

# Enhancing Human Capital Through Tourism: Challenges and Opportunities in Developing Regions

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**Abstract:** *The tourism sector has emerged as a significant driver of economic growth and employment worldwide, offering unique opportunities for human capital development, particularly in developing regions. This paper examines the multifaceted relationship between tourism and human capital, exploring both the challenges and opportunities that arise in this context. The research synthesizes findings from a wide range of academic literature, industry reports, and case studies to provide a comprehensive overview of the subject. Key findings indicate that while tourism can create substantial employment, enhance skills, and reduce poverty, its potential is often hindered by structural barriers, policy and governance issues, and skills gaps. The paper identifies critical challenges, including infrastructure deficits, a lack of long-term strategic vision, and insufficient training and education programs. Conversely, it highlights significant opportunities for development through capacity-building initiatives, empowerment of women and youth, and the promotion of community-based tourism. The analysis reveals that a holistic and integrated approach is necessary to leverage tourism for sustainable human capital development. The paper concludes with a set of policy recommendations designed to help stakeholders in developing regions create a more inclusive, skilled, and resilient tourism workforce, thereby maximizing the sector's contribution to economic and social progress.*

**Keywords:** human capital development, tourism, developing regions, sustainable tourism, skills development, poverty reduction, employment.

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## INTRODUCTION

The global tourism industry stands as one of the world's largest and fastest-growing economic sectors. In 2024 alone, it is projected to contribute over \$11 trillion to global Gross Domestic Product (GDP) and support nearly 450 million jobs worldwide (World Travel & Tourism Council, 2024). With an estimated 235 million individuals directly employed in the sector, tourism is a significant source for job creation, particularly in developing regions where alternative employment opportunities may be

scarce (UN Tourism, 2025). The industry's labor-intensive nature and its capacity to employ a diverse range of skill levels make it a vital tool for economic development and poverty alleviation. Furthermore, the sector provides significant opportunities for women and youth, who often face disproportionate barriers to entering the formal labor market. In Africa, for instance, women constitute 73% of the tourism workforce, highlighting the sector's potential to advance gender equality and economic inclusion (UN Tourism, 2024).

Human capital, defined as the economic value of individuals' skills, knowledge, and experience, is a critical determinant indicator of economic growth and social progress. Enhancing human capital involves investments in education, training, and health, which in turn leads to a more productive and adaptable workforce. The tourism sector is uniquely positioned to contribute to human capital development by providing on-the-job training, fostering entrepreneurship, and creating demand for a wide array of skills, from hospitality and culinary arts to management and marketing. Tourism as such, can serve as a catalyst for broader socio-economic development, extending its benefits beyond direct economic contributions.

However, the path to leveraging tourism in developing regions faces challenges related to human capital development. Many countries face substantial structural constraints, such as underdeveloped infrastructure, restricted access to finance, and the absence of a coherent long-term strategy for tourism development. The industry is also affected by a persistent skills gap, as existing education and training systems often fail to align with the evolving demands of the tourism market, resulting in a workforce that lacks relevant competencies. This misalignment results in a workforce that is often under-skilled and unprepared for the demands of a competitive global industry. Moreover, issues of informal employment, low wages, and poor working conditions can undermine the sector's potential to provide decent work and sustainable livelihoods.

This paper aims to provide a comprehensive analysis of the challenges and opportunities associated with enhancing human capital through tourism in developing regions. It seeks to identify the key barriers to progress, and explore best practices and innovative strategies to unlock the sector's full potential. By examining the intricate linkages between tourism, employment, and human capital, this paper offers a set of evidence-based policy recommendations for governments, industry stakeholders, and international development partners. The central thesis of this article is that a strategic, integrated, and inclusive approach to tourism development is essential for building a skilled, resilient, and empowered workforce, thereby transforming the sector into a powerful engine for sustainable human capital enhancement in developing regions.

## **LITERATURE REVIEW**

The relationship between tourism and human capital development is a complex and evolving field of study. This review examines the theoretical underpinnings and empirical evidence that inform our understanding of how enhancing the skills, knowledge, and capabilities of individuals and communities can serve as a vehicle for tourism development in developing regions. Human Capital Theory, first popularized by economists such as Schultz (1961) and Becker (1964), points that investments in education and training are analogous to investments in physical capital, yielding returns in the form of increased productivity and earnings. In the context of tourism, human capital encompasses a wide range of competencies, from technical skills in hospitality, tour guiding, and culinary arts to soft skills such as communication, customer service, and cross-cultural understanding.

The UN Tourism Organization (2025) emphasizes that, for both the public and private sectors, human capital is a key asset for developing, managing, and serving the tourism sector in a sustainable and competitive way. A skilled and motivated workforce is not merely an input but a central component of the tourism product itself, directly influencing visitor satisfaction, destination competitiveness, and the industry's overall sustainability.

