

Tourism Industry Development in Emerging Economies: Opportunities and Challenges

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Abstract:

The perspective cited in this research document is an integrated perspective of tourism development in developing countries, where tourism is not simply ‘an economic engine,’ but rather becomes one of institutionally-based development. Constructing this synthesis on a composite theoretical framework and drawing on Dependency Theory, Institutional Theory, and the Sustainable Livelihoods Framework, we seek to answer the question of the role that tourism holds in offering economic possibility while contributing to the sustain the reproduction of, and reconstitute structural vulnerabilities. Foreign exchange earnings, job creation, infrastructure building, technology transfer, and cultural development generate specific analytical consequences of this sector. It allows for the exploration of social tourism systems (Bishop and Smith 2005). However, its contribution may be also potentially underanalytical in the context of tourism development. Of course, there are no absolute right answers, but the research suggests that these advantages are conditional and unevenly distributed. We highlight a small number of critical structural restraints, such as economic leakage, institutional voids, infrastructure deficits, environmental pressures, digital divide and exposure to exogenous shocks, which prevent the sector from achieving shared inclusive and sustainable development objectives. It is also indicative of the nature of how digitalization and sustainability imperatives are constituting a new model for how business should operate and how tourism systems should be transformed to enable new sorts of technical leapfrogging without replicating what’s already there. This article shows the challenges of making domestic (or regional) tourism more resilient for development in the world. It further adds to the literature by being an extensive and systematic summary — one that moves beyond the mere aggregation of economic figures and highlights the nexus between international markets, national governance forms, and local livelihoods. The findings also emphasizes the importance of institutional effectiveness, policy coherence and local control on the development of the tourism as a tool for development for all, by averting the deepening of disparities in these regions. From this study it is argued that tourism has a considerable potential to become transformation engine in emerging economies as it is a very good sector but to achieve effective and to a great extent in emerging economies, tourism is dependent on sound governance, institutional capacity, and on the integration of sustainability and digitalisation in the development planning process. It calls for the paradigms for development to adopt more comprehensive, resilient and contextual and balanced and balanced model of development and tourism policy that are inclusive and contextual, and which call into question monolithic development models and tourism policies which are entirely based on growth.

Keywords: Sustainable Tourism, Institutional Theory, Emerging Economies, Inclusive Development, Digitalization, Tourism Governance.

1. Introduction:

Tourism growth is on track to be a pillar of growth in developing countries and is seen, on the other hand, beginning to mature as a peripheral service activity, to become a core source of foreign exchange, employment, fiscal revenue and territorial development. Tourism has made a significant contribution to GDP in Asia, Africa, Latin America, and some areas of Eastern Europe, fostering investment in transport and hospitality infrastructure, supporting micro, small and medium-sized sectors, and linking to the world market in regional economies. Its multiplier effects extend beyond hotels and airlines, to agriculture, handicrafts, construction, retail and digital services, making it one of the few sectors that can produce broad-based economic linkages relatively quickly. For governments that still faced constraints with industrial upgrading,

low export diversification and youth unemployment, tourism is often seen as an exciting potential pathway for inclusive growth acceleration, while improving destination profile and state soft-power on the world stage. However, the course of development of tourism in developing countries features a long-standing paradox. The sector that supposedly provides growth, jobs and regional integration is itself highly sensitive to structural vulnerabilities that are amplified in emerging-market countries. Climate change, biodiversity erosion, water stress, natural disasters, geopolitical uncertainty, inflationary shocks and political instability are also putting greater challenges in the sector. In some emerging economies these risks are however aggravated by the absence of infrastructure, fragmented governing arrangements, weak destination management, skilled workforce shortages, investment dependence on foreign tour operators and foreign capital, and dependence on foreign investment. It follows that tourism development often leads to an unequal prosperity, and long-term developmental prospect is seriously compromised as well by economic leakages, environmental degradation, precarious labour conditions, and social pressure from local stakeholders. There are policy implications to this tension both theoretically and practically. Traditional theories of growth through tourism-based growth tend to concentrate on an aggregate perspective of GDP impact and foreign exchange income, and employment creation. Yet those stories tend to overlook the institutional and ecological environments in which tourism can contribute to the long-term, consistent economic development of the human community. In such economies, market growth generally occurs in what developmental academics term institutional voids: weak regulation enforcement, poor cooperation between levels of government, weak financial networks and fragmented planning systems. The digital transformation, that is, with platformization, data-driven marketing, contactless services, algorithmic visibility, and new destination competition, is redesigning the geography of global tourism. Such developments can unlock or create economies of scale and entrepreneurial opportunities; however, they compound the asymmetries faced by global and domestic platforms, particularly when local companies do not yet enjoy access to the same digital infrastructure and resources. As a result, the emergence of sustainability as a “normative” imperative has shifted to an “operational condition” of competition, but gaps between sustainability discourse and local governing practice remain apparent in several emerging centres. The literature on tourism has been greatly developed, but many gaps remain. Data from advanced economies or mature tourism destinations that have institutional capacities, financing mechanisms and regulatory frameworks distinct from those observed in emerging markets dominate the case-wise literature. The majority of literature in the emerging economy sphere tends to focus on individual elements of tourism development such as economic impact, ecotourism, adaptation and digital marketing, rather than integrating them in a coherent analysis. Until now, there is a very weak literature which systematically considers development processes and the systematic ways that digital transformation, sustainability mandates and institutional imperatives cohere in shaping tourism systems in developing countries. The interaction between these dimensions, in order to set the stage for this interplay has been neglected (for example, the effects of digitalization on destination competitiveness as in how the exacerbation of disparities are observed, governance challenges to sustainability practices, and institutional weakness to the potential disaster recovery response and adaptation to long-term environmental transformation). At the same time, however, this fragmentation in the literature constrains both conceptual clarity and policy interest. In this sense, the review considers the emergence of the tourism industry development in the emerging world with a multidimensional (e.g. beyond the economic-impact perspective) aspect. It tackles: What are the main prospects of how tourism contributes to economic and social development in emerging countries? Second, what are the structural barriers to convert the growth in tourism in these countries into development that is sustainable, inclusive and resilient? Third, which is the joint impact of digital transformation, sustainability imperatives, and institutional conditions on tourism pathways in the emerging-market environment? By examining these issues, the paper seeks to realise three objectives: to integrate crucial developmental opportunities emanating from increasing demand in emerging markets; to reveal and challenge the underlying vulnerabilities and governance limitations of the tourism sector; and to build an overarching narrative that considers how policy, institutional capacity and technological developments can pave alternate pathways of tourism development for the sustainability of tourism. The central claim is that tourism in emerging economies should not be considered as a burgeoning field, but as a politically (and institutionally) mediated developing system in which the fate of this sector depends on the quality of governance involved, the inclusiveness of value capture, the local institutions' ability to adjust and the destinations' ability to achieve competitive and sustainable integration. Tourism certainly can generate diversification, infrastructure development, work and territorial integration,

however, these are not automatic or egalitarian. Where cooperation is fragile, the environmental regulations toothless, digital progress haphazard, tourism can actually fortify, rather than relieve, the vulnerabilities inherent in the status quo. A better understanding of tourism development in the developing world can be attained by closely examining the links among economic opportunity, institutional capacity and durable resilience. The rest of the paper is set out to address this point in the paragraphs that follow. Section 2 discusses recent literature regarding tourism-based development, sustainable tourism and digitalisation of tourism systems and institutions in development success of the developing world. The following section outlines some of the opportunities that are crucial to the development of the tourism, including job creation, foreign exchange earnings, entrepreneurship, infrastructure and regional integration. Followed by a discussion of the core-challenges in the industry such as institutional frailness, environmental stress, digital inequality, economic leakage, labor precarity and the vulnerability of the economy to exogenous shocks. That chapter then develops and contextualizes these dimensions in a discourse frame, and relates them to destination governance and policy making. The concluding chapter summarises the findings and suggests avenues for future studies and development that would help to build competitive and sustainable, inclusive and resilient tourism systems for developing countries.

