Rural Tourism: An affirmative management approach for inclusive economic growth

Presented for

World Ecotourism Conference 2009

(WEC 2009)

July 15 - 17, 2009

VIENTIANE, LAOS

Presenter

Rabi Jung Pandey

Director

Nepalese Tourism Research and Service Center (NTRSC)

Former, National Program Manager, UNDP/Tourism for Rural Poverty Alleviation Program (TRPAP)

Nepal

Phone No: 977 1 4701318, 9851038783 (Mobile)

FAX No: 977 1 4700233

Email: rabijp@gmail.com

Overview

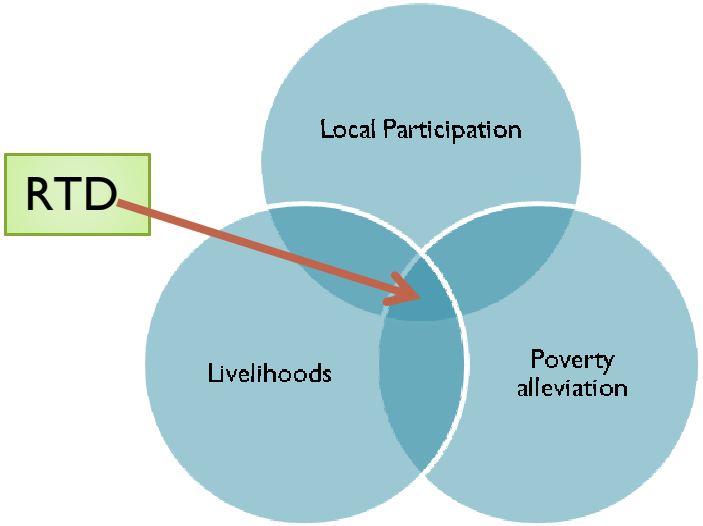
- Introduction
- External intervention for RT development
- Management challenges in RTD
- Possible mitigating measures
- Conclusion

Introduction

Rural Tourism Development

- RT encourages local people to play a greater role in the **management** of tourism activities, agrees with the **key development models** such as:

  - **local participation,**
  - **sustainable livelihoods and**
  - **poverty alleviation.**



- RT **attracts the attention** of governments, non-governmental organizations, and donor organizations.
- When it grows, as a commercial venture, it also attracts **the interest of the private sector** (profit).

Common constraints faced by RT

- Tourism destinations are often **isolated** and **exists in remoteness**.
- **Distance from the markets** has been the most common problem for both national and international tourism.
- Communities themselves have to deal with ***'cultural distance',*** and have **little understanding of what tourists want and expect.**

Why intermediaries needed for RT development?

- **To bridge gaps** in market information, business skills, and product design, various institutions / organizations seen playing the key role as tourism intermediaries.

External intervention for RT development

Who are the major intermediaries for RT development?

- Broadly, ***intermediaries*** belong to one of **four** sectors playing major roles :

1. The governments

1. for marketing (promotion),
2. training (HRD)
3. providing market information through tourist boards or National Tourism Organizations (NTOs), and
4. improving or developing the conducive policy environment.

2. Private sector companies

1. by providing services and facilities and operating in a competitive environment.
2. they often have good market information, marketing skills and networks.
3. they partner with RT ventures to offer customers a new type of tourism and to improve their social responsibility.

3. **Local communities**
   1. through forming a collective group for the purposes of developing new tourism products,
   2. marketing, and
   3. managing the tourism activities.

4. Some **non-governmental organizations (NGOs) through financial and technical support from the donor organizations**
   1. seeing RT as an additional support for the rural livelihood and
   2. capacity building,
   3. resources mobilization,
   4. institution building, and
   5. facilitating partnerships.

Each sector seems delivering **important roles to play**, but all are found confined within their respective ***limited potential*** as an intermediary.

- **Private companies** are *profit motivated*, so they are only likely to commit to RT ventures making money. The community will *rely heavily* on their integrity and successful marketing.