The economic impact of tourism, particularly in developing countries, has been extensively documented. The sector's contribution to GDP, foreign exchange earnings, and government revenues can be substantial. A study of the BRICS nations (Brazil, Russia, India, China, and South Africa) found a positive, statistically significant long-run relationship between tourism development and human capital development, suggesting that sustained inflows of tourism income can accelerate the pace of HCD and support sustainable economic growth (Li et al.,2022). Tourism is also a significant source of employment. The World Travel & Tourism Council (2024) reports that the sector supports millions of jobs, with a substantial portion of its economic value flowing to small and medium-sized enterprises (SMEs) and local communities. The job creation is particularly critical in rural and remote areas where other economic opportunities are limited.

Despite its potential, literature also highlights numerous challenges that can limit tourism's contribution to human capital development. A recurring theme is the prevalence of a skills gap in the tourism workforce. WTTC (2025) warns of a potential global shortfall of 43 million workers in the travel and tourism sector, coupled with a significant skills shortage that hampers the industry's growth potential. This gap is often attributed to a disconnection between the education system and industry needs, a lack of quality vocational training programs, and insufficient investment in workforce development.

Furthermore, research points to a range of structural and policy-related barriers. A study on sustainable tourism implementation identified several key obstacles, including a lack of long-term vision, insufficient integration of tourism into national development policies, excessive bureaucracy, and the prioritization of short-term economic gains over long-term environmental and social sustainability (Dias et al.,2024). These barriers are often more pronounced in developing countries, where institutional capacity may be weak, and resources are constrained. The literature also acknowledges the social challenges associated with tourism, such as the potential for increased inequality, the prevalence of informal and precarious employment, and the risk of negative cultural impacts if development is not managed responsibly.

In response to these challenges, some literature focuses on identifying opportunities and best practices for maximizing tourism's developmental benefits. There is a strong emphasis on the importance of targeted education and training programs. The GSTC Sustainable Tourism Training Program (2025) and the UNWTO Tourism Academy (2025) are examples of initiatives aimed at building the capacity of tourism professionals in sustainable practices and destination management.

The empowerment of women and youth is another key area of opportunity. Community tourism models have been shown to create meaningful employment and leadership roles for women and young people, enabling them to gain skills, earn income, and participate more actively in their communities (Nikjoo et al.,2025). The literature also underscores the importance of multi-stakeholder collaboration, including public-private partnerships (PPPs), to mobilize investment, share expertise, and ensure that tourism development is aligned with local needs and priorities. Regional initiatives, such as the Caribbean's Tourism Human Capital Development Project, serve as models for how coordinated,

multi-country efforts can effectively address shared challenges and build a more competitive and resilient regional tourism sector (Costa et al.,2020).

In summary, the literature provides a robust foundation for understanding the dual nature of tourism's impact on human capital. While the potential for positive change is immense, realizing this potential requires a concerted effort to overcome significant challenges. This paper builds on this existing body of knowledge by synthesizing these diverse perspectives and providing an integrated framework for analysis and action.

## Tourism's Economic Impact and Employment

The tourism sector's economic footprint is substantial, extending far beyond direct revenue generation. It serves as a powerful catalyst for economic diversification, infrastructure development, and, most importantly, employment. This section examines the macroeconomic contributions of tourism and its role as a primary source of jobs in developing regions.

### Global and Regional Contributions to GDP

Tourism is not confined to developed nations; in many developing countries, tourism is a leading source of foreign exchange and a critical driver of economic growth. Revenue from international tourist arrivals helps improve a country's balance of payments, fund public services, and stimulate investment in other sectors of the economy.

The regional distribution of tourism's economic impact, however, is uneven, as illustrated in Figure 1. While Europe continues to command the largest share of tourism-related GDP, developing regions in Asia-Pacific, Africa, and the Middle East are experiencing rapid growth. This trend underscores the increasing importance of tourism as a strategic priority for economic development in these areas. Figure 1 illustrates tourism's contribution to GDP across global regions from 2015 to 2024, with a notable dip in 2020.