2. Literature Review and Theoretical Framework:

2.1 Evolution of Tourism in Emerging Markets:

Over the last few decades, tourism in emerging markets has experienced immense structural transformation in its structure. Historically, tourism in much of these economies was viewed as secondary or supplemental to, or a peripheral or supplementary activity, something typically tied to infrequent activities, often through seasonal leisure tourism, enclave resorts and narrow foreign exchange-generate tourism. Before the days of post-colonial development planning, policy in many developing economies focused most often on the extraction industries, and the industries of production (later on the process of the later manufacturing-led industrialization) in the wake of colonialism, including the importance of agricultural economy and then subsequent industrialisation post-colonial and the planning phases, in contrast to the tourism which was a relatively minor or peripheral interest for developing countries, during planning periods. Where tourism did develop, it was often tied to a handful of coastal, wildlife or heritage zones and was often dominated by foreign corporations, outside investors and international middlemen. This stance markedly shifted with the pace of globalization, trade liberalization, and service sector growth from the late 20th century onwards. Due to its relatively low cost of entry relative and the poolization of labour force for tourism; its labor-absorbing characteristics and the capacity for the demand to be produced from domestic and foreign sectors; tourism was considered as a credible development engine. Air connections, electronic marketing, simplified visa policies, and worldwide destination branding have enhanced the reach of emerging economies. At the same time, international financial institutions and development agencies are increasingly understanding that tourism is a strategic sector with which to expand export diversification, entrepreneurship promotion, and local development. Emerging markets are moving away from limited revenue-oriented tourism in the way that previous strategies and more generally globalization-oriented policies have been adopted, from economic-led growth policies to broad development-based tourism policy in emerging markets. Governments have intentionally included tourism within national development policies including poverty alleviation policies, urban renewal schemes, and rural development projects. This transition also implies we see an increasing realization that tourism has the ability to establish robust backward and forward linkages to its many related sectors, including hospitality, transport, agriculture, culture, retail, construction, and digital services. Today tourism is more firmly rooted in the constructions of green growth and equity in cultural heritage preservation and development than ever. Yet recent events have uncovered major contradictions in the economic sector too. Tourism creates more of GDP growth, a greater share of jobs, and more investment; however, this industry, in fact, suffers from uneven development. These factors comprise the external dependency of the economy, pollution of the environment, labor instability, and regional unequal benefits distribution. The challenges are particularly acute in emerging markets; the process of tourism development is often situated in situations defined by poor organizational capacity, poor infrastructure, and susceptibility to global market shocks. As a consequence, current literature looks into tourism as more than a transactions market but a rather complex developmental enterprise. Such development is highly intertwining with global value chains, domestic institutions, and local livelihood structures. This view has gained additional resonance with climate

risks on the rise, where the issues of resilience, sustainability, and institutional capacity have taken centre stage in discourses about the developmental effect of tourism.

2.2 Theoretical Anchors:

Tourism development in emerging economies is analyzed through three interconnected lenses: Dependency Theory, Institutional Theory, and the Sustainable Livelihoods Framework. Seen from all of these perspectives, tourism opens up economic possibilities but also acts as a mechanism that can reinforce structural constraints. Rather than posit that tourism is intrinsically favorable, they address why the dividends it extracts are not necessarily evenly distributed in diverse regions; why modes of government determine results in each community; and how local citizens may have both new chances and lingering threats as a result of their access to, and involvement in, the tourism industry.

2.3 Dependency Theory and Economic Leakage:

Dependency theory provides an interesting perspective to understand the differential embedding of emerging markets in international tourism systems. Developmentally, Dependency Theory claims that these periphery economies eventually integrate into the global market system, through a subordinate organisation based on external domination, unequal exchange and structural dependence. In tourism terms, such an approach stands in contrast to more optimistic notions of developmental theory motivated by tourism, but it also interrogates ownership, capital and market interaction mechanisms, in particular how significant obstacles to the adoption of local value are brought to light. One such classic example of this is economic leakage. Leakage is that a lot of tourist earnings leave the destination and do not flow back into the host economy. That leak might mean repatriating hotel revenue from international hotel chains (through financial outflows to their foreign parent corporation), payments to foreign airlines, online booking sites, money spent to the local economy by tourists on food and consumer goods, contracts with expatriate managers, and debt servicing for tourist infrastructure projects. The tourism sector is inextricably linked to international value chains in most developing countries and small firms account for a mere fraction of overall value. But, even as visitor numbers and gross revenue flows increase, the developmental impact is often shallow if local ownership and supply chain connectivity and fiscal retention mechanisms aren't strong. Dependency theory can explain the tendency of aggregate measures of tourism development to give the impression of over- or under-promotion of development. The theory helps explain where those emerging markets might start relying on external demand and foreign capital and international branding systems — which might make them vulnerable to sudden shocks. It also discusses the threat of tourism specialization reproducing 'enclave development' – higher-value (tourism based) sectors will become alienated from adjacent communities and from local production systems. And it's also contradictory from this view of tourism development; added infrastructure or visitors is not equivalent to making the switch to a new local economy.

At the same time, a modern application of Dependency Theory should avoid the trap of determinism. Emerging economies are not passive recipients of global tourism; they can reinforce their own linkages, their supply chains and investment screening at the regional level, as well as community modes that cater more to local needs. Therefore, the theory is analytically valuable not because it implies inevitable dependence, but because it shows structural conditions under which tourism-led growth cannot create equitable development outcomes.