- **NGOs** are not profit motivated and so can commit to ventures with lower profit making potential. They are more likely to focus on **equity and participation of the community**, but often **lack the** business/commercial experience necessary for success.

- **Local communities** form CBOs and FGs which can be useful where several CBT ventures are established together, but since membership fees are often low, they are not always **self-sufficient financially**. Local communities usually rely in part on donor funding, and like NGOs, often lack business/commercial experience and skills.

- **Governments** are playing an important role regarding **formulating favorable policies,** but are restricted mostly to focus on large-scale tourism developments. There is not always a long-term commitment to develop RT from the government side.

In most cases, **more than one intermediary looks playing a part,** taking the lead roles, depending on the prevailing context such as:

- In ventures with good commercial potential, the ***private sector*** takes the lead, while NGOs/INGOs/donor organizations will assist with capacity building.
- Where RT is marginal in profit terms, and a slow process of capacity building is necessary, ***NGOs/INGOs/donor organizations*** may be the best partner, bridging the gap to the private sector and its access to markets.
- ***Local communities*** play a useful role in representing RT ventures, but need the support of NGOs/INGOs/donor organizations, the government and the private sector.
- ***Governments*** through NTOs make resources accessible to RT operations, while ensuring that systems of licensing or tourism standards do not act as bariers.

Moreover, they have played both *managerial* as well as *facilitator's* role for the overall RT development

managerial role

- Ensuring the interests of all stakeholders;
- Initiating consumer societies;
- Contributing to the development of policies and plans;
- Assisting the government in developing a standard for RT;
- Assisting in implementing, monitoring and evaluating;
- Attracting funding to develop specific RT projects;
- Assisting in organizing for preparing and implementing tourism projects;
- Assisting in conducting tourism and environmental awareness programs;
- Liaising between the private sector and communities to generate more community involvement and stronger private sector commitment.

facilitator's role

- Initiating the developing process for RT
  - ***Use of participatory and visioning approaches***
  - ***Enhancing management capacity***
  - ***Motivating for backward and forward linkages***
  - ***Encouraging for researching the various sectors***
- Emphasizing the importance of marketing and promotion
- Coordinating for set-up of sustainable institutional arrangements
- Helping to develop enabling policies
  - ***Developing private sector partnerships with community and rural tourism stakeholders :***
  - ***Enhancing the existing capacities***
  - ***Encouraging participation***
  - ***Addressing environmental concerns***
  - ***Providing access to capital (credit capital)***

Management Challenges in RTD

Management Challenges in RTD

Broadly in two areas:

A. **Development Process** (for inclusive economic growth)

B. **Impacts from the overall development**

A. Development Process (inclusive economic growth)

i. **Lacking authority and dissension in development**
ii. **Legislative problems**
iii. **Lack of trained manpower**
iv. **Insufficient financial support**
v. **Lack of local involvement**
vi. **Lack of proper physical facilities**
vii. **Lack of basic education**
viii. **Language problems**
ix. **Lack of business planning skills**

B. Impacts from the overall development

i. Economic

a. Positive

b. Negative

ii. Environmental

a. Positive

b. Negative

iii. Socio-cultural

a. Positive

b. Negative

Possible mitigating measures (affirmative approach)

Possible mitigating measures (affirmative approach)

