tourism sector policy and planning integrate poverty alleviation more deeply and donors reconsider tourism's role as a key conduit for poverty alleviation in the Pacific.

The objective of this article is to initiate discussion about the efficacy of tourism-led growth as an agent for development and poverty alleviation in Pacific island countries.[1] Initially, the article sets out to investigate the impact tourism is having on the pursuit of the Millennium Development Goals (MDGs) in Pacific island countries and, by virtue of this, the pro-poor impacts of tourism. A clear understanding of tourism's impacts on the attainment of MDG targets requires, however, substantially more reliable empirical data than are presently available. Instead, the article asks whether tourism is making inroads into alleviating the poverty of Pacific islanders and seeks to instigate a dialogue between policymakers and researchers about tourism's pro-poor promise. Notwithstanding the noticeable advantages of tourism, its limitations in so far as the benefits that accrue to the poor are inadequately understood. Scrutiny is necessary to ensure that where scant public resources are directed to tourism-led development, positive net impacts for Pacific islanders are obligatory. Tourism sector

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data from three key Pacific island country destinations—Fiji, Samoa and Vanuatu—are presented to illustrate the broad extent to which tourism supports the three economies. Directions for tourism sector research, policy and planning and tourism/donor partnerships conclude the article.

It is widely accepted that the tourism sector has become increasingly critical to the development prospects of most developing countries (Deloitte and Touche 1999; UNESCAP 2002, 2007). Tourism ranks in the top-five export categories globally and has been the fastest-growing sector in all small island developing states (UNWTO 1996). For small island developing states, international tourism has a substantial impact on trade, foreign exchange earnings, consumption, investment, (GDP), debt repayment and job creation in an environment where options are limited (UNWTO 1996). Tourism development is widely endorsed as a means of economic diversification, with governments in many developing countries embracing tourism as a key development tool. While it is accepted that tourism can have important development impacts (Markandya 2003), public policy interventions backed by careful empirical assessments are not presently available (Mitchell and Ashley 2007).

Tourism's potential pro-poor contributions have been emphasised by the urgency for countries to meet MDG targets (Harrison 2008). The impact that tourism-centred development has had on the poor in developing countries is unclear despite tourism being included in the poverty reduction strategies of many low-income countries. This is exacerbated by a policy void on tourism in many donor and financing organisations (Mitchell and Ashley 2007). In particular, Hawkins and Mann (2007) question World Bank interventions in the tourism sector and ask whether outcomes from the World Bank's expanding portfolio of tourism-related work are beneficial to the poor and whether they can be measured. Sinclair (1998) notes that the issue is complicated, given that tourism is a composite product involving firms operating across a number of countries and in imperfectly competitive market structures.

The importance of tourism to Pacific island countries is acknowledged. It offers desperately needed diversification, given the paucity of development options available and affords Pacific island countries with rare trade opportunities with the two industrialised economies of the region, Australia and New Zealand. It is no surprise then that tourism is considered to be the largest and fastest-growing sector in Pacific island countries and the biggest contributor to pillar one of the Pacific Plan, which focuses heavily on economic growth (SPTO 2009). Regrettably, the dearth of empirical assessment validating tourism's impact on the poor in Pacific island countries brings into question private and public sector policy that continues to facilitate increased tourism growth.

Tourism is predisposed to improving the livelihoods of the world's poor. The general view, however, is that tourism strategies should focus less on expanding the size of tourism and more on providing opportunities for the poor. Pro-poor tourism is defined as tourism that generates net benefits for the poor, including economic, social, environmental and cultural advantages. Benefits to the poor from tourism depend on whether the necessary enabling factors are present, including economic, social and policy environment factors.

It is broadly accepted that activity in the sector is controlled overwhelmingly by expatriates (Rao 2002) and international travel intermediaries, most of whom are based in Australia or New Zealand, including airlines and accommodation and service providers. A case in point is the enormous dependence on the impetus provided by low-cost airline Pacific Blue, which has been largely responsible for the spike in visitor numbers since the mid 2000s.