2.4 Institutional Theory and Institutional Voids:

In contrast, Dependency Theory explains external asymmetries; and Institutional Theory explains the internal governance framework in which tourism develops. Institutional Theory asserts that economic outcomes are shaped not only by market forces but also by the formal and informal rules, norms, enforcement mechanisms, and organizational capacities that structure social and economic interaction. Institutional arrangements have a particular influence on the quality of investments, land-use planning, environmental regulation, labor standards, destination management, crisis response, and coordination among public and private actors in tourism development. Institutional voids: As such, they form an important topic for emerging economies. Institutional voids are marked by a lack, fragility, or inconsistency of market-supportive institutions, which are habitually taken for granted in developed economies. In the tourism contexts, such missing links might be reflected in the form of lack of regulatory enforcement, disjointed governance, insufficient infrastructure

provision, corruption, poor property-rights systems, unreliable transport and utilities, restricted access to finance for domestic firms, and too few statistical systems for the planning of tourism. They can also manifest in softer manifestations, such as low levels of interagency coordination, policy inconsistency, or a lack of professional destination management bodies. Institutional failures like these are significant because tourism is a coordination-dependent industry. The quality of the visitor experience relies on the overall quality of transportation service, safety, sanitation, digital connectivity, accommodation, attractions, labor skills, and environmental management. Even if there are significant natural or cultural resources, they are ill-fitted to compete with sustainable and competitive tourism outcomes when institutions are unable to connect agents, enforce standards, or manage collective resources. Institutional voids also render tourism systems less shock resilient given the constraints of public administration, fiscal capacities, and fragmented authority during periods of crisis and adaptation to disasters. Institutional Theory has also relevance to today's tourism development as digital transformation and sustainability transition both depend on institutions. For instance, utilizing digital platforms for destination marketing and smart tourism will need data governance, regulatory clarity, and digital infrastructure to be realised. Secondly, commitments to sustainability need planning institutions able to cope with carrying capacity, waste systems, biodiversity protection, and community involvement. So, in that sense, institutional quality as mediator between extractive and fragile and inclusive/adaptive, there is tourism growth.

2.5 Sustainable Livelihoods Framework and Community Resilience:

Where Dependency Theory interrogates structural disparities and Institutional Theory governance capacity, the Sustainable Livelihoods Framework is embedded in household and community context. Its original development orientation consists of issues of development studies and the system that enables people to use capital in multiple ways — human, social, natural, physical, and financial capital — to make a living in vulnerable situations. This is key to tourism in emerging economies as it focuses efforts beyond macroeconomic involvement and into how community resilience, well-being, and adaptive capacity are related to tourism. In this sense, tourism has the potential to help livelihoods because, in this context, tourism can diversify sources of income, help to create employment opportunities, and enhance the livelihoods, generating jobs, which also cater for women's and youth entrepreneurship, infrastructure development, improve physical facilities and access to market channels for local products and services. In rural and peripheral areas, tourism is believed to provide livelihood options in an unsustainable, poor performing and low productivity model of agriculture which focuses on low productivity farming in rural and marginalized regions. It could also build social capital as local groups, local cooperatives (or some other support networks) are actualized within a relation to tourism-supported projects. Above all, the framework promotes consideration of tourism, as it is not the only industry that can be supported, but is part of comprehensive and complementary mix of livelihood strategies. And the Sustainable Livelihoods Framework, yet, too, exposes the frailty of already precarious system of communities relying on tourism. Tourism income is seasonal, highly unstable and vulnerable to exogenous factors including political instability, the variability of extreme weather, and different changes in international demand. And so even resilience may wane if local households became overly reliant on tourism without diversified assets and/or safety nets. This means the basic concept is that tourism is a driver of development for those within its lifeline, but only in a direction that enriches as opposed to erodes their asset base. The provision of natural capital, capacity building, and the equitable benefit of tourism (both within a community and to external stakeholders) must continue in order for this to take place. The idea of the Sustainable Livelihoods Framework is thus a particularly useful lens to use when analysing such phenomenon and its relation to developing economies, since it places tourism in the context of social inclusion, equity, and community resilience, which is key to sustainable long-term growth in tourism-driven economies. It examines the limitations of 'top-down' models of development and contrasts them with the local context, in which tourism has come to be seen as a means to adaptable and sustainable community development.

2.6 Integrating the Theoretical Perspectives:

These three models are mutually supportive in an analytical sense. Dependency theory emphasizes the external political economy of tourism and the danger of unequal value capture. Institutional theory explains how domestic governance arrangements and deficiencies in institutions impact the process of transforming tourism potential into development outcomes. At the community level of analysis, the Sustainable Livelihoods

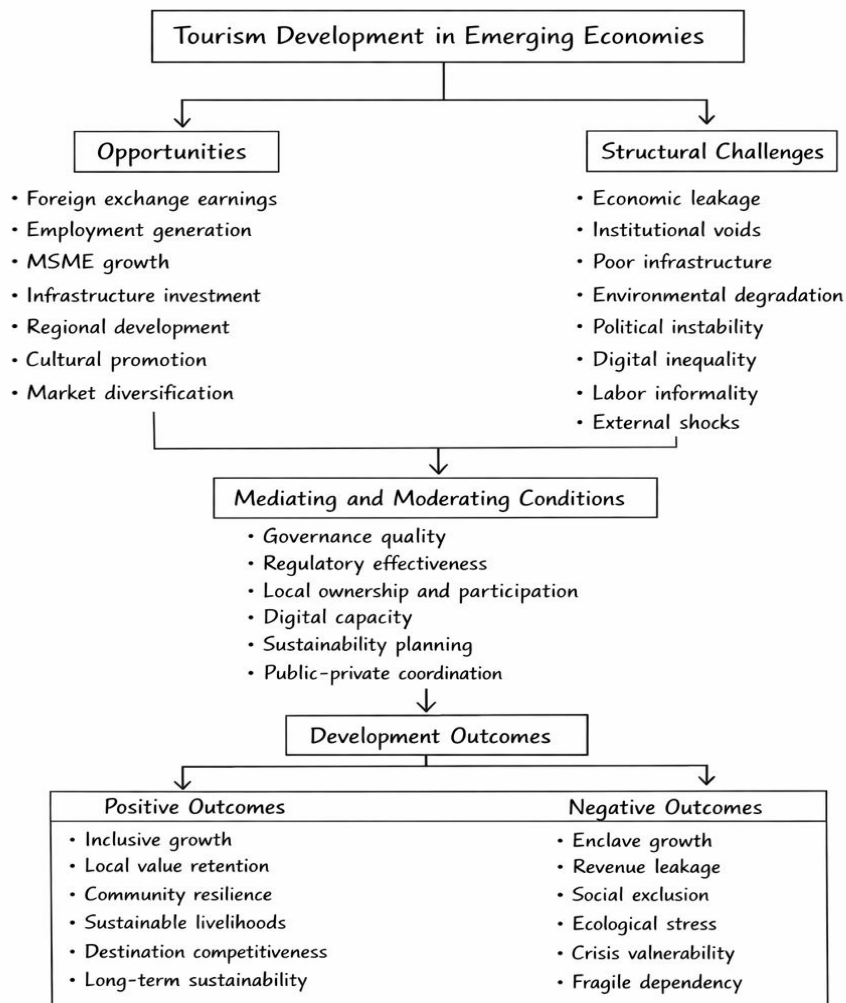
Framework deals with how tourism impacts local capacities, resilience, and vulnerability at the local level. In combination, these frameworks offer a multidimensional view of tourism development in emerging economies and help us understand the complex development of tourism.

