



TOURISM: A DRIVER FOR SHARED PROSPERITY

KEY INSIGHTS

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KEY INSIGHTS

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FOREWORD

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The year 2023 marks the midway point on our journey towards 2030, the target for achieving the Sustainable Development Goals. However, recent research from the United Nations shows that we are behind in our progress and that many targets are at risk. As one of the world's largest economic sectors, tourism can significantly contribute to getting us back on track to fulfilling all 17 Goals. This potential must be realized, and UNWTO is committed to strengthening sustainable tourism development to improve economic, social, and environmental outcomes. This report, developed by UNWTO in cooperation with the World Tourism Alliance (WTA), focusses on tourism as a driver for shared prosperity.

The pandemic halted 30 years of progress in poverty eradication. Consequently, new policies are needed to ensure growth benefits people at all income levels. As tourism recovers, we must ensure that the economic development it delivers is equitable and shared within the host communities.

As a sector, we can create the preconditions for shared prosperity through adequate policies, including in the areas of education and skills, infrastructure development, inclusive and decent job creation and gender equality. A joint approach from all actors in the tourism value chain and beyond is required to maximize the positive outcomes for local communities – both socially and economically. This is illustrated in the case study of Yucun included here, also one of the UNWTO Best Tourism Villages, recognized for making tourism a driver of rural development.

These key insights are a preview of an ongoing project and our commitment to ensure that the economic and social benefits from tourism are shared and lead to more equitable societies.

We thank the support from our partners at the World Tourism Alliance, who have provided invaluable input and an occasion to launch the key insights of this report at the Xianghu Dialogue 2023.

FOREWORD

BY ZHANG XU
CHAIR OF THE WORLD TOURISM ALLIANCE



Dear friends from the travel and tourism sector,

Today, as the world economy steadily recovers, we often hear discussions on COVID-19's impacts on the 2030 Agenda for Sustainable Development. In some places, the immediate risk of falling back into poverty due to the pandemic is visible and must be addressed. Countries and regions that have risen from poverty aspire to return to steady and sustainable growth. To support them we must ensure that the collective fruits of societal progress are distributed more fairly and effectively.

About thirty years ago, China first set the grand goal to achieve common prosperity for all. With the support of its central government, the Zhejiang Province, home to the

WTA headquarters, was designated as a demonstration zone for achieving common prosperity through quality development. To this end, Zhejiang is expected to shoulder a historical responsibility to lead in building a thriving society characterized by common prosperity and by presenting successful practices. WTA aims to draw from the Zhejiang experience and contribute to the recovery and better development of the world tourism economy by joining hands with UNWTO. In launching this research project together, we want to show how tourism can drive prosperity through case studies from Zhejiang and other places in China, as well as the rest of the world. We hope our readers, particularly members of destination communities and policymakers, may find these insights inspiring.

INTRODUCTION



2023 marks the halfway point to the journey to 2030, and there is still much work to do to achieve the Sustainable Development Goals.¹ The failure to address climate change, more extreme weather events, biodiversity loss and ecosystem collapse, and social inequalities top the global risk register for the coming years.² Vulnerable countries are particularly at increased risk of these global challenges, and will require additional support to respond.³

As one of the world's largest socioeconomic sectors, tourism has the potential to be a powerful force for good in addressing these challenges. Tourism can create jobs, boost economies, support conservation efforts, and help promote understanding and tolerance between different cultures – when managed responsibly. So, as tourism emerges from the COVID-19 pandemic and returns to pre-

pandemic levels, it is essential to reflect on the impact of tourism and accelerate action towards a more sustainable, inclusive and resilient sector.

Shared prosperity is thus a vital concept to focus on in tourism development because it aims to ensure that the benefits of tourism are widely distributed throughout the host communities and contribute to the well-being of all residents. Ensuring that local businesses are linked to the tourism value chain while minimising leakages, prioritizing investments in sustainable infrastructure and educating communities about careers in the tourism sector are all potential activities that can enhance the shared benefits of tourism for communities.

This report builds on UNWTO's extensive work on progressing the Sustainable Development Goals through

1 United Nations (2023), *Sustainable Development Goals – Progress Chart 2023*, UN, New York, available at: <https://unstats.un.org/sdgs> [26-10-2023].

2 World Economic Forum (2023), *The Global Risks Report 2023, 18th Edition – Insight Report*, WEF, Geneva, available at: <https://www.weforum.org/publications> [26-10-2023].