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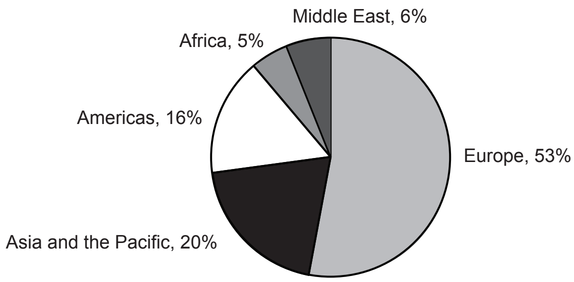
Australia-based Pacific Blue has added significantly to seat capacity from the two key source markets for the region: Australia and New Zealand (Drysdale 2009).

A growing concern about the proliferation of low-cost airlines is the vulnerability that Pacific island countries face. Despite public commitment to destinations, the longevity of foreign airlines is most likely determined by profitability concerns. The ability of sovereign airlines such as Air Pacific and Air Vanuatu to compete sustainably with low-cost airlines is being severely tested, with both airlines struggling to maintain high-quality services, as well as having to contend with internal and political meddling and the failure of infrastructure such as airports, runways and navigation facilities (Drysdale 2009).

A snapshot of tourism in the Pacific

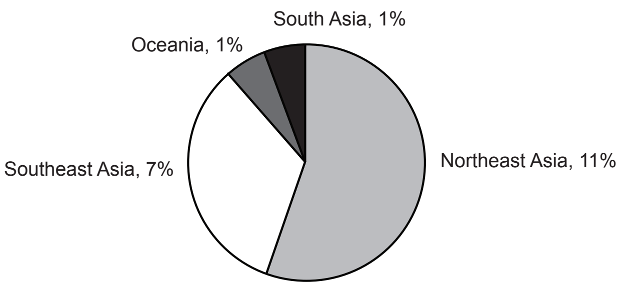
UNWTO (2009) data show that in 2008 international tourist arrivals reached 922 million—an increase of 1.9 per cent from 2007. For the period January–April 2009, arrivals totalled about 247 million—down from 260 million during the same period in 2008. In 2008, the Asia Pacific region accounted for 20 per cent of total international tourist arrivals (Figure 1), while the Oceania region, which was included in the Asia Pacific region and comprised Australia, New Zealand and the Pacific island countries, accounted for 1 per cent of total international tourist arrivals (Figure 2).

Figure 1 **International regions' share of international tourist arrivals, 2008**



Source: United Nations World Tourism Organization (UNWTO), 2009. *World Tourism Barometer*, 7(2) (June).

Figure 2 **Asia Pacific region's share of international tourist arrivals, 2008**



Source: United Nations World Tourism Organization (UNWTO), 2009. *World Tourism Barometer*, 7(2) (June).

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Approximately 75 per cent of all international tourist arrivals in the Oceania region visited Australia and New Zealand (Table 1). If arrivals in Fiji and the Micronesian destinations of Guam and the Northern Marianas are included, this accounts for close to 95 per cent of all international arrivals in the Oceania region.

In the post-independence period, Pacific island tourism has been dominated by Fiji, as a result of its long-established destination profile and the early development of supporting infrastructure. In one of the few studies undertaken to establish tourism's economic potential in the Pacific, Milne (1992) concluded that for tourism to have the greatest impact on Pacific island countries, tourism development should be small, locally owned and utilise localised input linkages. Scheyvens (2003, 2005, 2006) similarly lauds *fale*-based tourism in Samoa as an ideal entry point for the development of community enterprises.[2] Regrettably, tourism development and the intermediation of tourism services are more commonly driven by expatriate organisations and individuals (Cheer 2009). Milne (1992) concedes that tourism development is a double-edged sword and ideally should be part of a broader development strategy in which tourism is integrated with the distinctive aspects of each destination.

Fiji

International tourist arrivals in Fiji in the past decade have almost doubled from about 294,000 arrivals in 2000 to about 583,000 in 2008 (Figure 3). Growth forecasts for Fiji are for one million visitors in 2016 along with foreign exchange earnings of about F$1.6 billion (Tourism Fiji 2009). For the period 2003–08, Fiji's tourism receipts accounted for 13–15 per cent of GDP (Figure 4). Tourism receipts have declined as a percentage of GDP; however, this has not been due to declining tourism receipts but rather to the growth of remittances.