These tripartite viewpoints were only created through the integration of various levels and perspectives. Value retention at the local scale is also impacted by dependence on external markets; the quality of institutions influences how development is regulated and managed; and community asset structures dictate who benefits from tourism and who remains at risk. Consequently, in emerging economies, a powerful analytical framework should be designed that goes beyond one-to-one modeling of multiple variables to embrace how global market structures interact with national institutional frameworks and livelihoods generated at the local level.

2.7 Conceptual Model:

Drawing from literature and theoretical underpinnings, in present work the conceptual model integrates three linked domains of tourism development in emerging economies, opportunities, structural challenges and development outcomes, in which institutional capability and policy design act as mediating agents. Tourism creates a variety of inputs, such as foreign exchange receipts, employment generation, entrepreneurship, infrastructure, place branding, and regional integration, among others, at the input level. However, these types of opportunities are filtered through structural problems including economic leakage, institutional gaps, environmental pressures, digital inequality, labor informality, and exposure to external shocks. To what extent these opportunities lead to benefits depends on the efficacy of the supporting institutions and the level of inclusiveness of governance mechanisms. Given the presence of good regulatory capacity, local involvement of the actors and quality of sustainability planning, tourism will more likely lead to inclusive growth, livelihood diversification, resilience and environmental protection. In areas where these balancing points are weak, tourism is more likely to generate enclave development, fragile growth, social inequality, and ecological decline.

Here, the proposed theoretical figure in type is followed by text-based example, and which may be transformed into an academic publication grade chart for publication



Nevertheless, this theoretical model has significant merits in terms of a journal article with a considerable impact. The first of those is that it involves multiple perspectives and provides a coherent analytical framework for them. Second, it focuses not only on the linear and positive relation of tourism development, but also highlights both opportunities and constraints explicitly. Third, it recognizes that institutions, governance and local participation are major mediators, which are particularly crucial in the context of emerging economies. It sets the stage for an empirical inquiry and the setting paves the way for an examination of how different levels of institutional capacity, ownership structures, and sustainability practices affect tourism development outcomes at different tourism destinations.

2.8 Implications of the Framework for the Paper:

The theoretical framework in this article can be perceived as the guiding framework for the rest of the article in three directions. First it presents the critical political economy view that will guide the tourism opportunity, providing a perspective from which to analyze the opportunity and to prevent the replay of simplistic theories; thus preserving the basic premise that tourism development naturally results in development outcomes. Another, it locates the institutional mechanism through which all tourism outcomes are decided, of which institutions determine the outcomes of tourism on governance, policy coherence, and execution capacity. Third, it grounds the study in local livelihoods and resilience, ensuring that analyses of tourism development, such as of the distribution and sustainability, do not limit themselves to aggregated indicators. In so doing we create the literary and theoretical context for what we assert is the article's argument: that tourism is best

conceptualized in the context of emerging economies as a developmental set of operations, built upon the interplay between the structural parts of global dependence, institutional reality, and local conditions of subsistence. Whether the impact of tourism is enabling inclusive sustainable transformation or whether it continues to be a recipe for fragile and unequal growth will hinge on the organization and management of these dimensions well into the future.

3. Opportunities for Tourism Development

Tourism opportunity development in emerging markets is usually seen through the lens of conventional tourism development, such as job creation, foreign exchange earnings, or GDP growth. Such notions do apply, but in our time it seems it's not enough. Now, tourism in the recent development context is not a 'labor-intensive service sector'; tourism should however be viewed as both a dynamic platform and a transformative force in changing economic structures, boosting the adoption of technology, embracing technological change, promoting socio-cultural values, and opening new markets. So in the era of competing international and domestic pressures on the developing world, tourism provides them with opportunities which are more strategic and complex than those implied in the received wisdom. It is essential now to consider a deeper, more profound analysis that goes beyond simplistic development-oriented rhetoric to explore the particular ways tourism can actively participate in structural economic changes. Today, four opportunities of great importance include promoting economic diversification and Foreign Direct Investment (FDI); technological development acceleration; support for socio-cultural empowerment; and local and regional tourism expansion. Together, these aspects reflect the deep change which is happening in tourism in the more general trajectory of development under digital transformation and also the growing calls for inclusive and resilient growth.

3.1 Economic Diversification and Foreign Direct Investment:

Undoubtedly one of the most exciting potential benefits of tourism for emerging economies is economic diversification. Many emerging economies today continue structurally susceptible to concentration in certain sectors: agriculture, extractive industries, low-value manufacturing and commodity exports. This means leaving them vulnerable to price changes, climate imbalances and shifts in external demand. Tourism represents a new or complementary pathway to growth that generates alternative forms of investment, allows the service-based economy to expand, and attracts diversified revenue streams beyond the traditional export-based ones. In countries where much of the economy leans on farmers or even fossil fuels, tourism could be used as a strategic tool for diversification. Tourism has gained more importance in developing resource-based economies looking to lessen reliance on hydrocarbons, especially within the framework of national transformation agendas. Agrarian economies may employ non-farm workers by investing in tourism to facilitate value capture from natural and cultural resources and to support the commercialization of their products and experiences. The diversification process, especially, is relevant in environments where industrialization is slow, uneven, or where governments are willing to channel investment into high-wage sectors that can attract or retain the labor force. Tourism is also one of the main drivers for attracting Foreign Direct Investment (FDI). Tourism is also a growing industry across which accommodation, transportation, entertainment, food and beverage service, digital booking, and other areas of development (and investment) are a common aspect, drawing in foreign hotel chains, airlines, logistics companies, property developers, and technology-based intermediaries. FDI can fill up domestic capital gaps, bring in managerial talent, improve service levels, and also expedite infrastructure development. Thus, the FDI which appears to be coming into the tourism sector can be a great driving force behind developing a tourist destination and the opportunity of taking it further afield globally, especially for developing markets where funds may be limited and large-scale investment might prove problematic. Developmental outcomes in this sense, however, are determined not only by the size or volume of FDI flowing into an economy, but also by the quality and nature of the FDI. If pursued strategically, the types of FDI attracted by tourism can facilitate technology transfer, establish close ties with the local economy, improve skills, improve destination competitiveness, and much more. Additionally, by allowing for capital to flow into small cities, coastlines, heritage sites in regions as well as on its network of eco-tourism corridors it may also be a funding vehicle for local urban regeneration, and regional development. Tourism is therefore not only a revenue generating activity but also stands to transform sustainable economies back into a position to reorder themselves as part of global service economies on the global service and experience economy. At the same time the extent of diversification should be considered

critically. Developmentally, tourism is developed best when it is at the service of broad economic transformation rather than a usurpation of it. Higher quality tourism policy does not justify tourism as a monoculture, rather, it provides a structural underpinning of the diversified economic character of agriculture, creative industries, transportation, digital services and environmental management. The value of tourism is, therefore, less the product of the development of industry than the possibility of connections between sectors and site-specific synergies.

