The International Year of Sustainable Tourism for Development (IY2017) is a watershed moment for making tourism a catalyst for positive change. As the United Nations General Assembly affirmed when announcing the adoption of the International Year, tourism can contribute to all the three dimensions of sustainable development – economic, social and environmental – and each of the 17 Sustainable Development Goals. Not only does the sector spearhead growth, it also improves the quality of people’s lives. It can bolster environmental protection, champion diverse cultural heritage, and strengthen peace in the world. To harness tourism’s impressive potential to advance sustainable development, clear evidence is needed on progress made to date – it is vital to understand what works, what doesn’t, and what needs to be done to surmount current challenges and capitalize on opportunities.

Structure, Purpose and Scope of the UNWTO “Sustainable Tourism for Development” Discussion Paper

In this spirit, the Discussion Paper provides a preliminary framework for examining tourism’s role in sustainable development during the IY2017 and beyond. It sets out tourism’s strengths and the challenges it faces, while underlining the need for careful planning and management. As a first step towards gathering evidence of the nexus between tourism, sustainability, and development, it is by no means exhaustive. Rather, with this document UNWTO invites governments, organizations and individuals to submit further evidence and case studies to inform a flagship report on the ways in which tourism can further the course of sustainable development.

The Paper focuses on the five central pillars of the IY2017 – key elements of sustainable development to which tourism stands to make a significant, lasting contribution:

1) Sustainable economic growth
2) Social inclusiveness, employment and poverty reduction
3) Resource efficiency, environmental protection and climate change
4) Cultural values, diversity and heritage
5) Mutual understanding, peace and security

Each thematic section presents an overview of current evidence, raises key issues to consider when moving forward, and highlights priorities for action – with particular reference to the Sustainable Development Goals and the broader 2030 Development Agenda. A subsequent cross-cutting section looks at what governance, policy frameworks and instruments are required to spearhead sustainable tourism. The presented evidence on tourism performance and impact is drawn from previous studies by the World Tourism Organization (UNWTO) and its partners, international organisations, academic studies and other reputable sources.

What is the purpose of the Paper?
- Define the scope of tourism’s current and potential contribution to sustainable development
- Stimulate discussion on the factors which affect tourism’s ability to make this contribution
- Identify changes in policies, business practices and consumer behaviour
- Invite stakeholders to submit evidence and case studies

Key Findings

Empirical studies (outlined in Annex 3) confirm a strong correlation between tourism and economic growth. While it is unclear whether tourism drives growth, or vice versa, their relationship appears mutually reinforcing. There is a less clear causal relationship between tourism and overall levels of sustainable development – particularly poverty reduction, socio-economic equality and environmental integrity. This highlights the need for further evidence, coupled with careful planning, management and monitoring of tourism growth – via evidence-based policies and actions – in order to achieve sustainable development outcomes.10

Tourism offers significant opportunities as a tool for development, given the sector’s substantial size, contribution to international trade, rapid growth, and linkages to other sectors through the tourism value chain. Opportunities also abound given the prospects it offers for women and youth; its relative importance for developing states, rural areas and indigenous communities; its potential to incentivize the conservation of natural and cultural assets; and its capacity to spur interaction and understanding. Nevertheless, challenges persist – such as tourism’s susceptibility to market influences; over-dependence on tourism; issues of overcrowding; concerns over working conditions; emissions and pollution; and potential adverse effects on biodiversity, heritage and communities.