3 United Nations (2023), 'Why do we need an MVI for vulnerable countries?', UN, New York, available at: <https://www.un.org/ohrls/mvi/why-need-an-mvi.html> [26-10-2023].



tourism in general, as well as its specific work on promoting tourism as a tool for inclusive growth.⁴ This includes the 2017 report *Tourism and the Sustainable Development Goals – Journey to 2030*⁵, the *2023 Goa Roadmap for Tourism as a Vehicle for Achieving the Sustainable Development Goals*⁶ and *Achieving the Sustainable Development Goals through Tourism – Toolkit of Indicators for Projects (TIPs)*⁷, as well as the UNWTO-led development of a Statistical Framework for Measuring the Sustainability of Tourism (SF-MST)⁸ aimed to provide an internationally agreed statistical framework to measure the impacts and dependencies of tourism on the economy, society and the environment

The World Tourism Alliance (WTA) has actively researched tourism development and its potential contribution to poverty alleviation and rural development. Their expertise and case studies form a key part of this research project, both in the key insights and the final report to be released in 2024.

This project aims to outline the linkage between tourism, shared prosperity and the Sustainable Development Goals. The current document includes the key insights on this theme including a selected case study from Yucun in China.

4 World Tourism Organization (n.d.), 'Ethics, culture and social responsibility', UNWTO, Madrid, available at: <https://www.unwto.org/ethics-culture-and-social-responsibility> [26-10-2023].

5 World Tourism Organization and United Nations Development Programme (2017), *Tourism and the Sustainable Development Goals – Journey to 2030*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284419401>.

6 World Tourism Organization (2023), *Goa Roadmap for Tourism as a Vehicle for Achieving the Sustainable Development Goals*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284424443>.

7 World Tourism Organization (2023), *Achieving the Sustainable Development Goals through Tourism – Toolkit of Indicators for Projects (TIPs)*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284424344>.

8 World Tourism Organization (n.d.), 'Measuring the Sustainability of Tourism', UNWTO, Madrid, available at: <https://www.unwto.org/tourism-statistics/measuring-sustainability-tourism> [26-10-2023].

01

WHAT DO WE MEAN BY SHARED PROSPERITY?

Prosperity is a primary goal of economic development, and all members of society must benefit from growth and development in their country and region. The World Bank first set its twin goals of alleviating extreme poverty and improving shared prosperity in 2015, the same year the 2030 Agenda and Sustainable Development Goals was adopted by all UN member states. The World Bank defines *shared prosperity* as the “average annual growth rate in income or consumption of the bottom 40% of the population in a country”. Closely related is the *shared prosperity premium*, which calculates the difference between the growth rate of the poorest 40% compared with the overall population.⁹ Both of these are essential indicators of inclusion in economic development and the overall well-being of a population. However, *shared prosperity* is more challenging to measure and monitor than poverty because it requires two comparable household surveys rather than just one.¹⁰

DRIVERS AND OUTCOMES OF SHARED PROSPERITY

Initial research shows that several drivers can and are required to create the conditions for shared prosperity. These include education, healthcare, infrastructure, social safety nets, good governance, and sustainable and decent jobs, which are measurable and addressable with specific policies and projects. Shared prosperity is closely linked to beneficial outcomes, including higher incomes (which also defines the rise in prosperity and in turn can increase taxes which are the primary source of income for public financing for better conditions),¹¹ better health, more social opportunities, reduced inequality, and overall increased well-being. In the aftermath of the COVID-19 pandemic, it is more important than ever to ensure that more people are able to participate in and benefit from economic growth.¹²

9 World Bank (n.d.), ‘Shared Prosperity: Monitoring Inclusive Growth’, WB, Washington, D.C., available at: <https://www.worldbank.org/en/topic/poverty/brief/global-database-of-shared-prosperity> [26-10-2023].

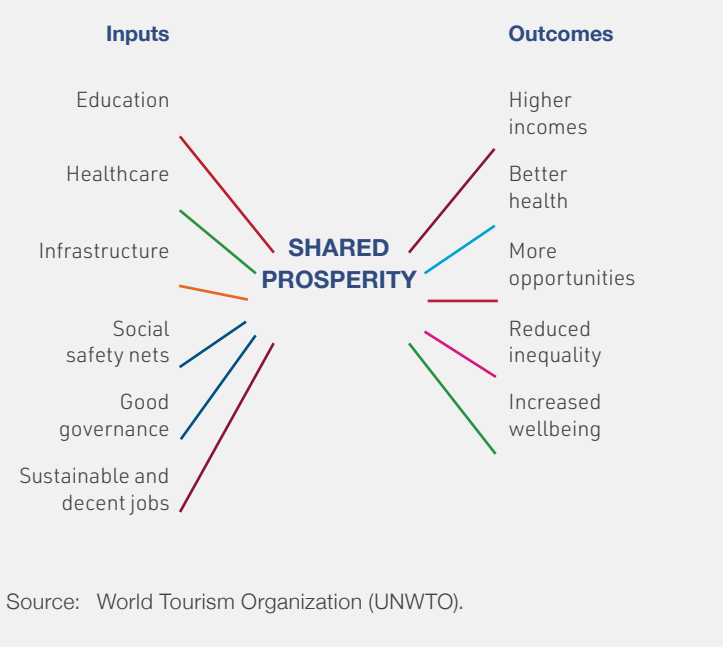
10 World Bank (n.d.), ‘Shared Prosperity: Monitoring Inclusive Growth’, WB, Washington, D.C., available at: <https://www.worldbank.org/en/topic/poverty/brief/global-database-of-shared-prosperity> [26-10-2023].