3.2 Technological Leapfrogging and Smart Tourism:

A second key opportunity is to leverage tourism as an incubator for the leapfrogging of technologies in the developing world. In contrast to the usual models of infrastructure-led modernization, today's development of tourism depends more upon the use of digital platforms, mobile ecosystems, real-time data, and AI-powered services. This makes the case specific because the potential for emerging countries to use different institutions and infrastructures can be different from those in a mature market that could be replicated to incorporate novel technologies in such a way that it can cut costs and avoid the need for legacy systems and entry difficulties. The idea of smart tourism is also quite fitting for this situation. Smart tourism is the implementation of digital technologies in destination management, guest interaction experience, service operation and governance through big data. These include digital booking systems, platform-based marketing, mobile travel applications, virtual tours, dynamic pricing, contactless check-in systems, AI chatbots, demand forecasting tools, geospatial crowd management, and feedback systems at the digital level. Smart tourism has the potential to lower transaction costs, increase market visibility, and allow smaller companies to reach international and regional travelers with their services without relying completely on a conventional tour operator in developing countries. Mobile payment systems present a vital vehicle for 'leapfrogging' (bypassing traditional stages of development so as to speed up development). Digital finance has changed tourism-related practices in areas where a formal banking network had traditionally been out of reach. Payment innovations such as WeChat Pay and Alipay in Asia and M-Pesa and similar mobile money services in some African countries are examples of how innovation in payment helps to build resilient and more inclusive tourism ecosystems. These platforms allow payment for accommodation, travel, food, local shops, and even tour services and thus we can bring tiny, informal sectors of the economy inside the tourism sector. They remove obstacles for customers, and when integrated into larger financial circuits could help normalise and increase the credibility of transactions. Similarly, the rising number of digital nomad visas as well as remote-work tourism are providing a new source of income for emerging tourism destinations. Countries with low cost of living, attractive and picturesque areas and robust digital linkages are an apt choice for long-stay travelers who want to work and play at the same time. This development can enable tourism to move from short periods of the year to local consumption which is reliable and ongoing, thus shifting from a seasonal or short-term recreational type form. The remote-work-based model of tourism can also provide a pathway to new growth areas for smaller towns and far more low-end destinations that can be bolstered by such resources like co-working infrastructure, visa benefits, internet access and urban amenities. AI (Artificial Intelligence) is also beginning to transform hospitality and destination management along some rather astonishing lines, and this trend will certainly help to serve those rapidly evolving geographies that are already benefitting from these advanced technological innovations. AI can form part of many other features too with the ability to provide language translation, personalized travel planning and customized travel plans, targeted suggestions, customer care automation, revenue forecasting, sentiment analysis, and operational optimization. AI applied to labour, demand and skills shortage for tourism organisations may promise significant competitive advantage and improvements to service quality. For those who visit the destination, data analytics can be used to control visitor flows, develop security protocols and make data-driven decisions while advertising a targeted campaign. Emerging Market Economies that invest aggressively in these tools will have much faster growth than destinations who historically restricted their modes of operation as well, not only in tourism but in other categories too. This opportunity for growth can lie well beyond just digital tools. It is part and parcel of a much broader process, of integrating tools into — and alongside — inclusive institutional regimes. If digitalization is to be controlled — if at all — by big platforms or capital rich corporations, it threatens to exacerbate, not redress, existing inequities. But in combination with digital literacy initiatives, strong SME infrastructure and appropriate regulatory frameworks, 'smart tourism' means that developing countries can quickly achieve productivity, resilience and competitiveness — without waiting for their overall infrastructure systems to improve.

3.3 Socio-Cultural Empowerment and Inclusive Participation:

Tourism is another important opportunity for socio-cultural empowerment if tourism recognizes that development does not involve tourism as a mass, mass-driven phenomenon, but rather local people as engaged agents rather than mere backdrops. In developing countries with strong cultural capital, indigenous roots and local practices, tourism may be the tool by which to honor cultural resources, and place identity, and create pathways to more inclusive forms of economic activity. At the center of it is CBT (community-based tourism). CBT models seek to maximize local ownership, decision-making and to extract a greater portion of the contribution from tourism to the local communities. Unlike enclave tourism, which is externally managed, CBT emphasizes local participation in accommodation, guiding, food delivery, crafts, cultural performances and environmental preservation. In rural, peripheral and historically marginalized areas, the framework may offer alternatives for local development rooted in domestic sources of resources, rather than developed by external structures. CBT is more than just for generating income CBT's value goes far beyond the generation of income. It can strengthen social capital formation, support collective organization and enhance community's collective bargaining power vis-à-vis agents of government or market. Integrating this tourism concept with localized systems of knowledge, with the maintenance of environmentally friendly cultural understanding and systems of ecology and interpretation makes CBT also to create an incentive drive to preserve heritage and the environment. In high-impact scholarship, these model add context and weight, as they will challenge the thesis that tourism value can be derived by huge foreign-led investment alone. Another important part of socio-cultural empowerment involves Indigenous tourism. As an increasingly recognized and vital part of culture and knowledge and an important aspect of experiential tourism markets in developing countries, indigenous knowledge is of the utmost importance in most emerging economies. Indigenous tourism is good source for cultural revival, the conservation of language, for intergenerational knowledge sharing, and economic autonomy when done ethically and under community control. It can also alter narratives about tourism, by giving communities a voice instead of being portrayed only as outsiders in external, marketable formats. This shift also has normative and developmental impacts, since it can increase the political and cultural position of groups to which mainstream development projects have frequently relegated them. Tourism can also offer the chance for empowerment of women and youth, especially those in the informal and semi-formal tourism economy. Women often play significant roles in tourism domains, including lodging, food service, craft, market sale, and micro businesses. And young people too are often also the early users of digital entrepreneurship, creative industries, local guiding or platform-based tourism services. Consequently, tourism is often described as a relatively readily accessible source of income generation in contexts that do not have access to formal employment opportunities, particularly if accompanied by training, digital tools, and microfinance. But a more nuanced analysis must resist romanticism of empowerment. The opportunity is real because tourism lowers the number of entry barriers and opens market spaces for different sections of the population who would otherwise be marginalized, while real empowerment requires ownership, bargaining power and institutional capacity. Even so, tourism, unlike most capital intensive sectors, offers a special function of social inclusion as it leverages locally embedded skills, cultural knowledge, relational labour and small scale entrepreneurship. The latter is particularly useful for development strategies that do not only seek growth but development programs that strive to transform in participatory and socially-based forms.