A. Set the Objectives and Plans properly

B. Formulate framework with appropriate rules, regulations, acts, policies, guidelines,

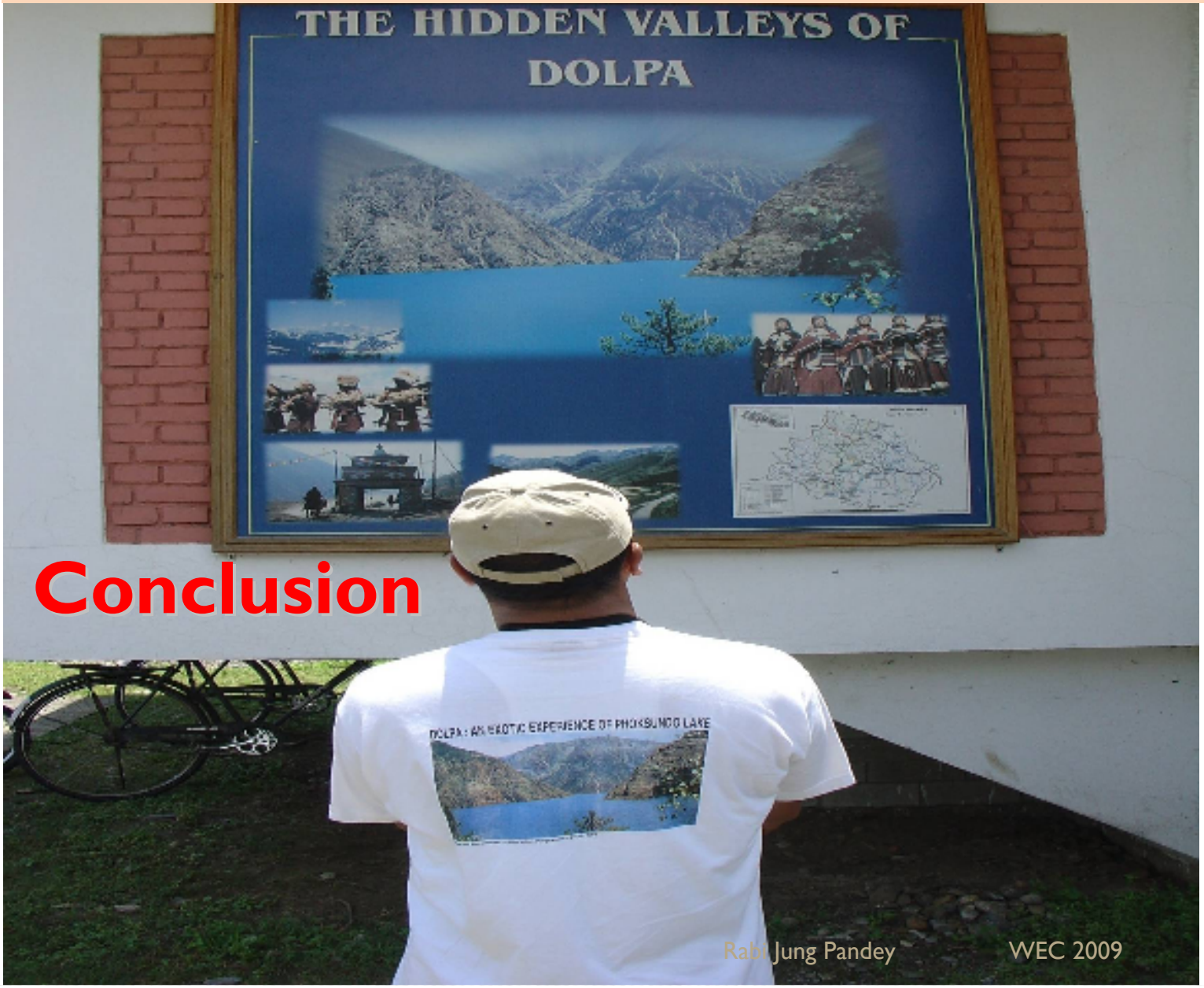
C. Manage environmental aspects tactfully

   i. Carrying capacity
   ii. Development of Physical Structures
   iii. Zoning

D. Involve rural communities and sectors concerned at all stages

   i. Local involvement
   ii. Cooperation between different parties

E. Follow sustainable marketing strategies



Conclusion

Conclusion

Rural tourism is at present favorably perceived as potentially sustainable. Nevertheless, it may bring negative impacts. There are many pitfalls along the avenue of tourism development. Both short-term and long-term planning, implementing and monitoring are vital in avoiding damage to rural areas. Environmental management, local involvement, sound legislation, sustainable marketing, and realistic planning are all crucial if rural tourism is to be made sustainable, and to make a positive contribution to the lives of rural people.

Thank you