Inclusive growth is concerned with broadening the economy to reduce poverty and inequality. It sits within the sustainable development framework (UN Sustainable Development Goals - SDG 1 (no poverty), 8 (sustained and inclusive economic growth) and 10 (reduced inequalities)) and identifies low and middle income households as contributors and beneficiaries of economic growth.

Tourism is championed as an industry that can drive inclusive growth in developing countries by international organisations such as the World Bank and OECD, and increasingly is the preferred policy choice for many governments. However, there is limited academic research that supports tourism as a main driver of this more equitable economic agenda, and existing case study evidence is neither conclusive nor consistent. Our study focuses on tourism-led inclusive growth and contributes towards filling this research gap.

Our research in Indonesia, The Seychelles, Myanmar and Vietnam gathered evidence from tourism stakeholders including government, community officials and large and small businesses (owners and employees) involved in tourism. Our approach was qualitative and collaborative, working with local NGOs and universities. We conducted in-depth, semi-structured interviews in English and the local language in all research locations. Our research findings examine key aspects of tourism-led inclusive growth, specifically economic linkages and leakages, local employment, ownership and participation. The dominant paradigm suggests tourism reduces inequality and contributes to economic growth in host communities through a trickle down mechanism. Our findings show that despite tourist expenditure, economic leakage was significantly high, economic linkages to the local economy were weak, and local ownership and participation in the tourism industry was limited and partial.

The inclusive growth model is highly contested and under-researched, yet it is embedded in most developing countries’ economic development policies and many Sustainable Development Goals. In parallel, the global tourism industry is extensively researched and is a major contributor to economies and employment but has yet to prove it can drive a more equitable growth model.

This paper offers insights to our findings and illustrates opportunities for tourism-led inclusive growth to help reduce inequalities and to maximise longer term benefits for local host communities in developing countries.