3.4 Domestic and Regional Tourism as a New Development Frontier:

Another significant opportunity arose with the increasing importance of domestic and regional tourism. For most of the contemporary tourism industry, development paradigms in developing countries were almost entirely premised on the attraction of long-haul visitors from the Western developed economies. Visitors from Europe and North America were commonly cited as their primary benchmark of tourism success, and destination development was organized on the basis of that. This model would be upended and exposed the fragility of its foundations. Border closures, travel restrictions, and uneven recovery paths revealed the dangers of becoming overreliant on far-flung international source markets. Consequently, both policymakers and tourism stakeholders in many developing countries have increasingly sought domestic and regional tourism, as a more resilient and possibly more inclusive basis for growth. The growing middle class in some parts of Asia, Africa, Latin America and the Middle East has altered travel demand by creating more and more

domestic consumers with disposable income, mobility aspirations and tastes for leisure, heritage, wellness and short-stay tourism experiences. This transformation has significant developmental implications. Domestic tourism services ease demand when times lack international confidence, and they help prevent geopolitical disruption to long-haul travel. In addition, it can spread tourism spending more broadly across regions — particularly where domestic tourists have more incentive to visit non-iconic locations, second cities, religious institutions, and rural locations than do international tourists. This could foster balanced territorial expansion and avoid the over-concentration of a few globally-branded hotspots. In some cases, the local multiplier effects even appear positive for domestic tourism because national tourism could be more closely connected to local transport systems, food, and national business sectors as well. Regional tourism is just as important too. Stronger connections between regions—Southeast Asia, Sub-Saharan Africa, Latin America, South Asia—will allow developing countries to build tourism circuits that are less predicated upon transcontinental flows. Moreover, regional travelers will face less cultural and language barriers, lower expenses and more mobility freedom from restrictions. Regional integration programmes, the liberalisation of visas, low cost carriers, and cross border tourism corridors can enable market access in ways that build resilience. In this sense, regionalized tourism may become an economic and geopolitical advantage by reinforcing intra regional relationships as well as reducing low levels of asymmetrical dependence on a small number of source markets. Now with the context this opportunity has intensified yet again. Resilience in tourism is increasingly all about much more than creating global tourism, and it also involves creating a variety of demand structures. Emerging countries which have strong national and regional tourism ecosystems in place could be better placed to absorb shocks, to keep firms afloat during downturns, to stimulate participation in national and regional value chains. This is a significant change in terms of concepts — that today's tourism is not simply about being positioned for global market insertion any more — but here, tourism development involves redefining circuits of mobility, consumption, and personal identity internally and regionally.

3.5 Strategic Implications of These Opportunities:

These four opportunity domains together show that, in emerging economies, tourism should be seen not only as a source of direct economic benefits. It is potential for structural diversification, digital adaptation, inclusive participation, and market rebalancing. Tourism has strategic importance to meet wider macroeconomic goals and support local development, provided enabling conditions are in place. This is achieved, in turn, via tourism policy, that contributes to a process of local integration of macroeconomic goals with development processes in localised economies, providing the conditions are supportive. From a policy standpoint, this means that tourism development should not rest so narrowly on inflows. Instead, they should aim to capture as much domestic value as possible, attract embedded and responsible investment, bolster digital ecosystems, encourage local and community ownership, and breed resilient domestic and regional demand. Such an approach accords with the higher thesis of this paper: tourism successes in emerging economies are dependent not just on the development of the market, but on the way opportunities are regulated, allocated, and structured. Analytically speaking this means that the opportunities presented above should be seen not as the benefits to come as automatic but rather as conditional pathways in development. Their achievement is contingent upon the quality of institutional governance and regulatory structure, infrastructure and local involvement. For these reasons, they should be considered alongside the structural constraints that frequently inhibit tourism from achieving its developmental capacity.

4. Challenges and Bottlenecks in Tourism Development:

4.1 Reassessing the Development Promise of Tourism:

Despite the popularization of tourism as a driver of growth in developing economies, its developmental role is not a straight line, nor even given. The literature bears more and more witness to the fact that expansion of tourism is frequently produced under structural conditions that preclude any kind of value capture, which weaken capacity, and that reproduce uneven patterns of development. This being said, a more robust approach involves going beyond celebratory stories and approaching fundamental bottlenecks of the field with analytical discipline. In developing countries, these challenges are not just operational inconveniences; they represent systemic restraints that determine who benefits from tourism, where the resources to invest flow, how environmental costs are distributed, and if that tourism can achieve sustainable development over time. Five bottlenecks are particularly important: infrastructure and capacity deficiencies, economic leakage,

institutional and regulatory lacunae, exposure to external shocks, and overtourism and under tourism that are conjoined. These obstacles don't work in isolation. Instead, they back up each other, to produce a tourism system that is economically dynamic, but institutionally brittle, socially uneven and environmentally vulnerable.

4.2 Infrastructure and Capacity Deficits:

A key issue for tourism and its development in emerging markets is the limited availability of physical, social and digital infrastructure. Tourism is a very dependent industry whose operations depend on the quality and availability of transportation, energy, water, sanitation, health care, telecommunications and destination services. These facilitators are however often weak or inequitable in quality in many emerging countries, particularly in rural, peripheries or ecologically sensitive locations. Tourist destinations with strong natural or cultural attractions often have great difficulty translating their potential into sustained tourism competitiveness. One of the most evident constraints is transport infrastructure. Weak road networks, a low number of rail connections, crowded airports, expensive domestic flights and unreliable local mobility systems make it expensive for tourists and investors to engage in transactions. No matter the resource endowments of inaccessible destinations, they are often excluded from mainstream tourism circuits. Lack of connectivity also creates a barrier to integrated corridors of tourism that could disseminate gains across geographies rather than concentrate them in a privileged urban or coastal sector. Tourism development is spatially selective not just because there are tourists as demand; it is also due to lack of infrastructure required for broader territorial inclusion. And health care infrastructure is a neglected, but increasingly important, aspect of destination capacity. If such clinics and trauma-care structures, or emergency evacuation facilities — and if you don't have these public-health preparedness programs — then it's harder to attract those people who spend more money or come from another place, especially guests who are family travelers or stay longer. This is even more challenging in more remote ecotourism spaces, on island sites, in wildlife areas, where access to health care can be a critical aspect of visitor confidence and safety for the caretakers who provide it. The digital infrastructure has played a similarly crucial role. Modern tourism hinges heavily on internet technology, digital booking, mobile payments, presence online, interacting with the remote customer, and service coordination through platforms. In many emerging-market rural tourist areas, however, connectivity is weak, unreliable or simply too expensive. This kind of digital divide restricts the ability of local businesses to penetrate marketplaces, schedule travel reservations, accommodate demand and integrate into the smart tourism ecosystem. It also limits governments' ability to conduct data-driven destination management, to communicate in crisis and in digital marketing. In these terms, digital infrastructure is not simply 'supplementary' but a crucial ingredient of competitive advantage for a destination. Capacity shortfalls go beyond hard facilities to human and institutional capacity. Shortage of skilled labourers in hospitality management, digital marketing, language services as well as conservation and destination planning is a major problem for many newcomers. If there are no service-specific training facilities and career development programs, the service quality may be inconsistent and domestic companies would struggle to compete with other operators. So infrastructure needs to be seen not simply as roads and airports, but as a network of capabilities required for comprehensive growth to support quality, resilient and inclusive tourism development.