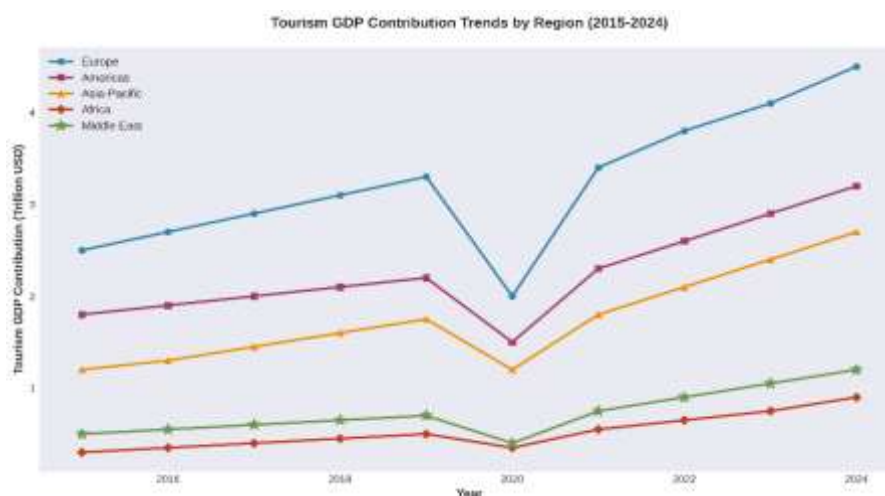


Figure 1. Trend of tourism's contribution to GDP across different global regions.

Source: World Travel & Tourism Council (WTTC)

**Employment Generation and Poverty Reduction**

One of the most significant contributions of tourism to developing regions is its capacity to create jobs. The sector is inherently labor-intensive and provides a wide range of employment opportunities, from entry-level positions in hospitality to specialized roles in management and marketing. As shown in Table 1, the tourism industry supports hundreds of millions of jobs both directly and indirectly. Direct employment includes jobs in hotels, restaurants, airlines, and travel agencies, while indirect employment encompasses jobs in sectors that supply goods and services to the tourism industry, such as agriculture, construction, and manufacturing.

**Table 1:** Tourism Employment Statistics by Region

Region	Direct Employment (Millions)	Indirect Employment (Millions)	Total Employment (Millions)	YoY Growth Rate (%)	Female Employment (%)
Africa	24.5	45.2	69.7	8.5	48.2
Asia-Pacific	89.3	156.8	246.1	6.2	42.5
Americas	42.7	78.5	121.2	5.8	45.8
Europe	56.8	98.2	155.0	4.3	44.2
Middle East	12.4	21.3	33.7	7.1	38.5
Global Total	235.0	400.0	625.0	5.9	43.8

Source: Synthesized from UN Tourism and WTTC data (year 2024)

By creating jobs and generating income, tourism can be a powerful tool for poverty reduction. For many households in developing countries, employment in the tourism sector provides a stable source of income, enabling them to improve their standard of living, invest in education and health, and escape the cycle of poverty. Research has shown a direct link between tourism development and reduced poverty vulnerability, as the sector diversifies local economies and provides alternative livelihoods (Cárdenas-García et al., 2024).

**Human Capital Development Through Tourism**

Beyond its direct economic impact, tourism plays a crucial role in fostering human capital development. Tourism development and human capital development are interdependent and mutually reinforcing processes. Human capital development positively affects tourism development and vice versa. By creating demand for skilled labor and providing opportunities for training and advancement, the sector can enhance the workforce's knowledge, skills, and capabilities. This section explores the various pathways through which tourism enhances human capital.



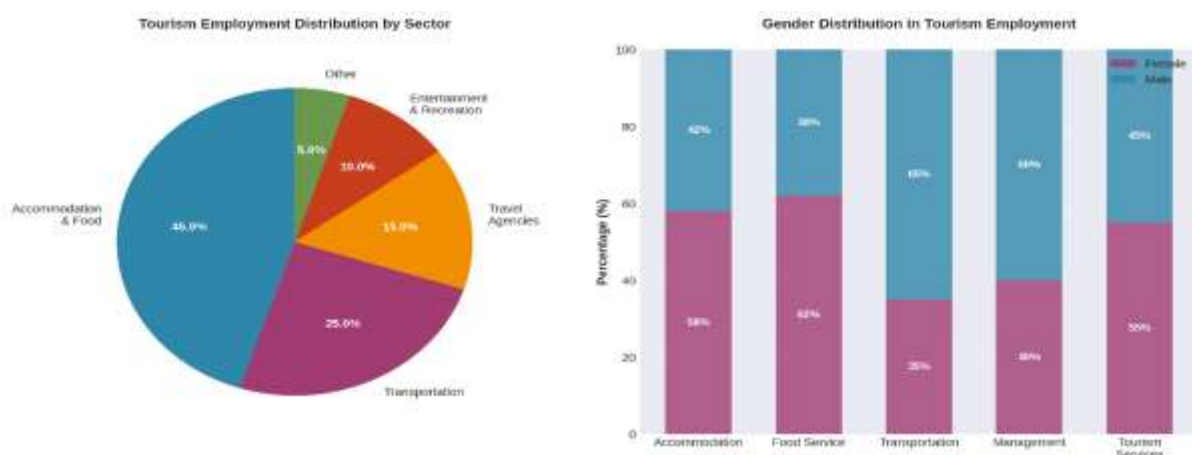
## Skills Development and Vocational Training

The tourism industry requires a diverse set of skills, creating a natural incentive for individuals to invest in education and training. The demand for qualified professionals in areas such as hotel management, culinary arts, tour guiding, and sustainable tourism practices drives the development of vocational training programs and educational curricula. These programs not only equip individuals with the technical skills needed to succeed in the industry but also foster soft skills such as communication, problem-solving, and teamwork, which are transferable to other sectors of the economy. The presence of a thriving tourism industry can thus have a multiplier effect on the overall skill level of the workforce.