1) Sustainable Economic Growth

Where are we now? Whether growth is tourism-led or economy-led, tourism clearly makes an immense contribution to the global economy – estimated at US$ 7.170 trillion – through direct, indirect and induced contributions.11 International tourism generated US$ 1.5 trillion in exports in 2015, equivalent to 7% of all global exports in goods and services and 30% of exports in services alone – making tourism the world’s third largest export category. 12 It is a leading export sector in many developing states, particularly small island developing states (SIDS)13 and least developed countries (LCDs) – in fact in 45 of 47 surveyed LCDs, tourism was a key development sector.14

<table>
<thead>
<tr>
<th>In Numbers</th>
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<tbody>
<tr>
<td>9.8% of the world’s GDP contributed by tourism2</td>
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<tr>
<td>1.235 billion international arrivals in 20163</td>
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<tr>
<td>US$ 1.260 trillion earned from international tourism in 20154</td>
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<tr>
<td>US$ 3.420 trillion from domestic tourism5</td>
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<tr>
<td>1 in 11 jobs worldwide provided by tourism6</td>
</tr>
<tr>
<td>30% of exports in services globally7</td>
</tr>
<tr>
<td>3.3% annual growth in international arrivals up to 20308</td>
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Tourism’s role in economic growth is linked to SDGs 8, 9, 10 and 17

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2 World Travel and Tourism Council estimate based on economic modelling across all countries.
5 World Travel and Tourism Council (2016a) Travel and Tourism Economic Impact 2016. London: WTTC
6 Ibid.
9 As evidenced by statistical correlation and causality tests applied to relevant indices, suggested by the literature review in Annex 3.
11 World Travel and Tourism Council (2016a) Travel and Tourism Economic Impact 2016. London: WTTC.
Domestic tourism also has a tremendous economic impact, generating US$ 3.42 trillion in 2015, over two and a half times the size of international tourism receipts. It is especially significant in developed economies – accounting for an average of 77% of tourism consumption in OECD countries\textsuperscript{15} – but is also crucial in several developing nations, representing 90% of tourism spending in China. The sector’s rapid growth means that tourism will only continue to grow in economic importance. Domestic tourism is growing swiftly, by 6% per year, while international tourism – which grew by an average of 3.9% each year between 2000 and 2014 – will grow by 3.3% per year up to 2030,\textsuperscript{16} with international tourist arrivals predicted to reach 1.8 billion.\textsuperscript{17}

**What needs to be done?** Capitalizing on this strong economic potential to ensure that tourism advances truly sustainable economic growth will hinge on:

- Cultivating a favourable business environment, characterized by stability and supportive policies;
- Ensuring openness and a high degree of connectivity; and
- Bolstering the resilience of the tourism sector.

It is imperative to address the structural challenges faced by the tourism sector – including a weak business environment, especially in developing countries; labour and skills shortages; limited access to finance; and low levels of investment. Reforming the policy, legal, institutional and regulatory conditions that govern business activity is an important first step. This must go hand in hand with raising awareness of tourism among investors and support services, while integrating tourism within trade policy and agreements. Investing in human capital is equally essential. Efforts are needed to bridge the skills gap, which threatens to reduce the sector’s contribution to GDP by US$ 610 billion over the next decade and create a shortfall of 14 million jobs.\textsuperscript{18} Promoting Foreign Direct Investment (FDI) that is well-grounded in destinations, and which maximizes economic benefits for local communities, will be vital to improve market awareness, economic stability, quality standards, skills levels and knowledge transfer. Given the sector’s high proportion of micro-, small- and medium-sized enterprises, which often struggle to access markets and capital, investors need to be incentivized to take on the complexities of investing in small-scale tourism ventures.\textsuperscript{19}

To spearhead greater connectivity, on-going investment in transport is fundamental, as is improving year-round load factors and reducing carbon footprints via sustainable transport options. Making visas easier to obtain would be a boon to barrier-free travel, which is currently constrained by the fact that 61% of the world’s population require traditional visas.\textsuperscript{20} Internet accessibility would also bolster connectivity, market access, distribution and networking, underscoring the importance of improving ICT infrastructure, particularly in developing countries and rural areas. Harnessing tourism’s impressive resilience is another key means of fostering its role in economic growth. Tourism tends to recover more quickly than other sectors\textsuperscript{21}, with the sector swiftly bouncing back in the


\textsuperscript{16} World Travel and Tourism Council (2016a) Travel and Tourism Economic Impact 2016. London: WTTC.