Table 1 **Oceania region international tourist arrivals, 2008**

Oceania region	International arrivals ('000)	Share of international arrivals, 2008 (%)
Australia	5,582	51.3
New Zealand	2,459	22.6
Cook Islands	94	0.9
Fiji	583	5.4
French Polynesia	196	1.8
Guam	1,140	10.5
Marshall Islands	6	0.1
Northern Marianas	388	3.6
New Caledonia	104	1.0
Papua New Guinea	120	1.1
Samoa	122	1.1
Vanuatu	91	0.8
Total	10,885	100

Note: Data for Kiribati and Palau were not available for 2008.
Source: United Nations World Tourism Organization (UNWTO), 2009. *World Tourism Barometer*, 7(2) (June).

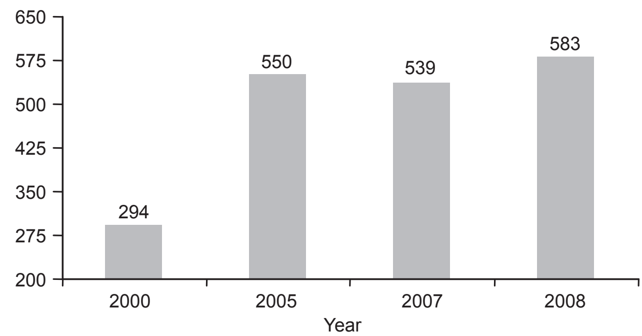
Vanuatu

International tourist arrivals in Vanuatu almost doubled in the period 2000–09 (Figure 5), with rapid growth occurring from 2005 coinciding with the emergence of Pacific Blue (owned and operated by Australia-based Virgin Blue) direct flights from Australia's east coast to Port Vila. During the period 2003–08, international tourism receipts (Figure 6) have increased by close to 50 per cent and, as a percentage of GDP, now average 20–24 per cent annually.

Samoa

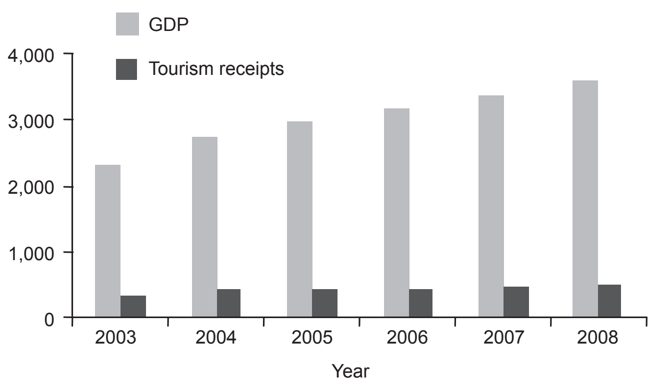
International tourist arrivals in Samoa experienced a similar spike in arrivals with the advent of Polynesian Blue, with the period 2000–08 showing an increase in arrivals by more than 50 per cent (Figure 7). Tourism receipts accounted for 18–23 per cent of GDP for the period 2003–08 (Figure 8).

Figure 3 **Fiji: international tourist arrivals, 2000–08** ('000)



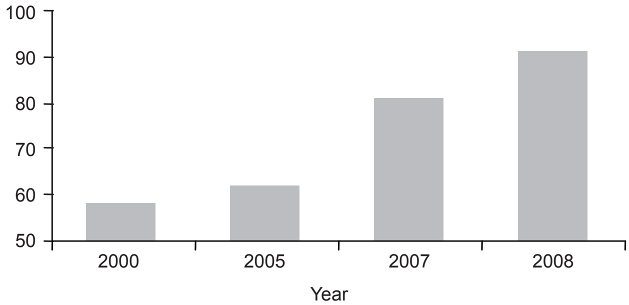
Source: United Nations World Tourism Organization (UNWTO), 2009. *World Tourism Barometer*, 7(2) (June).

Figure 4 **Fiji: summary of GDP and tourism receipts, 2003–08** (US$ million)



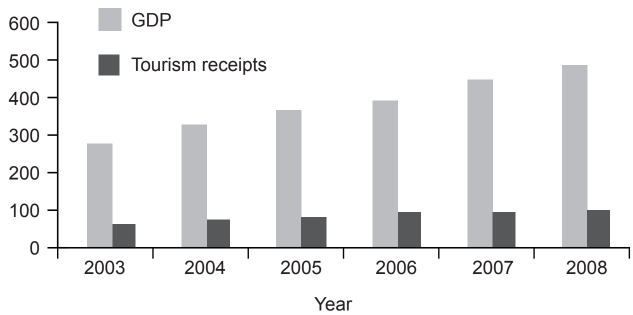
Source: Euromonitor International, 2009a. *Fiji Country Profile*, Euromonitor International, Chicago and London.