11 Oxfam International and Economic and Social Commission for Asia and the Pacific (2017), *Taxing for Shared Prosperity: Policy Options for the Asia-Pacific Region, Policy Brief*, Oxfam, Oxford, DOI: [10.21201/2017.1282](https://doi.org/10.21201/2017.1282).

12 World Bank (2022), *Poverty and Shared Prosperity 2022: Correcting Course*, WB, Washington, D.C., DOI: [10.1596/978-1-4648-1893-6](https://doi.org/10.1596/978-1-4648-1893-6).



Figure 1.1: High-level inputs and outcomes of shared prosperity



Each of these inputs and outcomes can be further broken down into indicators that actors and decision-makers can measure, and aim to positively influence. The main lesson here is that we cannot address shared prosperity as a separate concept, but we need to look at it in terms of conditions created and expected outcomes for communities. The Sustainable Development Goals provide the ideal common framework for us to break these concepts down into targets, and indicators that can lead to more shared prosperity.

02 SHARED PROSPERITY AND THE SUSTAINABLE DEVELOPMENT GOALS

“ Unless we act now, the 2030 Agenda will become an epitaph for a world that might have been. ”

António Guterres, Secretary-General, United Nations*

Shared prosperity is closely aligned with the Sustainable Development Goals (SDGs), which are a universal call to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. Most closely aligned is **Target 10.1, which is “by 2030, [to] progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average”**.¹³ This calls for a positive shared prosperity premium across countries as part of the goals.

At the midway point on our journey towards 2030, the *Sustainable Development Goals Report 2023: Special Edition*¹⁴ gives the latest sobering update on the global community’s progress. 31 out of the total 169 targets (18%) have insufficient data available for an assessment, affecting 12 of the goals. For the 138 assessable targets, only 15% are on track. 48% of the targets are moderately or severely off track, and for the remaining 37%, progress has either stagnated or regressed. Figure 1 shows the complete picture across all 17 Sustainable Development Goals.

COVID-19 slowed progress on many of the goals significantly, and the realities of the climate crisis are devastating countries and economies. The report calls for more ambitious action from all countries, especially when it comes to reducing inequality, enhancing social protection, improving education, addressing gender inequalities and raising levels of digital inclusion.

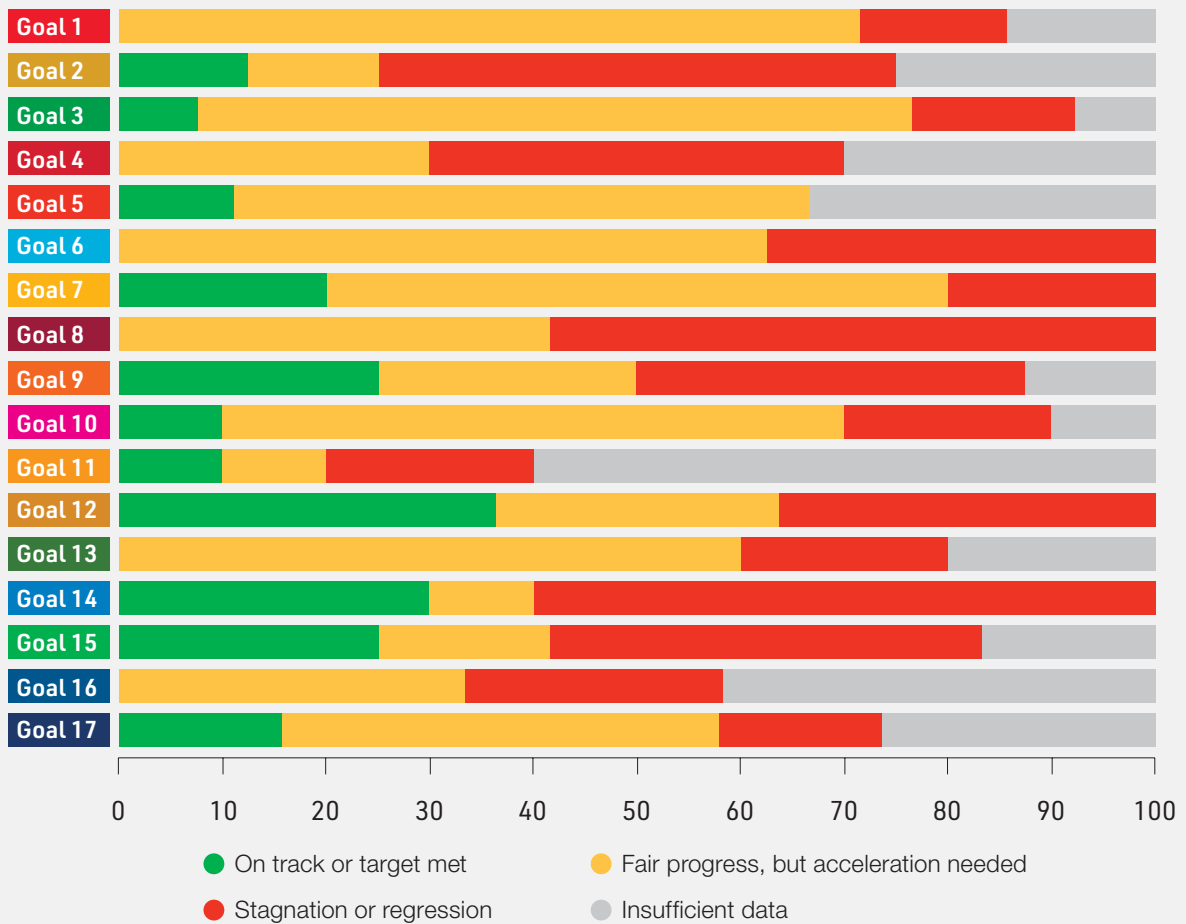
*) United Nation (n.d.), *Sustainable Development Goals Report 2023: Special Edition*, UN, New York, available at: <https://unstats.un.org/sdgs/> [26-10-2023].