\textsuperscript{17} World Tourism Organization (2011b) Tourism Towards 2030. Madrid: UNWTO.

\textsuperscript{18} World Travel and Tourism Council (2015b) Global Talent Trends and Issues for the Travel and Tourism Sector. London: WTTC.


\textsuperscript{21} World Tourism Organization (2015b) Tourism Driving Trade, Fostering Development and Connecting People. Madrid: UNWTO.
wake of the global economic crisis, with arrivals growing by 7% between 2009 and 2010, and 2016 marking the seventh consecutive year of sustained growth following the onset of the crisis. Investing in communities and the environment would help to secure resilience, coupled with risk and crisis management plans; early warning systems; social insurance; emergency response and recovery plans; market diversification; and a greater focus on domestic tourism to mitigate the shocks of international market trends.

2) Social Inclusiveness, Employment and Poverty Reduction

Where are we now? Tourism is not just a major part of the global economy; it is also a means of furthering “inclusive” growth which increases opportunities for all. The sector is a major source of employment, providing an estimate one in eleven jobs worldwide. In 2015, tourism accounted for 283 million jobs – 9.5% of global employment through direct employment and indirect jobs across the supply chain. Tourism is especially notable for the opportunities it offers for economic activity at the local level, as well as for women and youth – the sector employs higher proportions of women and young people than are represented in the overall global workforce. Although tourism cannot be automatically assumed to alleviate poverty, it is well-placed to contribute to poverty reduction given the low skills requirements for entry-level positions and the prospects it offers for small-scale entrepreneurs to pursue new activities or formalize existing micro ventures. The sheer scale of the complex tourism value chain presents significant opportunities for generating backward and forward linkages which can engage local micro-, small- and medium-sized enterprises (MSMEs).

What needs to be done? To harness tourism’s potential for inclusivity, decent work and poverty eradication – while overcoming the challenges of unsustainable tourism activity – it will be important to:

- Pursue an “inclusive growth” approach;
- Create decent jobs, which redress the skills gaps while ensuring fair, productive employment;
- Support local communities and empower women and youth; and
- Provide tourism experiences for all, via a focus on universal accessibility.

A holistic approach which champions “inclusive growth” through effective policies, planning and concerted action is vital for ensuring that the dividends of prosperity generated by tourism – both in monetary and non-

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23 World Travel and Tourism Council (2016a) Travel and Tourism Economic Impact 2016. London: WTTC.
24 Ibid
monetary terms – are fairly distributed across societies.\textsuperscript{28} Tourism strategies require cross-sectoral linkages, since tourism for development cannot be pursued in isolation. Creating productive employment and entrepreneurship opportunities is vital, in line with the concept of “decent work”.\textsuperscript{29} This is especially necessary given skills shortages across the sector, alongside high levels of job turnover; high proportions of part time, seasonal and temporary jobs\textsuperscript{30}; and the large share of low paid jobs, with limited training and career prospects, weak labour rights and poor employment conditions.\textsuperscript{31} To this end, tourism should build on the positive prospects it offers for youth and women, including for women to run their own businesses.\textsuperscript{32} Capacity-building and training should be at the heart of this drive, alongside bridging the pay gap – as women workers earn 10%-15% less than men – and redressing the vulnerability of unpaid workers in family tourism businesses.\textsuperscript{33}

Community-based tourism can also create much-needed opportunities, especially for rural or indigenous communities. To overcome potential adverse effects, such as competition for scarce resources like land and water, tourism planning and management must strive to ensure that tourism’s socio-economic benefits reach local communities – whether through direct employment and business opportunities, or through indirect and collateral benefits – while ensuring that local communities are integrated in all policies. For instance, via investment in local infrastructure and services, as well as the use of tourism-related taxes and charges within local areas. Universal accessibility also lies at the heart of tourism’s inclusivity, as it is intimately linked with the human right to freedom of movement, leisure and travel. Providing barrier-free access for people with physical, sensory and other disabilities, stands to benefit us all – tourists and locals alike – particularly the elderly, pregnant women and families with young children.