4.3 The Leakage Phenomenon and Limited Domestic Value Retention:

A second major bottleneck is a drain on host economies' tourism revenue. One of the main criticisms of tourism-development is that the top line number of arrivals and gross receipts from visitors typically hides weak value retention at home. This phenomenon is exacerbated in developing countries that are entangled in global tourism value chains with foreign ownership, import-led dependence, and external intermediation. Leakage comes in many flavors. When profits go back to multinational hotel chains, resort developers, air carriers, cruise operators, and international booking platforms, you create financial leakage. Import leakage refers to the situations when tourist establishments rely heavily on imported food, beverages, furnishings, equipment, and luxury goods to satisfy the consumption requirements of international tourists. It is also severe managerial leakage in the case where high-skilled and high-level management positions are held by expatriate workers or externally managed firms, and this constrains the development and retention of domestic management and capability. These processes undermine the multiplicative effect of tourism and reduce its

force multiplier effect as a facilitator of broad local developments. Tourism infrastructure is largely developed with foreign investment or in some form of public-private partnerships that favor investment from abroad in developing countries. Such arrangements speed destination development but can also create enclave structures in which tourism's roles in relation to local suppliers are narrower than in other industries. Big resorts, for example, may be more reliant on internationalised procurement rather than locally sourced, tourist factories which use more advanced labor mostly in low-paid jobs while controlling strategic operations externally. But tourism growth may be visual and spatial, which also means that the local economic activity can benefit less from the economic boons from tourism, relative to the tourism trade. And this is not merely a matter of ownership nationality, but of economic embeddedness. Even a domestically owned tourism sector would have poor retention locally if it depends on imported inputs, operates in isolation from surrounding communities, or lacks linkages to agriculture, crafts, transport, and cultural industries. Similarly, the positive experience from foreign investment can translate into more impact at the local level, provided that it is enabled through local procurement policies, skills transfer mechanisms, tax enforcement, and beneficial use of community services.

So, the issue is in the structure of the value capture. This leakage phenomenon also has macroeconomic consequences. According to one analysis, when the destinations are heavily dependent on foreign exchange and only keep a little of total tourism expenditure, the contribution (or perceived contribution) of tourism towards development can be exaggerated. That leaves an internal paradox where economies are more exposed to tourism volatility without acquiring enough domestic investment on which to base this exposure. It follows then that the phenomenon of leakage is one development bottleneck for emerging nations that pursue tourism diversification rather than a secondary inefficiency.

4.4 Institutional and Regulatory Challenges:

The quality of institutions determines largely the level of tourism development in emerging markets. Inadequate governance and contradictory regulation coupled with low state capacity can undermine the success, credibility and sustainability of the development of tourism. According to such a market-oriented perspective tourism development is the result of an institutional framework that controls land, investments, labour, environment and local participation. When the institutional frameworks are weak or fragmentary, tourism development becomes disparate, poorly-integrated, unequal and open to elite capture, uncoordinated and poorly regulated; one of tourism development's structural limitations. Corruption remains one of the principal institutional impediments though. Tourism development might be biased in favour of politically connected actors into sectors or industries like licensing, procurement, land acquisition, zoning approvals and investment incentives through secretive mechanisms in such areas. Corruption drives up costs, discourages sensible investors, undermines public trust, and subverts the enforcement of standards. It can threaten the quality of the destination even when services are ill-allocated under contracts for infrastructure, waste management or other public services. Such conditions often create an incentive for tourism to attract rent rather than productive forms of development. Land governance is particularly contentious. Tourism development faces issues of unclear or contested land-use rights and conflict in most developing countries, overlapping customary and statutory claims and inadequate enforcement of tenure protection. The rise of resorts, conservation zones, or tourist attractions can lead to dislocation, deprivation from common amenities, and/or conflicts between local populations and investors. Transparent land-use planning is also crucial as it can support speculative development, ecological intrusion, and social conflict. As land is the spatial base of tourism, bad governance can have developmental burdens. And the thing is we're coming to the subject of environmental regulation. Tourism depends crucially on the quality of natural and cultural resources, and many emerging economies do not monitor and enforce environmental protection regularly enough to mitigate negative impacts. Poor control of coastal development, deforestation, waste disposal, water extraction, wildlife disturbance and building in environmentally sensitive areas is usually a result of weak monitoring systems, underfinanced regulatory agencies and fragmented mandates. And weak environmental governance can also mean that property and resources that attract visitors can become lost in the tourism model aimed at monetizing those assets. The fragmentation of the institutions makes the management of tourism difficult as well. Tourism goes between multiple ministries and tiers of governance. Transport, in addition to the environmental, culture and finance, and interior affairs -- even local government or digital infrastructure. In emerging economies the coordination between these organisations is typically quite poor and the policy

coherence, parallel policy mandates and implementation gaps exist. Lack of effective tourism destination management organisations or effective planning systems means tourism development is inherently reactive, politically driven and under-grounded in evidence. The lesson for big-scale analysis is clear: The quality of institutions does not just matter as a factor that affects tourism outcomes to some degree; it matters in relation to whether the development of tourism is governable at all.

4.5 Vulnerability to Shocks and Systemic Fragility:

Tourism is among the most sensitive sectors in the world economy, and the susceptibility to shocks is critical, particularly for developing economies which experience low levels of adaptive capacity. The fragility of tourism systems is especially acute thanks to climate change, geopolitical instability and global health crises. Those shocks are not isolated interruptions — they are becoming increasingly structural characteristics of the context in which tourism today functions.

Climate change may be the most significant long-term threat. Tourism destinations across most emerging economies are located in coastal zones; small and remote islands; mountains; wild animal habitats; and nature-rich landscapes highly susceptible to environmental change. Coastal erosion, sea level rise, coral bleaching, water shortages, heat stress, biodiversity decline, and frequent extreme weather all put tourist assets and infrastructure at imminent risk from these impacts. Beach sites might lose the quality of environment on which tourists rely; ecotourism zones might become habitat disrupted; mountain reserves might be hit with a seasonal shift, and heightened hazard risk. These are not just ecological, but also economic effects, diminishing destination attractiveness and raising insurance and infrastructure prices; they also lead to adaptation expenditures many developing economies are inadequately prepared to pay for.

Geopolitical instability also exacerbates the hospitality vulnerability. Political unrest, armed conflict, terrorism, diplomatic disputes and sudden changes in the terms for visas or travel advisories can change the flow of tourists very quickly. For emerging economies, negative perception of risk is frequently felt more severely as the demand for tourism is generally extremely sensitive to reputational signals and global media coverage tends to spread risk to whole regions as well. Even localized instability can therefore produce large and persistent drops in arrivals, investor confidence and destination branding.

Global health crises, as evidence from Zika virus suggests, underscore how tourism dependence also yields macroeconomic fragility. Many tourist reliant emerging economies in this context faced severe job cuts, business survival and foreign exchange flows erosion when border closures and mobility restrictions were imposed on them. The pandemic also revealed systemic weaknesses such as the low fiscal space, high level of informal labor in the workforce, inadequate social protection, and reliance on international markets instead of local markets. It stressed the incapacity of numerous crisis management frameworks in the sector, too.

What renders these vulnerabilities significantly important is their compounding effects. Climate events may dismantle infrastructure already undermined by too little investment; political instability could delay investment needed for adaptation; health crises might whittle away at the ways of life in communities with few other livelihood options. Tourism in emerging countries is not so much exposed to shocks as it is often embedded in systems with extremely low absorptive and adaptive capacity. This turns resilience from just a nice-to-have policy add-on into a benchmark for assessing tourism development models.

