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Sustainable Tourism in the Face of Tragedy

The tsunami tragedy has destroyed the fabric of coastal life and pulled the tourism delivery system out by its roots in parts of Thailand, Sri Lanka, and the Maldives. These hard-hit countries are dealing with an unprecedented humanitarian crisis, while trying to reinstate one of their most valuable economic assets – the tourism industry.

The disaster illustrates vividly how tourism has become one of the primary economic drivers in the developing world. Official sources in Thailand have reported that 10,000 workers have already lost jobs, and there have been 20,000 cancellations, prompting a loss of \$15 million a day in revenues.¹ Similar figures have not been released by Sri Lanka or the Maldives, but it is likely the situations are equally grave. There is an urgent need for donors to consider how these economically pivotal destinations can be redeveloped and economically rehabilitated in an environmentally and socially sustainable manner.

Embassies and tourist ministries from the countries affected are making it clear that the assistance they want above all from donor countries is trade not aid. If tourists return, they argue, reconstruction will quickly proceed. But donors and sustainable tourism experts need to review what environmental standards will be applied during reconstruction and how the tourism industry plans to respond to dire community and worker needs. It is doubtful that private enterprise, which is already stressed greatly by the disaster, will look to improving their environmental and labor standards in the middle of this crisis. But with the appropriate attention to private sector and community needs from donors, many important improvements could be made in the existing economies and infrastructure of coastal areas.

The fact is that the existing tourism infrastructure that was destroyed was frequently operating without proper environmental controls, there was inadequate sewage treatment if any, and improper waste disposal systems. Transport systems were aging and overcrowded. Tourism workers were living at or below the poverty line, and local communities were often living in poor circumstances directly adjacent to five star hotels. As Justin Frances from responsibletravel.com wrote in the *Guardian*,

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“Tourism is a largely unregulated industry, which unlike the oil or mining industries, is not required to conduct social or environmental audits before it begins operations, or to commit to leaving improved environments and community development initiatives when they pull out.”ⁱⁱ

The lack of tourism regulations around the world is causing increasing environmental and social disruption. Yet until recently, there has been only limited attention to the tourism development economy by the donor community. While donors have finally begun to recognize that tourism development plays a critical role in the economies of the poorest countries, there has been little in-depth study of the tourism industry or government policies to date. **Without the proper background data at hand, the donor response to the tsunami disaster could actually reinforce, not eliminate, highly unsustainable practices.**ⁱⁱⁱ

As unprecedented aid funds are channeled to the stricken areas, there will be an intensive process of considering how to appropriately use the funds once humanitarian needs are met. It is clear that debt relief is one key solution for countries like Sri Lanka (with 8% debt on GDP) and the Maldives (with 4% debt on GDP) in order to allow the countries to handle the rebuilding process.^{iv} According to the Overseas Development Institute (ODI), “few countries have the luxury of large contingency funds to handle the scale of tsunami disaster,”^v But can debt relief and economic rehabilitation aid be tied to sustainable economic redevelopment plans?

Decisions must be made quickly. The Asian Development Bank reports that the disaster will have the most devastating impacts on the poor. Taking into account all of the impacts from the disaster, the ADB estimates that approximately one million people could drop below the poverty line as a result of the disaster.^{vi} ODI states, “The greatest challenge will be ensuring that the poor, especially those in fishing and on the margins of the tourist economy are helped to recover.”^{vi}

Sustainable Infrastructure

Questions about creating appropriate new infrastructure seem particularly acute. If hotels are reopening throughout the region, as publicized, how is their water being supplied and sewage treated? What types of energy supply is being utilized, at what cost, and with what sustainability? How is the road infrastructure, and what type of transportation corridors will be created along the



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coast of Sri Lanka's main tourism corridor, for example, which was notably poor. According to ODI, railways, roads, ports, electricity, telephones, water supply and sewage disposal along the affected coastlines are hard hit. ^{viii}

As sustainable tourism professionals consider how to address the economic rehabilitation process, while being sensitive to the need for rapid reconstruction, a review of how rebuilding efforts can improve environmental standards, and improve social and economic benefits seems applicable and helpful. The flush of revenue for reconstruction could actually help address many of the problems with aging infrastructure, but it will not address problems with water, sewage treatment and waste disposal needs for hotels, local businesses, and local communities unless clear standards are set in the rebuilding process. It will not result in a better quality of life for tourism workers, more training, and more opportunity for local communities unless there is close attention by donors and their government partners to the needs of local people.

Pro-Poor Solutions

Important pro-poor approaches to the tourism rehabilitation process have already been articulated by ODI. Research by pro-poor investigators has demonstrated that one-third of tourism dollars spent in a local economy go towards local craft-sellers, fruit juice vendors, and local guides. But these vulnerable members of coastal communities will lack any backing from insurance and may not have the ear of local officials when they seek to restart their enterprises again in the wake of the disaster. ODI advocates include building local voices and local concerns into tourism action plans, rebuilding hotels using local labor and materials, and fueling recovery with micro-loans. ^x These suggestions provide important guidance on how to offset impacts on the poorest segments of the affected communities.