Figure 5 **Vanuatu: international tourist arrivals, 2000–08,** ('000)



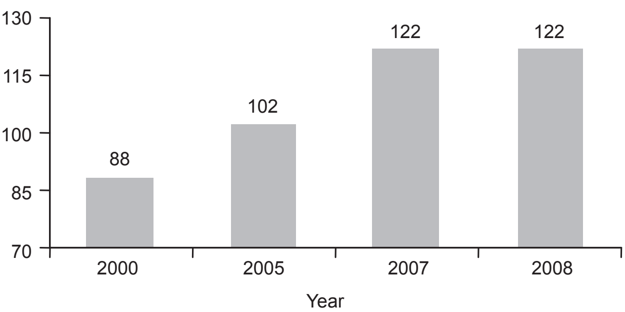
Source: United Nations World Tourism Organization (UNWTO), 2009. *World Tourism Barometer*, 7(2) (June).

Figure 6 **Vanuatu: summary of GDP and tourism receipts, 2003–08** (US$ million)



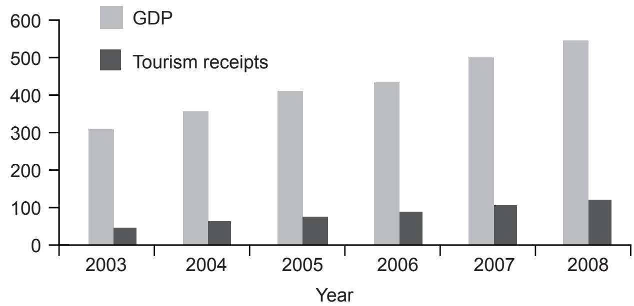
Source: Euromonitor International, 2009c. *Vanuatu Country Profile*, Euromonitor International, Chicago and London.

Figure 7 **Samoa: international tourist arrivals, 2000–09**



Source: United Nations World Tourism Organization (UNWTO), 2009. *World Tourism Barometer*, 7(2) (June).

Figure 8 **Samoa: summary of GDP and tourism receipts, 2003–08** (US$ million)



Source: Euromonitor International, 2009b. *Samoa Country Profile*, Euromonitor International, Chicago and London.

The trouble with tourism

A concern about developing a dependency on tourism is its vulnerability to external shocks. Swine flu, Samoa's recent tsunami, Fiji's political coups (Rao 2002) and its recent blacklisting due to the prolonged diplomatic impasse with Australia and New Zealand, past security concerns in Papua New Guinea and Solomon Islands and the general susceptibility of tourist sentiment to global shocks have the potential to have a negative impact on international arrivals in Pacific island countries (Shareef and McAleer 2005). Another drawback visible in some Pacific island countries is the increased land alienation as a result of rapidly developing tourism sector demands. Slatter (2006) and Stefanova (2008) highlight that ni-Vanuatu are facing increased alienation from traditional *kastom* land (land traditionally owned by ni-Vanuatu) on the island of Éfate, where up to 90 per cent of coastal land is leased for real estate and tourism-related developments.

According to Cleverdon and Kalisch (2000), tourism tends to reinforce social and economic inequality and while there is ample evidence that although some of the more fortunate sections of society might benefit, the poor are becoming poorer materially as well as in terms of their cultural and natural resources. If the tourism sector is to defy convention and overcome mounting cynicism, it must find a way to dispel the growing perception that tourism-led development largely provides Pacific islanders with low-skilled, low-paid jobs, while expatriate investors and enterprises and local élites profit handsomely. Of particular importance is the ability of the tourism sector to disperse international visitors beyond the tourist enclaves of Port Vila and Nadi to enable increased participation by rural and outer-island communities, where poverty is most prevalent and employment and business opportunities are scarce.

Despite the paucity of other options for development, there has been reluctance by many Pacific islanders to embrace tourism because of the potentially damaging influence it can have on traditional values and lifestyles (Berno and Douglas 1998). Berno and Douglas (1998) point out that another obstacle to the engagement of the poor in Pacific island countries in tourism is the tension between the traditional positions of the individual and their position in the community, which hinders the development of entrepreneurship essential in enhancing pro-poor tourism development.

