AN ANALYSIS OF THE BENEFITS OF THE GROWTH IN TOURISM TO THE LOCAL COMMUNITIES IN THE PANORAMA REGION, MPUMALANGA PROVINCE

by

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submitted in accordance with the requirements for the degree of

DOCTOR OF LITERATURE AND PHILOSOPHY

in the subject

DEVELOPMENT STUDIES

at the

UNIVERSITY OF SOUTH AFRICA

PROMOTER: PROFESSOR FC DE BEER

FEBRUARY 2008

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DECLARATION

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I declare that **AN ANALYSIS OF THE BENEFITS OF THE GROWTH IN TOURISM TO THE LOCAL COMMUNITIES IN THE PANORAMA REGION, MPUMALANGA PROVINCE** is my own work and that all the sources that I have used have been indicated and acknowledged by means of complete references.

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NGWAKO PHILEMON MONAKHISI   **DATE**

DEDICATION

This study is dedicated to my wife and children, Masedi and Olerato, brothers,

parents, former colleagues at Khaiso High School and current ones in the

Department of Foreign Affairs.

ACKNOWLEDGEMENTS

ABBREVIATIONS

ABSA	Amalgamated Banks of South Africa
ASGISA	Accelerated and Shared Growth Initiative of South Africa
BEE	Black Economic Empowerment
CAGR	Compound Annual Growth Rate
CBO	Community-based Organisation
DBSA	Development Bank of Southern Africa
DFID	Department for International Development, UK
EPWG	Expanded Public Works Programme
FDS	Foreign Direct Spend
FEDHASA	Federated Hospitality Association of South Africa
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDPs	Integrated Development Plans
ISRDS	Integrated Sustainable Rural Development Strategy
LED	Local Economic Development
LEDA	Local Economic Development Agency
MDGs	Millennium Development Goals
MERS	Micro-Economic Reform Strategy
MIG	Municipal Infrastructure Grant
MTPA	Mpumalanga Tourism and Parks Agency
MTSF	Medium Term Strategic Framework
NQF	National Qualifications Framework
NSDP	National Spatial Development Perspective
NSDS	National Skills Development Strategy
NSF	National Skills Fund
ODI	Overseas Development Institute
PATIIs	Priority Areas of Tourism Infrastructure Investment

PGDS	Provincial Growth and Development Strategies
RDP	Reconstruction and Development Programme
SADC	Southern African Development Community
SANParks	South African National Parks
SAQA	South African Qualifications Authority
SARS	Severe Acute Respiratory Syndrome
SATOUR	South African Tourism Board
SDI	Spatial Development Initiative
SETA	Sector Education and Training Authority
SMEDP	Small Medium Enterprise Development Programme
SMME	Small, Micro and Medium-sized Enterprises
SPSS	Statistical Package for Social Sciences
TBCSA	Tourism Business Council of South Africa
TEP	Tourism Enterprise Programme
TFDS	Total Foreign Direct Spend
THETA	Tourism, Hospitality and Sport Education and Training Authority
UK	United Kingdom (of Great Britain and Northern Ireland)
UNEP	United Nations Environmental Programme
USA	United States of America
UNTWO	United Nations World Tourism Organisation
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation

SUMMARY

In recent decades tourism has asserted its importance as the biggest employer and foreign exchange earner in both the developing and developed countries. Consequently, there has been increasing attention to tourism development as a strategy to stimulate economic growth, local economic development and poverty alleviation, especially in the developing countries. This study was undertaken with the objective of determining the direct benefits of the growth in tourism to the local communities in the vicinity of protected areas in South Africa's Mpumalanga Province.

The tourism sector is strategically located within the economic mainstream as it links easily with other sectors of the economy such as agriculture, hospitality, transport and entertainment. It has added advantages, including the fact that the tourist product is consumed at the destination. This offers local communities opportunities in job creation, skills development, economic empowerment and social development.

The study found that meaningful involvement of local communities in the tourism industry through ownership of tourism-related enterprises was almost non-existent. There were no meaningful linkages between the industry and the local communities other than the communities' supply of unskilled labour. There were also no programmes aimed at harnessing the phenomenal growth in South Africa's tourism for the economic empowerment of local communities. The economic empowerment of local communities need not be achieved through the ownership of tourism-related enterprises only, but may also include shareholding, outsourcing, affirmative procurement and social responsibility programmes by the industry.