3) Resource Efficiency, Environmental Protection and Climate Change

\textbf{Where are we now?} As a sector which depends so much on the natural environment, tourism has a special responsibility towards the planet, with the potential to harness this dependency to promote conservation. Challenges abound as tourism is a generator of emissions and pollution which drive climate change – accounting for an estimated 5% of global CO\textsubscript{2} emissions.\textsuperscript{34} The sector consumes vast quantities of resources – for instance, tourism can strain

\begin{itemize}
\item \textbf{Clean water and sanitation}
\item \textbf{Affordable and clean energy}
\item \textbf{Decent work and economic growth}
\item \textbf{Sustainable cities and communities}
\item \textbf{Responsible consumption and production}
\item \textbf{Climate action}
\item \textbf{Life below water}
\item \textbf{Life on land}
\end{itemize}
freshwater resources, with tourist facilities using between 100 to 2,000 litres per guest, per night\textsuperscript{35}, far more than most local populations. Energy consumption, food waste, and overall waste management are also pressing concerns. Opportunities for “greening” the tourism sector\textsuperscript{36} are not only environmentally sound, they also promise substantial businesses savings through efficient resource management and sourcing local supplies, materials and services, which in turn can benefit local employment. Far more needs to be done to ensure efficient resource management, including among small businesses.

**What needs to be done?** The tourism sector must become more rigorous in its efforts to monitor, report and reduce resource consumption and emissions. An integrated, approach to environmental sustainability is required, grounded upon strategies for decoupling tourism growth from environmental degradation and excessive resource use, with a focus on:

- Enhancing the efficient use of resources;
- Focusing on biodiversity conservation and environmental protection;
- Investing in climate change mitigation and adaptation;
- Increasing knowledge of how environmental issues are related to tourism and increasing awareness among key stakeholders.

To spearhead the efficient use of natural resources, there is a need for strict impact assessments; careful planning; and effective water and energy management, particularly in areas of water scarcity. Good practice examples of “retrofitting” existing structures – e.g. improving building insulation, replacing equipment, and using renewable energy – should be supported and replicated in a contextually-sensitive manner. Tackling the over-use of consumable goods requires a “reduce, reuse and recycle” approach, coupled with recycling services and green disposal in destinations. To improve waste management, tourism facilities must adequately treat and dispose of solid and liquid waste, recycling grey water and preventing pollution to water courses through improved treatment processes. Increasing tourists’ awareness of resource use, and encouraging them to change their behaviour, are also key to bolstering sustainability.

To prevent tourism from degrading sensitive ecosystems, or placing indirect pressure on ecological resources, a balanced approach is required. This should combine conservation with creative opportunities to promote the sustainable use and management of ecosystems, ideally engaging key players within the tourism sector in defence of biodiversity. To this end, useful guidance is offered by the *Guidelines on Biodiversity and Tourism*

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The pressing need to mitigate the impacts of climate change will require the sector to meet the targets of the 2015 Paris Agreement, in keeping with sectoral commitments to reduce tourism’s impact on climate change. A coordinated sector-wide response to climate change – involving agreement on systematic sector-wide monitoring, targets and routes for achieving stated aims – will be essential. Reducing emissions could be supported by using new technologies, operational efficiency, emissions trading schemes, and off-setting schemes. A strategic approach could involve decreasing the average distance and frequency of trips, while increasing the length of stays and shifts in modes of transport.