## Employment Opportunities for Women and Youth

Tourism is often a gateway to the formal economy for women and youth, two groups that frequently face significant barriers to employment. The sector's flexibility in terms of working hours and its diverse range of job roles make it an accessible entry point for many. As indicated in Table 1, women make up a significant share of the global tourism workforce, and in some regions, they are the majority. Employment in tourism can provide women with financial independence, enhanced social status, and greater decision-making power within their households and communities. Similarly, with half of the hospitality workforce under 25, the sector is a critical source of employment for young people, providing valuable work experience and a pathway to a long-term career (see ILO, 2010). Figure 2 combines a pie chart and a stacked bar chart to illustrate the distribution of tourism employment by sector and the gender breakdown within various tourism roles.

Figure 2: Employment Distribution by Sector and Gender



Source: International Labour Organization

## Fostering Entrepreneurship

The tourism value chain offers numerous opportunities for entrepreneurship. The growth of tourism creates demand for a wide range of goods and services, from accommodation and food to transportation and handicrafts, therefore creating a fertile ground for the emergence of small and medium-sized

enterprises (SMEs), which are often owned and operated by local entrepreneurs. By providing a market for their products and services, tourism can empower local communities, foster a culture of innovation, and contribute to a more dynamic and resilient local economy. Supporting these entrepreneurs through access to finance, business development services, and market linkages is a key strategy for maximizing the developmental impact of tourism.

**Table 2:** Human Capital Development Indicators in Tourism-Reliant Regions

Indicator	Developing Regions	Developed Regions	Target for 2030
Average Years of Education	7.2	12.8	10.5
Vocational Training Participation (%)	18.5	52.3	40.0
Average Annual Income (USD)	8,500	28,500	18,000
Employment Formality Rate (%)	35.2	78.9	60.0
Skills Certification Rate (%)	22.8	68.5	55.0
Gender Wage Gap (%)	28.5	12.3	15.0
Youth Unemployment Rate (%)	16.3	8.1	10.0
Poverty Reduction Impact (%)	12.4	5.2	20.0

*Source:* Synthesized data from ILO, UNESCO, and World Bank reports

Table 2 provides a comparative overview of key human capital development indicators, highlighting significant disparities between developing and developed regions. These indicators underscore the challenges that must be addressed but also point to the immense potential for improvement through targeted interventions in the tourism sector. Achieving the 2030 targets would represent a substantial leap forward in human capital development for many developing nations.

## Challenges to Tourism-Led Human Capital Development

While the potential for tourism to drive human capital development is undeniable, the path is often obstructed by a complex web of interconnected challenges. These barriers, if left unaddressed, can severely limit the sector's ability to achieve sustainable, inclusive growth. This section examines the primary challenges confronting developing regions in their efforts to leverage tourism for human capital enhancement, categorized into structural, policy, skills-related, and social-environmental domains. Figure 3 presents a conceptual diagram of the interconnected challenges that impede tourism-led human capital development.

