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Mitigating poverty in North Carolina through tourism micro-entrepreneurship

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1. Purpose

With the current economic crisis, the face of poverty globally, nationally, and locally here in North Carolina has shifted. Those that now fall below the poverty line include many individuals who have previously known stable, gainful employment. Many of these individuals are unskilled workers, but a growing number of the 10.4% unemployed in NC (Employment Security Commission of NC, 2011) are semi-skilled or even skilled workers. According to the North Carolina Commission of Workforce Development (2011), at least 42 percent new jobs now being created in North Carolina will require at least some post-secondary education.

The tourism sector is unique in that individuals with a range of skill sets can manage and even own tourism-related enterprises. The industry can also leverage skills that those in poverty may not even realize they have, including detailed and specialized knowledge of their hometown and surrounding areas for tours, and crafts and artisan-created products for sale.

Since the economic downturn in 2008, the poverty rate in NC has risen to 16.2% (U.S. Census bureau, 2011), with 25% of NC children living in poverty (UNC Center on Poverty, Work & Opportunity, 2011). Within North Carolina, poverty is distributed unequally across regions and counties, and even within counties and cities. Some counties, including Vance (32.3), Tyrell (28.9%), Washington (23.2%), and Beaufort (19.3%), are well above the average of the state. Others come in below the average including Chatham (11%) and Wake (10.2%), while others are very near to the average, including Orange (16.9%), and Durham (16.4%) counties. However, even those counties with relatively low poverty rates belie large discrepancies within their geographical boundaries. The NC Commission of Workforce development outlines particular challenges for “micropolitan” and rural areas in North Carolina (2011), including uneven economic recovery, negative effects on young and very old workers, and additional challenges for low-skilled workers.

2. Literature Review

It has been shown that tourism is a revenue-generating industry, where the benefits of industry can trickle down to the most vulnerable sections of society (Mitchell and Ashley, 2010; Blake, Arbache, Sinclair, & Teles, 2007), but we must take measures to ensure that this is the case. Several authors have examined whether community-based tourism can be instrumental in reducing poverty in host destinations (Dressler et al., 2010; Nyaupane, Morais, & Dowler, 2006; Tosun, 2000). Morais et al., (2011) have explored whether local ownership of tourism businesses can be particularly effective in fostering self-determined development in host

communities. They proposed a focus on initiatives that seek to enable sustainable and dignified livelihoods through tourism micro-entrepreneurship; which they coined as People-First Tourism. People-First Tourism focuses on identifying business-savvy ways to leverage the economic forces of tourism, the entrepreneurial spirit and resourcefulness of some vulnerable individuals, and pro-social market trends to address human development disparities in destination areas (Morais et al., 2011).

The purpose of this study is to explore the applicability of People-First Tourism to the context of rural North Carolina in the attempt to mitigate poverty in the state.

3. Research Methods

This study utilizes Participatory-Action Research (PAR), working with informants in three North Carolina counties (one of each representing counties with disproportionately high poverty rates, near-average rates, and more affluent counties with internal wealth disparities), to jointly develop tools that will assist in the creation of small tourism enterprises. The informants will help determine the research questions, as well as the deliverables in a collaborative research project. The counties involved include Beaufort, Orange, and Chatham counties, with poverty rates of 19.3, 16.9 and 11.0 percent respectively.

Participatory-Action Research is a relatively new, but rapidly growing approach to scholarly research, and has yet to be used to its full potential within the field of tourism. Action research is a participatory process, which combines action, reflection, theory and practice to work with individuals in communities to find practical solutions to the problems they determine need solving (Brydon-Miller, Greenwood and Maguire, 2003). Within the field of tourism, Pritchard, Morgan and Ateljevic (2011) have called for a new paradigm of “Hopeful Tourism”, which integrates PAR concepts with tourism development techniques and see tourism scholars as “change agents” (p. 942). Working within these paradigms, this research project involves collaboration with individuals in the selected counties to determine priorities for action and possible solutions for change.

The study utilizes quantitative analysis of secondary data, including workforce and poverty statistics and tourism data that characterize the specific situation of each county, as well as a survey of individuals out of work and/or below the poverty line in three North Carolina counties to understand their skills, needs and perceived challenges to micro-entrepreneurship. This will be combined with follow up focus group interviews of respondents to better understand their specific situations. I will select 6 to 8 individuals at local unemployment offices, small business centers, or other carefully selected locations, in each county to complete a brief survey and take part in follow-up focus groups. Through these focus groups, I will identify skills and assets possessed by those in search of employment opportunities. An assessment of the individual needs as well as perceived barriers to success will also be conducted.

Using this information in conjunction with the available tourism data for the county, I (in collaboration with my faculty advisor and community members) will bundle 3 unique tourism microenterprise start-up packages for each region. The package will include tourism market data for the selected region, recommended resources for securing start-up funds and seed money, as well as recommended collaborators for greater market integration.

Information for the start-up packages will be drawn from consultations with local visitor and tourism boards, small business centers, and local workforce development boards. I have identified one contact for each county to assist in this assessment. I am currently collaborating with Malinda Marsh, Director, Orange County Skills Development Center, Neha Shah, Director,

Pittsboro-Siler City Convention & Visitors Bureau and Lentz Stowe, Director, Small Business Center, Beaufort County Community College to identify potential market gaps and opportunities for developing tourism micro-entrepreneurship.

4. Expected Outcome

Besides the obvious benefits to micro-entrepreneurs, the tourism industry will benefit from an increased variety in tourism services at the selected destinations and allow for integration with other tourism services. These microenterprises will also provide more authentic visitor experiences through richer and more genuine visitor-local interactions. Once People-First Tourism is scaled up to the South Eastern region, the region's tourism product will be more complex, rich and authentic; in the end, making the Southeast a more competitive destination at the national level. I expect that this study will help us to come to a better understanding of how to enable self-reliant development among individuals in regions where tourism is thriving, but poverty is still a challenge. These areas are often rich with cultural and natural resources, but have not been developed to their true potential. This study aims to facilitate this process, by providing opportunities for creating sustainable, dignified livelihoods, while retaining the character and authentic appeal of the locale, as determined by the informants.

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