The continued marginalisation of the local communities by the tourism industry was attributed to unsatisfactory progress with the industry's transformation. The launch of the Tourism Black Economic Empowerment Charter and Scorecard in 2005 provided impetus for the transformation of South Africa's tourism industry. However, more work still needs to be done in the identified areas of ownership and control of tourism-related businesses, distribution of tourism benefits and the development of tourism-related skills and entrepreneurial culture in local communities.

The role of the private sector in stimulating community involvement in tourism is particularly important. The private sector is singled out because of government policy that tourism development would be regulated by government and be private-sector driven. Furthermore, the private sector has the capacity and the resources to mobilise, not only to improve the attractiveness and marketing of a destination and the overall management of the tourism industry, but also to build thriving local communities.

KEY WORDS

access to land, black economic empowerment, capacity building, community involvement, community-based tourism, development strategy, entrepreneurship, local economic development, marketing, Mpumalanga Province, ownership, Panorama region, poverty, pro-poor tourism, public-private partnership, socio-economic development, sustainable tourism development, Tourism Charter, tourism development, tourism growth, tourism-related enterprises, tourist product, training, transformation.

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CHAPTER 1

OUTLINE OF THE RESEARCH PROJECT

1.1   Introduction

This study was undertaken mainly to highlight the plight of poor communities in the vicinity of protected areas and tourist attractions and to suggest strategies for harnessing the great potential tourism has as a stimulant for socio-economic development within these communities. The study advances community-based tourism development as a strategy to push back the frontiers of poverty in poor communities, especially those adjacent to major tourist attractions.

Poverty may be defined in terms of people's or households' relation to their income and whether their income affords them access to basic needs and services such as education, health, shelter, transport, food and clothing. If the income of individuals or households does not allow them access to essential goods and services, they are considered poor (Roe, Goodwin and Ashley, 2004: 147; United Nations Development Programme, 1998, cited in Statistics South Africa, 2000: 54).

An additional indicator of poverty is a caloric intake that falls below the baseline minimum. The baseline minimum is determined by measuring the caloric intake and levels of consumption. If this caloric intake is below the baseline minimum, the household is considered poor as it will be maintaining less than the minimum standard of living (De Beer, 2000: 15).

Community-based tourism is a component of pro-poor tourism and of local development strategy. Pro-poor tourism is defined as an approach to tourism

development that seeks to increase net benefits for the poor and ensure that tourism growth contributes to poverty reduction. It increases opportunities for poor people to benefit from the tourism industry (Ashley, Roe and Goodwin, 2001: 8).

Community-based tourism should facilitate the involvement of local communities in tourism through the provision of meaningful services to tourists and the development of strong linkages with the tourism industry. Local communities may derive benefit from the tourism industry through ownership of tourism-related enterprises and involvement in the decision-making structures of the industry.

The study focuses on communities, their development and their empowerment. Empowerment is associated with dignified and self-reliant living for the majority of poor community members (Mehta, 1984: 18; Narayan, 2002: 13). The words tourism, communities and development are the focus of this study. Beeton (2006: 16) captures the researcher's sentiments very well when she says that tourism is one of the most significant community development tools, particularly in marginal or peripheral communities such as indigenous, remote and rural communities.

The reason for the emphasis of the study on community-based tourism development is that the researcher believes that it has the potential to stimulate socio-economic development in poor communities. Community-based tourism has gained in popularity as a result of increased recognition of the intrinsic role that communities play in the creation and delivery of tourists' experiences (Beeton, 2006: 16).

As a result of the recognition of the economic alternatives that tourism offers rural communities, governments have been prompted to focus increasingly on rural tourism development in order to generate wealth and empowerment in these areas. Tourism offers an alternative to traditional forms of primary production which have ceased to be viable as the economic mainstay of these areas (Killion, 2001: 173).

Furthermore, indications are that tourism is the world's largest and fastest growing industry (Coccossis and Parpairis, 1995: 107; Futter and Wood, 1997: 64; Hall, 1994: 1; Hall and Jenkins, 1995: 1; Honey, 1999: 4; Jefferson, 1991: 3; Nelson, Butler and Wall, 1993: 4), second only to oil as the world's leading export commodity (Poirier, 2000: 30). The tourism sector is important because it links easily with other sectors of the economy such as agriculture, transport and entertainment. The fact that the tourist product is consumed at the destination offers local communities opportunities to become involved in the industry in their own areas.