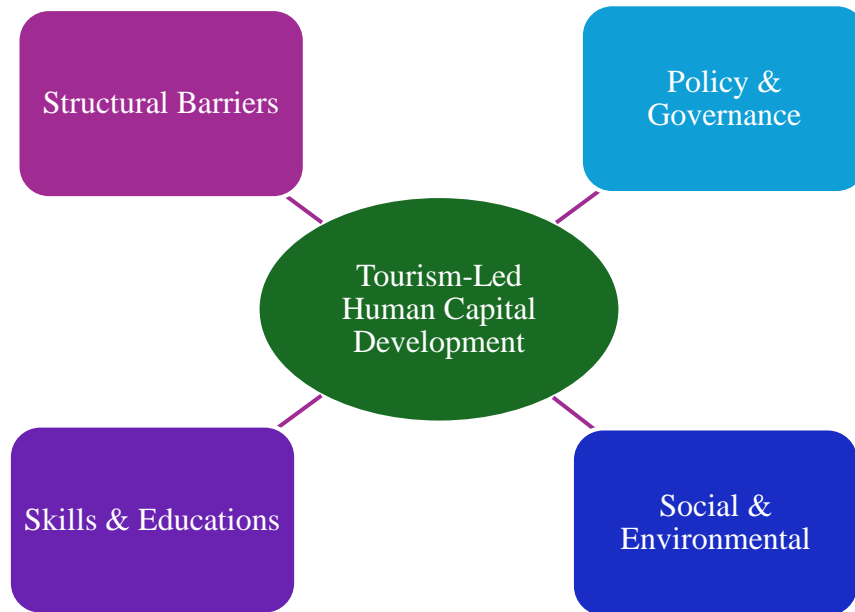


Figure 3: Challenges Framework

Source: UN Tourism human capital development report

### Structural Barriers

At the most fundamental level, many developing countries lack the foundational infrastructure required to support a thriving tourism industry. **Infrastructure deficits**, including inadequate transportation networks (airports, roads, and ports), unreliable energy and water supplies, and limited telecommunications connectivity, can deter investment and restrict access to tourist markets. These shortcomings not only increase the cost of doing business but also diminish the quality of the visitor experience, making it difficult for destinations to compete globally.

Another significant structural impediment is **limited access to capital**. Small and medium-sized enterprises (SMEs), which form the backbone of the tourism industry, often struggle to secure the financing needed to start, sustain, and grow their businesses. Without access to affordable credit, entrepreneurs are unable to invest in quality improvements, expand their operations, or innovate, which in turn suppresses job creation and skills development. **Geographic constraints**, such as remoteness and a lack of natural attractions, can also pose a significant challenge for certain regions, limiting their tourism potential from the outset.

### Policy and Governance Challenges

Effective governance is a prerequisite for sustainable tourism development. However, many developing countries lack **a long-term, strategic vision** for the sector. Tourism planning is often fragmented, short-sighted, and disconnected from broader national development goals. This results in ad-hoc and uncoordinated development that fails to maximize the sector's potential or mitigate its negative impacts.



**Insufficient policy integration** is another common problem. Tourism is a cross-cutting sector that is intrinsically linked to other policy domains, including education, environment, labor, and infrastructure. A failure to coordinate policies across these areas can lead to conflicting objectives and inefficient resource use. For example, a push to expand tourism without a corresponding investment in skills development will inevitably lead to a reliance on expatriate labor and limited opportunities for the local population. Excessive bureaucracy and a lack of transparency can also stifle investment and create opportunities for corruption, further undermining the sector's development.

### Skills and Education Gaps

The most direct challenge to human capital development in the tourism sector is the pervasive **skills gap**. There is often a significant mismatch between the skills demanded by the industry and those possessed by the local workforce. This gap manifests as a shortage of qualified managers, a lack of specialized technical skills, and a deficiency in soft skills, such as customer service and communication, that are essential to a high-quality visitor experience. The WTTC has projected a staggering 8.6 million worker shortage in the hospitality sector alone by 2035, a clear indicator of the scale of this challenge (see WTTC,2025).

The skills gap is largely a product of a **limited and often outdated training infrastructure**. Many developing countries lack sufficient quality vocational schools and training centers. Where they do exist, the **curriculum is often misaligned** with industry's practical needs. A lack of collaboration between educational institutions and tourism businesses means graduates are often not equipped with the competencies employers seek. This forces businesses to either invest in costly in-house training or hire foreign workers, both of which limit the benefits that accrue to the local community.

### Social and Environmental Challenges

Finally, the social and environmental dimensions of tourism development present their own set of challenges. While tourism can create jobs, it can also increase income inequality if benefits are not distributed equitably. The prevalence of low-wage, seasonal, and informal employment can trap workers in a cycle of poverty and precarity. The gender wage gap, which is often wider in the tourism sector than in other industries, is another significant concern.

Unplanned and unregulated tourism development can also lead to severe **environmental degradation**, including the depletion of natural resources, pollution, and the loss of biodiversity. This not only undermines the long-term sustainability of the tourism industry itself but also harms the well-being of local communities that depend on these resources. Similarly, the influx of tourists can lead to negative **cultural impacts**, such as the commodification of local traditions and a loss of cultural identity, if not managed with care and respect.

**Table 3:** Barriers to Tourism Development by Category

Category	Specific Barrier	Severity (1-5)	Prevalence (%)	Mitigation Strategy
Structural	Infrastructure Deficits	5	92	Infrastructure investment programs
Structural	Limited Access to Capital	4	85	Microfinance and development banks
Structural	Geographic Constraints	4	78	Regional tourism networks
Policy & Governance	Lack of Long-term Vision	5	88	Strategic planning workshops
Policy & Governance	Insufficient Policy Integration	4	82	Inter-ministerial coordination
Policy & Governance	Excessive Bureaucracy	4	79	Administrative reform
Skills & Education	Workforce Skills Shortage	5	95	Vocational training programs
Skills & Education	Limited Training Infrastructure	4	81	Training center establishment
Skills & Education	Curriculum Misalignment	3	76	Industry-education partnerships
Social & Environmental	Income Inequality	4	84	Progressive taxation policies
Social & Environmental	Environmental Degradation	4	73	Environmental management standards
Social & Environmental	Cultural Impacts	3	68	Community engagement programs

Source: Author's compilation based on literature review and industry reports (Dias et al.,2024; Dodds et al.,2010).