Another key challenge for tourism in Pacific island countries is concern over what are the most appropriate forms of tourism development: mass market tourism versus small-scale, niche tourism such as backpackers who are considered to have a more positive impact on host communities (Carlisle 2001). Milne (1990), Scheyvens (2003) and others advocate for small-scale tourism as the best entry points for the participation of Pacific islanders. Buckley (2002) also advocates for the development of niche markets such as surfing-based tourism as another means by which the poor might be able to engage more readily. Regrettably tourism's recent growth, driven by low-cost airlines indicates a swing towards mass-market tourism driven by all-inclusive, resort-style packages.

A key proponent of pro-poor tourism, Goodwin (2009), argues that 10 years after the emergence of pro-poor tourism in academic and industry circles, credible research findings validating that tourism can benefit the poor are urgently required and that where there are interventions, they must have an impact on the poor sufficient to justify the investments. Goodwin (2009) points out that successful pro-poor tourism requires engagement with the mainstream industry and working with them to maximise their positive economic impact on local economic development and poverty reduction.

Ultimately, unless pro-poor tourism considerations are adopted in broad development policy and tourism sector policy and planning, the commercial concerns of the sector's mainstream actors will overwhelm any uneasiness over the sector's impact on the poor. Pacific island countries are considered to be some of the most heavily dependent on foreign aid, suggesting that donors and financing organisations can potentially play a major role in enabling the poor to leverage the opportunities that tourism growth provides. Multilateral and bilateral donors should embrace the tourism sector's pro-poor capabilities more so than at present because of the sector's role in providing employment and business opportunities more readily than other sectors. Tourism must be consumed *in situ* and utilise the unique cultural and location attributes of destinations—therefore being predisposed to benefiting the poor. Micro-enterprises—including accommodation, tours, retail, transport and other services—allow the best entry points for the poor. Their involvement, however, requires donors to be the catalysts for this impetus, as this is evidently beyond the scope of Pacific island governments.

Conclusion

While tourism continues to grow in Pacific island countries, its impact on the poor is difficult to substantiate owing to the lack of empirical evidence. What is clear is that despite the sector's growth, poverty indicators are worsening, suggesting that tourism's impact on poverty has been negligible. With growing interest in tourism from the public and private sector, and the increased used of scarce public sector resources and donor funds to develop tourism infrastructure, it is incumbent on policymakers and researchers to establish the *bona fides* of tourism's much-lauded pro-poor credentials. Establishing empirical evidence to confirm or reject tourism as a pro-poor vehicle is desperately needed in order to inform this debate. Mitchell and Ashley (2007) argue that clarity about the different pathways and drivers of poverty's impacts is important because some pathways have been neglected in research and policy; the tourism sector is a case in point.

Tourism sector policy and planning must have a pro-poor focus, highlighting the linkages with other sectors and the means by which greater dispersal of tourists away from the centre to the periphery can be achieved in order to involve the poor. Although the obstacles are formidable, the greatest opportunity for pro-poor tourism development is through improving the engagement of outer-island and rural communities.

Finally, the role multilateral and bilateral donors can play in ensuring that the benefits of tourism reach the poor cannot be underestimated. Donors in Pacific island countries are playing an active role in facilitating the development of a range of other sectors including agriculture, fisheries and forestry and the basic needs including education and health. Given that tourism is one of the key productive sectors in most Pacific island countries, it seems inequitable that it has so far failed to attract a commensurate level of donor attention. If tourism is to harness the pro-poor potential it is purported to have, it seems obligatory that donors dedicate increased funding and technical support to ensure the poor are not missing out.

Harrison (2004) argues that the extent to which tourism is an example of sustainable development is much debated, and unfortunately rhetoric is not always translated into practice. Although it is widely acknowledged that pro-poor considerations should be integrated into tourism sector development, rarely is this the case. The implication then is for policymakers and researchers to focus research efforts on validating the sector's pro-poor merits and integrating pro-poor considerations more into sector planning and development.

Notes

1 References made in this article to Pacific island countries include only countries in the South Pacific.

2 *Fale* tourism is described as small-scale, locally owned beach accommodation (Scheyvens 2003).

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