4.6 Overtourism, Under tourism, and Uneven Spatial Development:

The last major bottleneck for tourism development is a spatially unequal distribution, as indicated by the presence of overtourism in some locations and under tourism in others. This duality is necessary for a proper understanding of the geography of tourism in emerging economies. Instead of dealing with a single concern of too much tourism or too little at a time, many countries face both, often in the same territory. Overtourism is when the number of visitors exceeds the environmental, infrastructural, and social carrying capacity of one location leading to environmental degradation, traffic congestion, increasing living expenses, strain on public services, and resident dissatisfaction. In emerging economies the focus of overtourism is concentrated at prominent coastal cities, heritage sites, island destinations, wildlife reserves displayed worldwide via international marketing and online media. As capacities can be weak, the negative effects of concentrations of tourists tend to be strong. Beaches are washed away, waste networks inundated, housing markets twisted, heritage sites commodified and water scarcities siphoned off. Tourism in such contexts could even be

detrimental to the quality of life for its residents and the long-term attractiveness of the destination itself. And as a result, many parts of other regions are quite underdeveloped in tourism terms, even with relatively large cultural, natural or historical resources. Under tourism is not a sign of absence it tells us connectivity, investment, visibility, and policy consideration that there might be better ways for people to be engaged and entertained. Most mainstream tourism circuits ignore secondary towns, hinterlands, border towns, and community-owned destinations because the infrastructure is weak and the marketing is low, and tourism planning revolves around what the hub is as a successful market already. These create lost opportunities for geographically sustainable growth and territorial inequality. Overtourism and under tourism co-exist, a symptom of broader planning failure. What we find out now is that tourism development is not being administered and managed strategically in a territorial sense and that it takes path-dependent pathways determined by visibility, investor preference, and infrastructure concentration, influenced by the geographic layout of the sites. This leads to an extremely uneven map of tourism in emergent states, in which several overwhelmed areas hold most of the visitors and most of the ecological costs and in doing so, other areas are neglected in terms of tourism benefits. Tackling this imbalance requires more than dispersal rhetoric. Investment in secondary destinations, integrated regional planning, an increased use of the smart data of visitor flows and destination management mechanisms to optimise tourism intensity to carrying capacity is needed. It also necessitates the recognition that overtourism and under tourism are fundamentally related. The “overconcentration” of tourism in a few places often mirrors underinvestment elsewhere. This duality is analytically central to high-impact scholarship, because it represents tourism development as one spatial political economy rather than the product of simply market preference.

4.7 Interconnections Among the Bottlenecks:

The bottleneck problems should not be considered as isolated barriers. Infrastructure deficits can aggravate under tourism in peripheral areas, while concentrating flows in accessible hotspots. Lack of institutional capability can cause both overtourism in fragile destinations and leakage through poorly regulated investment structures. In particular, the exposure to shocks is accentuated where domestic value retention is limited and economic reliance is elevated. In conclusion, several significant constraints challenge tourism development in emerging contexts and are compounding and mutually reinforcing. There are theoretical and policy implications too. It suggests that there is no one solution to tourism problems, whether it be promotional strategies or isolated infrastructure projects alone. What is more, systemic governance in relation to investment policy, infrastructure planning, environmental regulation, territorial development, and community participation will be required. If this coordination is not there, travel-related development might generate noticeable economic growth but result in unsustainable and non-resilient development outcomes.

4.8 Analytical Implications for the Paper:

The issues described here form a part of the larger problem presented by the paper in that tourism in emerging economies is important to be interpreted not as self-reinforcing growth but a more institutionally mediated development system. Inadequate infrastructure limits access and quality; leakage undermines retention of value; institutional deficits distort governance; shocks reveal fragility; as well as uneven spatial development, which reveals planning and distribution failures. The bottlenecks they bring to bear may help to explain why tourism tends to underperform relative to its developmental promise. The opportunities described in the previous section should be considered to be conditional, rather than automatic. Much of how these plans get rolled out depends on how carefully and forcefully these structural bottlenecks are recognized and overcome by coherent policy, strong institutions, and more inclusive modes of development. Next, in the next stage of this analysis, the focus is again on the dialogue and synthesis of the analysis, where we consider the interactions between these opportunities and constraints, and their implications for sustainable tourism development in emerging economies.

5. Conclusion:

Lastly, in closing our chapter, this report also enhances what is already an integrated and pluralised understanding of tourism development in emerging market economies in terms of a shift from reductionist and growthist explanations to a systemic and institutionally grounded response to such an issue. The review

has found that despite this, while tourism offers plenty of economic diversification, job creation, infrastructure development, social and cultural integration opportunities, these mechanisms are not automatic or universally shared. Rather, they rely on the interaction of global market mechanisms, domestic institutional capability and local livelihood forces. A key contention of the paper is that it highlights the conditionality of tourism-led development. Opportunities for such inclusive resilient growth potential such as technology leapfrogging, community-based participation and strengthening domestic and regional tourism markets, are also viable. However, these advantages are often restricted by structural barriers including economic leakage, institutional weakness, infrastructure deficits, environmental imperatives, and vulnerability to international external shocks. Tourism in developing economies thus gets stuck in a paradox, producing outward wealth and reproducing internal inequalities and vulnerabilities. Such complexity can be captured from the perspective of Dependency Theory, Institutional Theory and Sustainable Livelihoods Framework through an integrated analytical lens. It highlights how interactions with the external economy constrain value retention, institutional voids mediate the transference of growth into developmental outcomes, and local livelihood structures determine how and where benefits are distributed and sustained. This multi-tier model is indicative that tourism is not only an economic sector but also is a development system that is grounded in socially and politically embedded. The implication of this is that the outcomes identify that institutional quality and good governance as the most important factors driving tourism development pathways. Strong regulatory framework, consistent policies, policy harmonization, local involvement and strategic planning are needed to facilitate inclusive and climate integrated tourism development along the lines of both economy and nationhood, integrated into the national structure and economy.

On the flip side, weak institutions will only promote enclave development, environmental deterioration and economic inequality. The study calls for a change in practice of policy making in promoting tourism growth – from developing tourism alone to managing tourism as part of a more inclusive development approach. That could mean focusing more on capturing domestic value, bolstering local supply chains, building digital and bricks and mortar infrastructure, investing in community ownership and boosting resilience to environmental and global shocks. Spatially balanced development strategies are also needed to tackle the double imperative that is overtourism and under tourism. Lastly, this paper contributes to the literature by joining the scattered research into an organised model between economic, institutional and sustainability dimensions. This base should then enable future research to explore empirically how different configurations of governance, integration of the digital and sustainability practices shape tourism in different settings and how different configurations of governance, digitalisation and sustainability practices influence the outcomes of tourism practice in different setting in practice. In other words, tourism in emerging markets has transformative potential, but its realisation hinged to an extent on its governance, integration, and continuity. Absent systematic transformation and policy inclusive design, tourism faces the risk of sustaining weak growth; under its own right, it can become a powerful driver of just and resilient development.

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