13 SDG 10: Reduce inequality within and among countries. For further information on SDG 10, please consult: United Nation (n.d.), ‘Make the SDGs a reality’, UN, New York, available at: <https://sdgs.un.org/goals/goal10#overview> [26-10-2023].

14 United Nation (n.d.), *Sustainable Development Goals Report 2023: Special Edition*, UN, New York, available at: <https://unstats.un.org/sdgs/> [26-10-2023].



Figure 2.1: Progress assessment for 17 Sustainable Development Goals based on assessed targets, 2023 or latest data (%)



Source: United Nations (2023), *Sustainable Development Goals – Progress Chart 2023*, UN, New York, available at: <https://unstats.un.org/sdgs> [26-10-2023].

03

HOW CAN TOURISM ADVANCE SHARED PROSPERITY AND THE SDGs?

The UNWTO/UNDP publication *Tourism and the Sustainable Development Goals: Journey to 2030*¹⁵ published on the occasion of the International Year of Sustainable Tourism for Development in 2017, makes it clear that tourism can positively support the achievement of all 17 Sustainable Development Goals, either directly or indirectly. The 2023 *Goa Roadmap for Tourism as a Vehicle for Achieving the Sustainable Development Goals*¹⁶ and *Achieving the Sustainable Development Goals through Tourism – Toolkit of Indicators for Projects (TIPs)*¹⁷, both reinforce this point and provide more detailed guidance on how tourism can contribute to the goals at country and project level.

The recovery from the COVID-19 pandemic gives tourism a unique opportunity to rebuild with a focus on communities and shared benefits. The 2022 *G20 Bali Guidelines for Strengthening Communities and MSME as Tourism Transformation Agents: A People-centred Recovery*¹⁸ outline a strong case for transformation and learning from the crisis to build a better and more equitable tourism future.

Tourism can advance progress towards the Sustainable Development Goals (SDGs), especially those related to shared prosperity, in a number of ways:

- **Economic growth and job creation:** Tourism is a major economic driver, generating jobs and income for people at all levels of the tourism value chain, from tour operators and hotels to restaurants and local craftspeople. It can also help to diversify local economies away from extractive industries and reduce poverty through entrepreneurship.
- **Inclusive development:** Tourism can help to spread the benefits of economic growth to all members of a community, including women, youth and marginalized groups. For example, women make 54% of the tourism workforce,¹⁹ and the sector opens opportunities for entrepreneurship for women and youth within the sector and in those related to it.

15 World Tourism Organization and United Nations Development Programme (2017), *Tourism and the Sustainable Development Goals – Journey to 2030*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284419401>.

16 World Tourism Organization (2023), *Goa Roadmap for Tourism as a Vehicle for Achieving the Sustainable Development Goals*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284424443>.

17 World Tourism Organization (2023), *Achieving the Sustainable Development Goals through Tourism – Toolkit of Indicators for Projects (TIPs)*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284424344>.