To understand how reconstruction efforts benefit the poorest members of society, it will be necessary to revamp the entire system of tourism accounting. Justin Francis comments,

The number of international visitor arrivals – the traditional tourist board measure of success- must be replaced by measures of how much cash reaches local people's hands.” ^{xi}

The challenge for creating a more sustainable tourism “society” in the face of the tsunami tragedy must be tackled by investigating how tourism is presently managed and accounted for. Indicators of economic revival should be created that reflect not just investment in hotel infrastructure, but how



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much this investment is reaching local people. For example, perhaps development professionals could account not only for the number of workers returned to work, but also the pay rates and specific benefits. Perhaps also there could be careful accounting of how many local small and micro-tourism businesses are operating again, and what their economic output is for the nation.

There needs to be a fair assessment of how local people can secure sustainable livelihoods in the affected areas, including a review of hotel labor standards and laws. Private hoteliers are likely cutting their workforces drastically, which will cause even further instability in these regions, and leave many tourism workers with no safety net. Donors need to work with private enterprise to help reinforce their ability to maintain staffing during the crises, and use the down time to support hotel staff training and other initiatives suggested by the workers themselves.

Developing Integrated Coastal Developments

An effort to provide alternate types of community housing with full local participation in fragile coastal zones seems mandatory. There is real concern is that the disaster is being used to legitimize moving communities away from their home areas to make coastal regions more appealing to tourists. Plans announced in Sri Lanka for no settlements within 300 meters of the sea, and moving all survivors of fishing villages 3 kilometers away, have received very negative reactions from local communities. Sanitizing coastal areas and forcing local trades people and fisherman away from the source of their traditional livelihoods is unrealistic and unresponsive to local needs.

With the economic rehabilitation process there should be a focus on developing more environmentally sustainable livelihoods along coastal areas, not removing individuals from their livelihoods. Zoning coastal development should be undertaken by governments at this time with the goal of integrating traditional and non-traditional uses into the same regions. There should be zones for hotels of various sizes both locally and internationally owned, and zones for a wide variety of locally owned enterprises and traditional uses along the waterfront. These zones should be carefully intermixed to create an organic community life that incorporates tourism and non-tourism economies into one fabric of development.

If governments agreed to zoning as part of reconstruction, donor support should be devoted to helping to develop a wide variety of sustainable practices that will preserve coastal zones in future. If attention is paid now to the reconstruction of integrated developments that allow for both community-



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based business, local hotels, and international hotel development, the stricken regions will more quickly heal and more integrated community oriented developments will take hold.

Integrated coastal development that includes community activity and hotel services will be more appealing to tourists who long to mingle in real communities, not be isolated in tourism enclaves. While some may argue developing community-friendly initiatives of this nature will take time and that reconstruction must be rushed to preserve the national economy, there is real danger that supporting the larger scale hotel economy while moving aside communities living on the coast will be extremely damaging to the prospects of many local residents. This is the best time to undertake integrated development, when all of the players are still resettling and working together on solutions.

Supporting Private Enterprise

Because governments are making it clear that trade not aid is what is needed in the redevelopment process, then donors should give immediate attention to the needs of the private sector, with a look at large, medium, and small business, in addition to the micro-business economy already discussed. Many of these businesses may not need help with rebuilding standard infrastructure, but with the amount of potential aid funds on hand, there should be matching funds for hotels that are willing to move toward more sustainable systems. There should be environmental engineers available for technical assistance in the rebuilding process. There should be matching funds for the private sector to invest now in more energy efficiency, to construct more environmentally sensitive systems for waste treatment, and for solar energy and the installation of energy efficient appliances and fixtures. Given the demand for trade not aid, the donor world should be focusing on a reconstruction fund for hotels entirely devoted to creating a sustainable tourism economy.

Building the Capacity of Local Government

Another critical issue in setting up recovery programs for tourism is to build the capacity of local governments to establish development strategies and policies. Worldwide there is a dire shortage of expertise in sustainable tourism development at the local municipal level. While immediate reconstruction needs are being addressed, donors need to work with local municipalities in capacity building programs, helping to create real regulatory frameworks and the capacity to enforce them. While setting standards for coastal development has frequently transpired at the national level, the



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fact is that most local governments do not have the capacity or budget to enforce regulations, and more often than not local officials are seeking help from the entrenched private sector to feather their own nests instead of playing the needed role of overseeing a sustainable development economy.

Need for Action and Consensus

This white paper has discussed how the post-tsunami economic rehabilitation process might be able to galvanize a more sustainable, integrated coastal tourism economy in the afflicted regions of Sri Lanka, Thailand, and the Maldives. It asks development professionals and donors to look beyond the traditional redevelopment process.

Donor agencies of the world need to review environmental standards, social benefits, and enterprise needs of the tourism industry and not just support reconstruction of the status quo. With the input of local people and technical assistance devoted to establishing sustainable tourism infrastructure, there is the possibility of transforming these hard-hit regions into long lasting models. Local people's businesses and their business needs have to be examined and the ability for the poorest people to receive training, better pay, and begin to establish sustainable livelihoods are all necessities.

There needs to be vision and there needs to be understanding of how an integrated coastal tourism economy can function that does not result in local people being expelled from their land, but rather supports sustainable community coastal life that is not the fabrication of developers, but rather allows both traditional and non-traditional uses of the coast to prosper side by side. Such programs, if undertaken now could demonstrate that tourism development can be sustainable and beneficial to local people in the long-term.

This paper was contributed to by Nicole Hausler and the following members of the editorial board of EplerWood Report; Oliver Hillel, Amanda Stronza, Xavier Font, and Arnaldo Rodriguez.



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