## Opportunities and Best Practices for Human Capital Development

Despite numerous challenges, the tourism sector offers a wealth of opportunities to enhance human capital in developing regions. By adopting strategic, innovative approaches, stakeholders can turn these challenges into steppingstones toward sustainable, inclusive growth. This section explores key opportunities and best practices that have proven effective in leveraging tourism to develop human capital. Figure 4 presents a conceptual diagram outlining key pathways and opportunities for fostering human capital development through tourism.

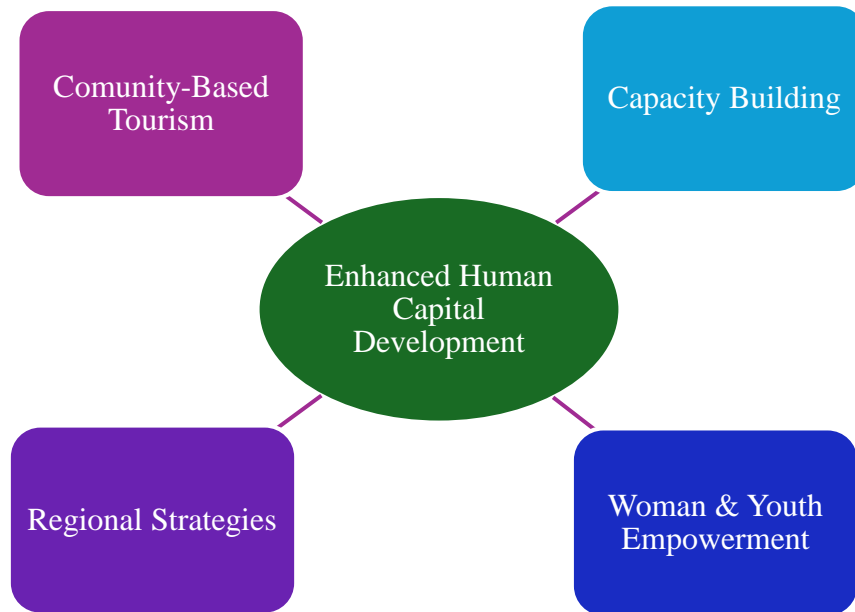


Figure 4: Opportunities Framework

### Capacity Building and Training Programs

Investing in education and skills development is the most direct way to enhance human capital. Vocational education and training (VET) programs that are tailored to the specific needs of the tourism industry are essential. Successful initiatives often involve close collaboration between educational institutions, the private sector, and government agencies to ensure that the curriculum is relevant, practical, and up to date. The use of online learning platforms and other digital tools can also help to expand access to training, particularly in remote areas. The UNWTO Tourism Academy, for example, offers a wide range of online courses designed to empower individuals with the skills needed to thrive in the tourism industry (UNWTO, 2025).

Public-private partnerships (PPPs) are a powerful mechanism for mobilizing the resources and expertise needed to scale up training initiatives. By working together, the public and private sectors can share the costs and risks of investment in human capital development, leading to more sustainable and impactful outcomes.

### Empowerment of Women and Youth

As previously noted, the tourism sector is a major employer of women and youth. This presents a significant opportunity to advance gender equality and youth empowerment. **Gender-targeted programs** that provide women with access to training, finance, and leadership opportunities can help to break down the barriers that prevent them from advancing in their careers. The Women Empowerment Project in Timor-Leste, supported by UN Tourism, is a prime example of how tourism

can create economic opportunities for women in post-conflict and developing countries (UN Tourism, 2024).

Similarly, **youth employment initiatives** that provide young people with internships, apprenticeships, and mentorship opportunities can help to bridge the gap between school and the world of work. Fostering **entrepreneurship** among women and youth is another key strategy. By supporting business development, market access, and financial services, governments and development partners can help create a new generation of tourism entrepreneurs.

### **Community-Based Tourism Development**

Community-based tourism (CBT) is a model of tourism development that emphasizes local ownership, control, and participation. By empowering local communities to manage and benefit from tourism in their areas, CBT can ensure that tourism benefits are distributed more equitably. This model not only creates jobs and generates income at the local level but also helps to preserve cultural heritage and protect the environment.