18 World Tourism Organization (2022), *G20 Bali Guidelines for Strengthening Communities and MSMEs as Tourism Transformation Agents – A People-centred Recovery*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284423828>.

19 World Tourism Organization (2019), *Global Report on Women in Tourism – Second Edition*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284420384>.



- **Cultural preservation and revitalization:** If well managed, tourism can help to support and revitalize local cultures by promoting traditional arts and crafts, cuisine and music.²⁰ It can also help to raise awareness of the importance of cultural heritage and to promote tolerance and understanding between different cultures while providing much needed resources for cultural heritage preservation.²¹
 - **Environmental protection:** Sustainable tourism practices and product development can help to protect the natural environment and conserve biodiversity.²² For example, tourism businesses can use renewable energy sources, reduce waste,²³ and support local conservation efforts. Tourism is also a mechanism to support wildlife and parks.
- As tourism recovers back to pre-pandemic levels, the sector must ensure that it continues to advance progress towards shared prosperity and the Sustainable Development Goals by promoting sustainable practices. This includes adopting policies and regulations that support sustainable tourism development, investing in sustainable tourism infrastructure, and raising awareness among tourists about the importance of responsible travel. All of these will be essential to ensure that tourism equitably shares the benefits of economic and social development, while maintaining a healthy environment for communities to live in.

20 World Tourism Organization (2012), *Tourism and Intangible Cultural Heritage*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284414796>.

21 World Tourism Organization and World Indigenous Tourism Alliance (2023), *Compendium of Good Practices in Indigenous Tourism – Regional Focus on the Americas*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284424184>.

World Tourism Organization (2019), *Recommendations on Sustainable Development of Indigenous Tourism*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284421299>.

22 World Tourism Organization (2022), *Sustainable Tourism Product Development Opportunities in the Pacific Islands*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284419852>.

23 Global Tourism Plastics Initiative (2020), *Recommendations for the tourism sector to continue taking action on plastic pollution during COVID-19 recovery*, UNWTO, Madrid, available at: <https://www.oneplanetnetwork.org> [31-10-2023].

04

SHARED PROSPERITY IN NUMBERS

The World Bank Group provides regular global poverty updates and trends, including Shared prosperity data.²⁴ The data is based on country-level household survey data and is, therefore, unavailable at regional or local level. The graphic below shows key economic indicators, tourism indicators and shared prosperity data for a selection of countries that will form the cases for the full report. The final report will also outline a deeper analysis of how COVID-19 affected these economies, what role tourism played in their recovery and the importance of building resilience in the sector to ensure shared prosperity.

4.1 CASE STUDIES AND RESEARCH METHOD

The final report will draw on various case studies at national and local level to identify how tourism can drive and positively contribute to shared prosperity and its underlying indicators. Since data on shared prosperity is generally limited and only available at the national level, it is not possible to make conclusive statistical inferences about the impact of the cases on the quantitative measures of shared prosperity. However, the report will provide commentary on how the cases impact the principal aim of shared prosperity, which Sustainable Development Goal indicators the cases have contributed to, and focus on lessons that other destinations can learn from the cases if they would aim to progress shared prosperity.

The cases for the study were chosen to represent a diverse range of regions, country sizes, development stage, and importance of the tourism sector :

- **Albania:** Before COVID-19, Albania was discovered as a new tourism destination which led visitors to more remote areas than before. This provided economic opportunities for the local population. Today, Albania is among the countries with the highest recovery levels.

²⁴ World Bank (2023), 'Poverty and Equity Briefs', WB, Washington, D.C., available at: <https://www.worldbank.org/en/topic/poverty/publication/poverty-and-equity-briefs> [26-10-2023].



- **Brazil:** Brazil has a large variety of different attractions from vibrant cities to the remote jungle, from waterfalls to beaches. In all these locations, local communities and businesses can take part in the tourism value chain. The case study will examine how community-based tourism initiatives can create economic opportunities while protecting endangered species and habitats.
- **China:** China is a key player in international tourism, both as a source market and destination. Aligned with the vision for common prosperity, tourism is driving inclusive economic development in many regions across the country. The six cases from China will show different examples of how local communities have utilized tourism development as a way to raise economic outcomes and share these benefits across the population.
- **Indonesia:** Indonesia's tourism sector has been traditionally concentrated around a number of destinations and already before COVID-19 the Government started efforts to disperse tourism to lesser-known regions. This provides opportunities for community- or village-based tourism and ensures that the benefits are shared throughout the country.
- **Jordan:** Jordan's tourism combines ancient cultural sites with fragile ecosystems. Tourism gives economic opportunities for local people, for example the Bedouin, even in very remote areas, and pairs this with activities to preserve culture and the environment.
- **Rwanda:** The Rwandan tourism sector is built on natural and cultural attractions. The country has emphasized local engagement in tourism development, recruiting local communities to provide tourism services and protect the environment that the visitors want to see. Rwanda's model of park management ensures that 10% of all earnings from national parks are reinvested in local community projects, making them direct beneficiaries of conservation and tourism.
- **Vanuatu:** As a small island developing state where tourism accounts for 73% of overall exports, Vanuatu is particularly vulnerable to downturns in tourism, as well as the country is severely impacted by the effects of climate change. However, the local population is working across sectors, linking tourism and agriculture initiatives to make the island economy more resilient.