4) Cultural Values, Diversity and Heritage

Where are we now? The global wealth of cultural heritage is one of the principal motivations for travel. 40% of international arrivals are considered “cultural tourists”, i.e. travellers who participate in a cultural visit or activity as part of their stay. The myriad links between tourism and culture can contribute to catalysing inclusive, sustainable development. Tourism presents notable opportunities for safeguarding the world’s rich cultural heritage, since the revenue it generates can be channelled back into initiatives to aid its long-term survival. Culture, in turn, offers innovative means of gaining socio-economic benefits through tourism. The end benefits are not merely economic – intercultural dialogue lies at the heart of cultural tourism, entailing wider experiential and educational benefits for visitors and communities. New opportunities exist to strengthen links between tourism and other creative industries, including music, the performing arts, design and cuisine. Recently, significant attention has been paid to the growing significance of food tourism, as well as the role of contemporary culture in urban regeneration and renewal linked to tourism.

What needs to be done? Bolstering the links between sustainable tourism and culture will require:

- Positioning “cultural tourism” as a tool for sustainable development;
- Safeguarding and promoting cultural heritage – both tangible and intangible; and
- Linking tourism to living, contemporary culture and the creative industries.

Theme 4 – Priorities for Action

- Aligning cultural and tourism policies at all levels
- Researching cultural tourism’s impact
- Expanding collaborative structures and knowledge-sharing at all levels
- Engaging the private sector, conservation bodies, academia, civil society and communities in policy formation and implementation

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44 World Tourism Organization (2011c) Tourism and Intangible Cultural Heritage. Madrid: UNWTO.

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Throughout, a focus is needed on promoting cultural exchange between local communities and visitors. Championing “cultural tourism” – understood as tourism that is related to, or motivated by, culture – requires further integration between cultural and tourism policies and planning at all levels – within communities, countries, regions and globally. This can be facilitated by creating or expanding collaborative structures, networks and programmes which link tourism and culture at the national, regional and international levels. Further research and knowledge-sharing are needed to better understand cultural tourism’s current impact and potential scope.

Strategies for safeguarding and promoting cultural heritage ought to be complementary. Sensitive marketing is important for attracting interest in heritage, while securing support for conservation. It is essential to engage and empower local communities, including minorities and indigenous people, so that their concerns about the integrity of their cultural heritage are reflected across all aspects of tourism planning and management.

Formal recognition of heritage sites and assets at the national or international levels, coupled with adequate protection strategies, are core requirements for conservation. This process should involve an assessment of a site’s carrying capacity and its tourism potential, drawing on available guidance about visitor management at cultural heritage sites. Given the rapid growth of the creative industries – as trade in creative goods increasing by 8.6% per year from 2003 to 2012 – the time is ripe to link contemporary culture and creative cultural activities to tourism. Not only would this enrich tourism offer, it can help to revive urban areas, facilitate host-guest interaction, and promote local creativity.

5) Mutual Understanding, Peace and Security

Where are we now? There appears to be a strong, positive correlation between tourism and peace. On the one hand, the very existence of tourism depends on peace and security. On the other, the transformative power of tourism – grounded upon billions of encounters that occur every day – paves the way towards dialogue, mutual understanding and tolerance, the cornerstones of a culture of peace. A sustainable, well-managed tourism sector also contributes to the building blocks of peace – the “attitudes, institutions and structures” upon which peaceful societies are built, alongside economic development, democratisation, social justice, education, equality, empowerment, and reconciliation. Tourism can recover quickly after conflicts cease and can be relevant in post-conflict situations, helping to re-build economies and promote reconciliation. The need to

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49 World Travel and Tourism Council (2016b) Tourism as a Driver of Peace. London: WTTC.


52 World Travel and Tourism Council (2016b) Tourism as a Driver of Peace. London: WTTC.

53 Ibid.
provide for the safety of tourists can also play a part in maintaining more secure destinations and minimizing levels of violence.

What needs to be done? Advancing tourism’s contribution to mutual understanding, peace and security requires:
- Fostering a “culture of peace” and global citizenship through tourism;
- Harnessing tourism as an agent for peace and reconciliation; and
- Maintaining safety and security across the tourism sector.