Successful CBT initiatives often involve developing local ownership models, in which the community has a direct stake in tourism enterprises. They also prioritize **cultural preservation**, ensuring that tourism activities are respectful of local traditions and values. By promoting **sustainable practices**, CBT can also help to minimize the negative environmental impacts of tourism and ensure the long-term viability of the destination.

### **Regional Case Studies and Success Stories**

Learning from others' experiences is a critical component of effective policy-making. There are numerous examples of successful tourism development initiatives from around the world that can provide valuable lessons for developing regions. The Caribbean Tourism Human Capital Development (THCD) Project, for instance, is a multi-country initiative aimed at strengthening the skills and competitiveness of the region's tourism workforce (Costa et al., 2022). In Sub-Saharan Africa, various initiatives are underway to leverage tourism for human development and employment creation. These case studies, as highlighted in Table 4, demonstrate that with the right strategies and a commitment to collaboration, it is possible to overcome the challenges and unlock the full potential of tourism for human capital development.

**Table 4:** Best Practices and Initiatives in Tourism for Human Capital Development

Initiative	Organization	Region	Focus Area	Key Outcomes
Caribbean Tourism Human Capital Development Project	Caribbean Tourism Organization	Caribbean	Capacity building, skills training	15,000+ trained professionals
Timor-Leste Women Empowerment Project	UN Tourism	Southeast Asia	Women's empowerment, recovery	2,000+ women employed
Sub-Saharan Africa Skills Initiative	World Bank	Sub-Saharan Africa	Human development, employment	50,000+ jobs created
UNWTO Tourism Academy	UN Tourism	Global	Online education, professional development	100,000+ course completions
GSTC Sustainable Tourism Training	Global Sustainable Tourism Council	Global	Sustainable practices, certification	5,000+ certified professionals
Fiji Human Resources Assessment	Ministry of Tourism	Pacific	Workforce needs assessment	Comprehensive HR strategy
Moldova Female Trainer Program	UN Tourism	Eastern Europe	Female leadership, training	1,000+ female trainers
Community-Based Tourism Networks	Local NGOs	Multiple	Local ownership, sustainability	10,000+ community members benefited

Source: Author's compilation based on organizational reports and publications (UNWTO,2025; Costa et al.,2020; UN Tourism,2025).

## Policy Recommendations

Translating the potential of tourism into tangible human capital development requires a concerted and strategic policy effort. Based on the analysis of the challenges and opportunities presented in the preceding sections, this section outlines a set of actionable policy recommendations for governments, industry stakeholders, and development partners in developing regions. These recommendations are designed to create an enabling environment for a more skilled, inclusive, and resilient tourism workforce.

### Fostering a Strategic and Integrated Policy Framework

A long-term, strategic vision is the bedrock of sustainable tourism development. Governments must move beyond ad-hoc planning and develop a comprehensive **National Tourism Strategy** that is integrated with broader national development goals. This strategy should be developed through a participatory process involving all relevant stakeholders, including the private sector, civil society, and local communities. A key component of this strategy should be the establishment of an **inter-ministerial coordination mechanism** to ensure policy coherence across sectors such as education, infrastructure, and the environment.

### Investing in Education and Skills Development

Closing the skills gap is arguably the most critical challenge. Governments, in partnership with the private sector, must invest in strengthening the **vocational education and training (VET)** system. This includes modernizing training facilities, developing industry-aligned curricula, and establishing a robust system for skills certification. **Public-private partnerships** can play a vital role in financing and managing these initiatives. Furthermore, there should be a focus on promoting **lifelong learning** opportunities to enable the existing workforce to upgrade their skills and adapt to industry-changing demands.

### Promoting Inclusive Growth and Decent Work

To ensure that the benefits of tourism are shared broadly, policies must actively promote inclusive growth. This includes targeted interventions to support the participation of **women and youth** in the tourism sector, such as providing access to finance, business development services, and leadership training. Efforts should also be made to formalize the informal tourism sector, providing workers with access to social protection, decent working conditions, and opportunities for advancement. Promoting community-based tourism models can also help ensure that a greater share of tourism revenue remains within local communities.

### Strengthening Infrastructure and the Enabling Environment

Strategic investment in **infrastructure** is essential for unlocking the tourism potential of many developing regions. This includes not only physical infrastructure, such as transportation and energy, but also the "soft" infrastructure of laws, regulations, and institutions. Governments should work to streamline administrative procedures, reduce bureaucracy, and create a transparent and predictable investment climate. The development of robust **environmental standards** and monitoring mechanisms is also crucial for protecting the natural and cultural assets upon which the tourism industry depends.