The research will explore these cases through secondary research and primary interviews with key decision-makers to delve deeper into how tourism drives shared prosperity in these countries, ensuring that tourism development and growth is inclusive and for the benefit of all.

Figure 4.1: Key economic indicators, tourism indicators and shared prosperity data for selected countries**Map legend:**

For each case country the map shows a range of economic indicators, tourism indicators, and indicators linked to shared prosperity, where these are available. Unless otherwise stated, all data is for 2019:

- **Gross domestic product (GDP)** for 2019 at current prices, in USD billion ^a
- **Tourism share of GDP:** shows the importance of tourism to the economy (where available) ^b
- **International tourist arrivals** ^c
- **International tourism receipts**, in USD billion ^c
- **Direct employment in tourism industries** (where available) ^c
- **Tourism share of exports** ^c
- **Shared Prosperity Index** (where available) ^d
- **Gini Index** (World Bank Group) ^d
- **Shared Prosperity Premium** (where available) (World Bank Group) ^d

1 Albania

- GDP (2019): USD 15.4 billion
- Tourism direct GDP, % of GDP (2019): N/A
- International tourist arrivals (2019): 6.1 million
- International tourism receipts (2019): USD 2.5 billion
- Total employment in tourism industries (2019): 52,000
- Tourism as a share of total exports (2019): 38%
- Shared prosperity index: N/A
- Gini Index (2020): 29.4

2 Brazil

- GDP (2019): USD 1,873.3 billion
- Tourism direct GDP, % of GDP (2019): N/A
- International tourist arrivals (2019): 6.4 million
- International tourism receipts (2019): USD 6.1 billion
- Total employment in tourism industries (2019): 2,192,000
- Tourism as a share of total exports (2019): 2%
- Shared prosperity index (2016–21): -0.85
- Gini Index (2021): 52.9
- Shared Prosperity Premium (2016–2021): 0.33

3 China

- GDP (2019): USD 14,340.6 billion
- Tourism direct GDP, % of GDP (2019): N/A
- International tourist arrivals (2019): 65.7 million
- International tourism receipts (2019): USD 35.8 billion
- Total employment in tourism industries (2019): N/A
- Tourism as a share of total exports (2019): 1%
- Shared prosperity index (2015–2020): 5.42
- Gini Index (2020): 37.1
- Shared Prosperity Premium (2015–2020): 1.41

4 Indonesia

- GDP (2019): USD 1,119.5 billion
- Tourism direct GDP, % of GDP (2019): 5%
- International tourist arrivals (2019): 15.5 million
- International tourism receipts (2019): USD 18.4 billion
- Total employment in tourism industries (2019): 2,900,000
- Tourism as a share of total exports (2019): 9%
- Shared prosperity index (2017–2022): 3.44
- Gini Index (2022): 37.9
- Shared Prosperity Premium (2017–2022): 1.04



5 Jordan

- GDP (2019): USD 44.6 billion
- Tourism Direct GDP, % of GDP (2019): N/A
- International tourist arrivals (2019): 4.5 million
- International tourism receipts (2019): USD 6.7 billion
- Total employment in tourism industries (2019): 53,500
- Tourism as a share of total exports (2019): 42 %
- Shared prosperity index (2008–2010): 4.56
- Gini Index (2019): 33.7
- Shared Prosperity Premium (2008–2010): -1.21

6 Rwanda

- GDP (2019): USD 10.3 bill
- Tourism Direct GDP, % of GDP (2019): 3.2 %
- International tourist arrivals (2019): 1.5 mill
- International tourism receipts (2019): USD 0.6 bill
- Total employment in tourism industries (2019): N/A
- Tourism as a share of total exports (2019): 28 %
- Shared prosperity index (2013-16): 0.31
- Gini Index (2019): 43.7
- Shared Prosperity Premium (2013-2016): 0.47

7 Vanuatu

- GDP (2019): USD 0.93 billion
- Tourism Direct GDP, % of GDP (2019): N/A
- International tourist arrivals (2019): 0.1 million
- International tourism receipts (2019): USD 0.3 billion
- Total employment in tourism industries (2019): N/A
- Tourism as a share of total exports (2019): 75%
- Shared prosperity index: N/A
- Gini Index (2019): 32.3