Creating a “culture of peace” – one which rejects violence, prevents conflicts by tackling their root causes, and solves problems through dialogue and negotiation55 – is key to enabling long-term, harmonious coexistence between peoples and cultures. Tourism can contribute to building a culture of peace, if all stakeholders actively pursue “peace-sensitive tourism” – that is, tourism which takes into account local conditions and involves local communities in all decision-making processes.56 Advancing peace-sensitive tourism requires opportunities to experience “other” cultures, including interaction between hosts and guests; visits to sites related to conflict or peace; cross-border tourism experiences, including thematic routes; religious and faith-based tourism; exchange visits, like youth exchange programmes; sharing experiences through social media; and local community engagement. This is tied to tourism’s potential to further a sense of “global citizenship”57, whereby individuals reflect on their relationship with the “other” and embrace diversity – particularly in cultural contexts – thereby promoting exchange and the reaffirmation of “global values”. While the term allows for different interpretations, it arguably entails people taking responsibility for, and thinking critically about, global issues, as members of a shared “global community”.

The processes involved in sustainable tourism development – especially stakeholder dialogue and community engagement – can help rebuild relationships and trust58 between parties in post-conflict situation. To contribute to peace and reconciliation efforts, tourism development needs to be embedded in an on-going peace process. All parties must be made aware of the potential benefits of tourism, in order to incentivize reconciliation efforts. Similarly, collaboration between and within countries is vital for furthering safety and security across the tourism sector. Promoting security also requires fully integrating tourism into international and national security systems, coupled with timely, accurate and regularly updated travel advisories, and sustained, open media engagement.59

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57 Ibid.
58 Ibid.
Overall, a broader base of evidence is needed on tourism’s current and potential role in peace, reconciliation and security which should be pursued in partnership with academic institutions.

Cross-Cutting Issues: Governance, Policies and Tools for Sustainable Tourism

Effective governance, policies and tools need to be in place in order to plan, guide, support and coordinate sustainable tourism development. In terms of governance at the international level, organisations like UNWTO have a leading role to play in fostering international partnerships, liaisons between multinational bodies and engagement with the private sector and civil society. At the national level, the opportunities which tourism offers for sustainable development need to be recognized by governments; inter-ministerial liaison groups and multi-stakeholder bodies should be formed; and adequate budgetary resources should be allocated to ensure tourism’s sustainability. At the local destination level, effective coordination is needed with national structures, alongside local multi-stakeholder management structures, adequate financial and human resources, and community engagement. Vertical coordination across all three levels is imperative.

Policy frameworks within individual countries must ensure that tourism, including tourism promotion, is adequately integrated in national policies and plans – particularly plans on sustainable development and growth. Management plans at the national and/or local levels are required, with destination management plans offering significant prospects for an inclusive approach. In order to ensure their efficacy, local tourism plans and strategies should be aligned with national priorities. Policies, in turn, must be informed by evidence – making the collection of data collection, analysis and monitoring all the more important. In addition to countries developing System of Tourism Statistics (STS) and Tourism Satellite Accounts (TSAs) to provide credible measures of tourism’s economic contribution, efforts are needed to ensure that data collection is sustained and participatory; makes use of existing statistical frameworks where relevant; involves needs-based indicators; and that the data collected is used to guide tourism management in practice. Systematic data collection, disclosure and sharing are necessary, and may be supported by the Statistical Framework for Measuring Sustainable Tourism (MST) being developed by UNWTO and the UN Statistics Division.

Useful tools to support sustainable tourism outcomes should also be employed, such as land-use planning; economic tools like discretionary financial assistance or tax incentives; voluntary standards and certification schemes; and codes of good practice. Effective marketing and the use of social media can also greatly influence visitor awareness of sustainability issues, as well as their awareness of their own impact on sustainability.

60 For more information, please see: [http://statistics.unwot.org/mst](http://statistics.unwot.org/mst)