**Table 5:** Policy Recommendations Matrix

Policy Recommendation	Target Group	Implementation Timeline	Expected Outcomes	Priority Level
Establish Long-term Tourism Vision	Government, Stakeholders	1-2 years	Clear direction, stakeholder alignment	High
Develop Integrated Skills Framework	Education, Industry	2-3 years	Reduced skills gap, better employment	High
Invest in Infrastructure	Government, Private Sector	3-5 years	Improved accessibility, capacity	High
Create Women Empowerment Programs	Women, Entrepreneurs	1-3 years	Increased female participation, income	High
Establish Youth Employment Initiatives	Youth, Unemployed	1-2 years	Lower youth unemployment, skills	Medium
Develop Vocational Curricula	Educational Institutions	2-3 years	Relevant, industry-aligned training	High



Implement Monitoring & Evaluation	Government Agencies	Ongoing	Evidence-based improvements	Medium
Foster Public-Private Partnerships	Public & Private Sectors	1-2 years	Increased investment, innovation	Medium
Support Community-Based Tourism	Local Communities	2-4 years	Inclusive growth, local benefits	Medium
Strengthen Environmental Standards	All Stakeholders	1-3 years	Sustainable tourism practices	High

*Source:* Author's compilation on desk research.

## DISCUSSION

This research has illuminated the intricate and often paradoxical relationship between tourism and human capital development in developing regions. The findings confirm that tourism is a powerful engine of economic growth and employment, yet its potential to foster sustainable human capital is frequently constrained by formidable challenges. The synthesis of literature, data, and case studies reveals a disconnect between the macroeconomic benefits of tourism and the micro-level realities experienced by the workforce and local communities. While GDP contributions and job creation figures are impressive, they can mask underlying issues of low wages, job insecurity, and limited opportunities for career advancement.

The analysis of challenges underscores the systemic nature of the barriers to tourism-led human capital development. The interconnectedness of structural deficits, policy failures, skills gaps, and socio-environmental concerns, as illustrated in the Challenges Framework (Figure 2), means that isolated or piecemeal interventions are unlikely to be effective. For instance, investing in vocational training without addressing a lack of long-term strategic vision or infrastructure deficits that limit a destination's competitiveness will yield suboptimal results. This highlights the critical need for a holistic and integrated approach that addresses the root causes of these challenges in a coordinated manner.

Conversely, the exploration of opportunities demonstrates that there are clear and viable pathways to enhancing human capital through tourism. The success of initiatives focused on capacity building, the empowerment of marginalized groups, and community-based tourism models provides a blueprint for action. A common thread running through these best practices is the importance of collaboration, local ownership, and sustainability. The Opportunities Framework (Figure 3) illustrates how these different pathways can converge to create a virtuous cycle of development, in which investments in human capital lead to a more competitive and sustainable tourism industry, which in turn generates resources for further investment in skills and education.

The implications of these findings for developing regions are profound. They suggest that tourism should not be viewed merely as a source of foreign exchange, but as a strategic tool for human capital development and social transformation. This requires a fundamental shift in mindset, from a focus on quantity (tourist arrivals and revenue) to a focus on quality (decent work, skills development, and inclusive growth). It also requires greater investment in the long-term foundations of a sustainable tourism sector, including education, infrastructure, and environmental protection.

Future research is encouraged to explore the multifaceted dynamics linking tourism and human capital development. Longitudinal studies that track the long-term impacts of different tourism development models on human capital outcomes would be particularly valuable. There is also a need for more granular, destination-level research to understand how a place's specific context shapes the challenges and opportunities for tourism-led development. Finally, further investigation into the effectiveness of different policy interventions and the role of technology in delivering skills training would provide policymakers and practitioners with valuable insights.

## CONCLUSION

Enhancing human capital through tourism in developing regions is both a significant challenge and an immense opportunity. This paper has demonstrated that while the tourism sector holds the promise of economic prosperity and social progress, realizing this promise depends on overcoming deep-seated structural, policy, and educational barriers. The journey from a low-skill, low-wage tourism economy to a high-value, high-skill sector that fosters genuine human capital development is complex and requires sustained, coordinated effort from all stakeholders.

The key takeaway from this research is that a strategic, integrated, and inclusive approach is paramount. Governments must take the lead in creating a coherent policy framework that places human capital development at the heart of the tourism agenda. The private sector must look beyond short-term profits and invest in its most asset, its people. Educational institutions must forge closer ties with industry to ensure their programs remain relevant and responsive to market needs. And civil society and local communities must be empowered to participate in and benefit from the tourism development process.

Ultimately, the success of tourism as a tool for development will be measured not just by the number of visitors or the revenue generated, but by the extent to which it improves the lives and livelihoods of ordinary people. By investing in skills, promoting decent work, and ensuring that the benefits of growth are shared equitably, developing regions can harness the transformative power of tourism to build a more prosperous, inclusive, and sustainable future for all. The path forward is not easy, but with a clear vision, a shared commitment, and a willingness to learn and adapt, the opportunities are boundless.

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