Sources of the legend:

- a) International Monetary Fund (n.d.), 'World Economic Outlook Database', IMF, Washington, D.C., available at: <https://www.imf.org/en/Publications> [26-10-2023].
- b) World Tourism Organization (n.d.), 'Economic contribution and SDG', UNWTO, Madrid, available at: <https://www.unwto.org/tourism-statistics/economic-contribution-SDG> [26-10-2023].
- c) World Tourism Organization (n.d.), 'Global and regional tourism performance – UNWTO Tourism Dashboard', UNWTO, Madrid, available at: <https://www.unwto.org/tourism-data/global-and-regional-tourism-performance> [26-10-2023].
- d) World Bank (2023), 'Poverty and Equity Briefs', WB, Washington, D.C., available at: <https://www.worldbank.org/en/topic/poverty/publication/poverty-and-equity-briefs> [26-10-2023].

05 CHINA'S VISION FOR PROSPERITY

Closely aligned with shared prosperity, China has adopted a vision of common prosperity as a national policy, taking a broader perspective of development towards more inclusive and equitable economic and social systems.²⁵ It aims to achieve this through more efficient market mechanisms, more equity through taxation and fiscal transfers, and ethics in the form of charity and philanthropy.

“China’s vision of common prosperity refers to the comprehensive development of individuals and social progress, achieved by the entire population through hard work and mutual assistance, leading to general affluence and abundance in livelihoods, spiritual confidence and self-improvement, livable and viable environments, harmonious and peaceful societies, and universal access to and benefits from public services. It entails sharing the fruits of reform and development and enjoying a happy and beautiful life.”²⁶

Zhejiang province was chosen as a demonstration zone for shared prosperity²⁷, which is why it is fitting to launch this report there and feature a case from the region as an example.

There are three key elements in China’s Common Prosperity concept:

- **Development:** Common prosperity is a dynamic concept that emphasizes the continuous development and progress of individuals and society as a whole. This means that it is more than lifting people out of poverty, but it applies to everyone, giving them opportunities for progression economically, socially, and in their well-being.
- **Sharing:** The principle ensures that progress creates and distributes benefits to all members of society equitably. The goal is to give everyone equal opportunities to benefit from social progress and economic growth.
- **Sustainability:** This principle recognizes the need to balance growth with natural limits to ensure long-term sustainability. Sustainable development is integral to achieving and maintaining common prosperity in the long run.

25 World Economic Forum (2021), ‘What is common prosperity and how is China’s philanthropic sector advancing it?’, WEF, Geneva, available at: <https://www.weforum.org/> [31-10-2023].

26 The People’s Republic of China – The State Council (2021), 中共中央 国务院关于支持浙江 – 高质量发展建设共同富裕示范区的意见 (‘Opinions of the Central Committee of the Communist Party of China and the State Council on Supporting Zhejiang’s High Quality Development and Construction of a Demonstration Zone for Common Prosperity’), *Official Gazette of the State Council*, number 18, Xinhua News Agency, Beijing, available at: https://www.gov.cn/gongbao/content/2021/content_5621189.htm [01-11-2023] (translated by WTA).

27 The People’s Republic of China – The State Council (2021), ‘Zhejiang to be demonstration zone for common prosperity’, available at: <http://english.www.gov.cn> [31-10-2023].

5.1 CASE STUDY

YUCUN, ZHEJIANG, CHINA – PRIORITIZING ECOLOGICAL CONSERVATION, DEVELOPING THE COMMUNITY OF COMMON PROSPERITY²⁸

Yucun is located in the south-western part of Anji County, Zhejiang Province. The village is surrounded by mountains on three sides and has a total area of 4.86 km² and a population of 1,050 people in 2020.

This case is an excellent example of how tourism can provide an alternative to extractive industries and improve the economic situation of local communities.

CASE DESCRIPTION AND KEY STAKEHOLDERS

In the past, Yucun's economy was built on lime kilns, brick factories and cement plants. This stone-based economy employed more than half the village which in the 1990s made it the "wealthiest village" in Anji County. However, these extractive industries also destroyed and polluted the environment, and caused health issues amongst the local population. This was not a sustainable solution and in 2005 the mines closed for good, leaving the community to search for alternative livelihoods.

The villagers recognized that protecting and conserving nature, could also generate income and prosperity through tourism, ecological agriculture and green development. Their focus has shifted from selling stones to selling scenery and culture. This move towards an ecology-based economy and the adoption of environmentally friendly practices contributed to its recognition as one of the Best Tourism Villages by UNWTO in 2021.²⁹

The key stakeholders involved in this transformation were local government officials, local residents, local tourism operators, as well as global talents and businesses.

SDGs ADDRESSED IN THE CASE

SDG 3: Good health and well-being – Ensure healthy lives and promote well-being for all at all ages

- Target 3.9: Health impacts of pollution

SDG 8: Decent work and economic growth – promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Target 8.2: Economic productivity and innovation
- Target 8.9: Sustainable tourism

SDG 9: Industries, innovation and infrastructure – build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- Target 9.2: Sustainable/inclusive industrialization

SDG 10: Reduced inequalities – reduce inequality within and among countries

- Target 10.2: Inclusion

SDG 13: Take urgent action to combat climate change and its impacts

- Target 13.2: Integrate climate change measures into national policies, strategies and planning
- Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

SDG 15: Life on land

- Target 15.3: Ensure conservation of mountain ecosystems
- Target 15.5: Protect biodiversity and natural habitats

²⁸ The case study research on Yucun was conducted by WTA based on local sources.

²⁹ World Tourism Organization (2021), 'Best Tourism Villages by UNWTO, Yuncun, China', UNWTO, Madrid, available at: <https://www.unwto.org/tourism-villages/en/villages/yucun/> [31-10-2023].



KEY SUCCESSES/OUTCOMES ACHIEVED

- Integrating ecological principles into village planning and construction
- Environmental protection balanced with economic development
- Implementation of green and circular food production methods
- Development of tourism attractions with the 'Integrated Village Scenic Area Operation' model
- Digitization of rural governance processes
- Alignment and cooperation with surrounding villages to create a community that promotes ecological protection and coordinated industrial development
- Creation of the Yucun Global Partner Recruitment programme to recruit innovative entrepreneurs to revitalize industrial development
- Development of cooperative distribution models to increase linkages between actors and promote unified planning, construction and operation of the local resource base

CHALLENGES/ONGOING RISKS

- Changing the local population's mindset away from the stone-based economy to alternative livelihoods
- COVID-19 disruptions during the transformation process

LESSONS LEARNED

Policymakers can learn that economic transitions from extractive industries to more ecologically sound tourism practices can happen if all actors are willing to work together and livelihoods are ensured.

It may take additional funding – potentially government or donor-led – in the transition phase, but the outcomes are more sustainable economic opportunities for communities in the long run.

It is also important to think beyond individual villages and connect local tourism attractions into the broader destination. With Yucun as the lead, the entire region has embraced ecological protection and coordinated industrial development.

Links to further information:

The full report will include more information on each of the cases, including the transformation of Yucun.

06 INTERIM CONCLUSION AND NEXT STEPS

These key insights aim to outline how tourism can benefit countries and communities in progressing shared prosperity and why the sector must double down on its commitments to support the Agenda 2030 and the Sustainable Development Goals. As tourism emerges from COVID-19 and enters the next growth phase, the growth must be inclusive for the benefit of all, leaving no one behind while respecting environmental limits.

Shared prosperity is an economic concept that can help to measure how inclusive economic growth is. Actions taken to improve this indicator can raise people out of poverty, ensure that economic and social benefits are shared fairly across all members of society, including women, youth and other marginalized groups.

Even if measurement is a challenge – especially at the subnational level – it is important to explore the links between tourism, shared prosperity and specific related SDG indicators in Goal 1 (No poverty); Goal 8 (Decent work and economic growth); Goal 10 (Reduced inequalities); Goal 12 (Sustainable consumption and production); and Goal 17 (Partnerships for the goals). Tourism can drive positive change in the targets and indicators underpinning these goals, generate impacts on other goals as a result, and progress shared prosperity for the benefit of all. At the same time, progress in other goals namely those related to education (SDG 4) and gender equality and women empowerment (SDG 5) will contribute to shared prosperity.

The case of Yucun, China, shows that tourism can be a productive alternative to extractive industries and can ensure livelihoods in alignment with natural and social

objectives. Policymakers and tourism actors must work with local communities to design and ensure equitable and sustainable development of tourism and other value-aligned sectors – like agriculture – for the long-term benefits of the village or region. This takes a concerted effort, because mindsets need to shift, and new support mechanisms are required to aid the transition towards a more sustainable economy that supports the whole community.

There are many more promising initiatives in progress and great examples of what can work around the world, but there is still much work to be done, and the global community must work together to build shared prosperity and achieve the Sustainable Development Goals by 2030 and beyond.

NEXT STEPS

Based on the initial insights presented in this report, the full report will delve deeper into the concept of shared prosperity, including how to measure it, how tourism can drive change, and how different tourism actors can do their part in creating more equitable and sustainable economic opportunities.

The full report will analyse the global cases under investigation and conclude what common elements actors can learn from for their contexts and destinations. The report will make detailed recommendations on how the tourism sector globally, nationally, and locally can contribute to shared prosperity in tourism development and achieving the Sustainable Development Goals.

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