The World Travel and Tourism Council states that tourism is now the world's largest industry, generating 6% of global GNP and employing one in every 15 workers worldwide. According to a study conducted in 1999 by the United Nations World Tourism Organisation[1] (UNWTO), 1. 6 billion tourists will visit foreign countries annually by 2020, spending more than US$2 trillion a year over the next two decades (Dowling, 2001: 286).

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[1] World Tourism Organisation (WTO) officially became a specialised agency of the United Nations in 2003. For many years there has been confusion with the acronym WTO which was also used by the Geneva-based World Trade Organisation. From 1 December 2005 the World Tourism Organisation officially became known as United Nations World Tourism Organisation (UNWTO) ending decades of confusion.

The tourism industry has an advantage over other industries such as agriculture and manufacturing because it is less affected by the trade restrictions of developed countries and multilateral organisations such as the World Trade Organisation (WTO). Tourism is currently one of the most dynamic economic activities globally. Rich and poor nations alike have the opportunity to use it to their own benefit to stimulate their national economic growth for local socio-economic development. If properly harnessed, tourism can address the problems of poverty more directly than other, more traditional, methods (UNWTO, 2002: 17).

However, despite tourism's potential to stimulate local socio-economic development, its direct benefit on poor communities in South Africa has not been determined. Although the employment opportunities are clearly discernible, wealth creation and economic empowerment opportunities have not been as widespread as anticipated (North West Parks and Tourism Board, 2002: 1).

Tourist products are found within communities and these communities are the destination of most travellers (Blank, 1989, cited in Hall, 1994: 168). As a result, communities should be more involved in the development and management of the tourism industry. After all, members of local communities are themselves, by their own experience, the best informed about what their surroundings have to offer (Van Vroonhoven, 1984: 282). As Murphy (1985, cited in Hall, 1994: 168) observed, by satisfying the needs of local communities, it may also be possible to satisfy the needs of the tourists.

Poverty, together with all its off-shoots, namely illiteracy, disease, homelessness and hunger, remains the single most important threat to sustainable development. The Millennium Declaration of the United Nations (United Nations, 2000) identified poverty alleviation as one of the most compelling

challenges facing the world in the 21st century. Tourism is already one of the most important sources of foreign exchange earnings, economic growth and job creation in many poor and developing countries. What is needed in South Africa is the acceleration of transformation in the tourism industry so that local communities may also benefit from its growth.

1.2   Background to and motivation for the study

After the democratic dispensation of 1994, South Africa experienced unprecedented growth in the arrival of foreign tourists. From 1994 to 2001 the compound annual growth rate (CAGR) was 6, 9%. In 2002, tourist arrivals to South Africa exceeded the six million mark. South Africa was comfortably in 11th position globally as a result of its 11, 1% growth in arrivals over 2001 and was ranked the 28th top destination globally in terms of total foreign tourist arrivals (South African Tourism, 2002: 8).

South Africa's 11, 1% growth in tourist arrivals over 2001 exceeded the growth of its key competitors over the same period. For example, except for Thailand which experienced 7, 3% growth in arrivals over 2001, the remaining competitors experienced a decline: Australia experienced a decline of 0, 3%; Kenya's was 0, 4% whilst Mexico's decline was 0, 7%. Brazil's decline of 20, 7% was the highest among South Africa's key competitors (South African Tourism, 2002: 8).

In Africa, which claimed 4% of the global market share, South Africa's 11, 1% growth in tourist arrivals was the highest, followed by Ghana with 9, 9%. Both Tunisia and Morocco experienced declines of 6% and 2, 7% respectively. Despite the 2001 terrorist attacks on the USA and the subsequent war on terror, South Africa continued to experience a significant growth in foreign arrivals (South African Tourism, 2002: 8).

In 2005, South Africa recorded 7, 368, 742 foreign tourist arrivals, a 10, 3% rise from the 2004 figures of 6, 677 839. The 10, 3% rise was well above the global average of 6, 1%. South Africa continued to be ranked the 32nd top tourist destination in the world. In 2006 South Africa exceeded 8, 4 million foreign tourist arrivals, a 13, 9% increase on the 2005 figure. Again, South Africa was above the global average of 4, 5%. In addition, the compound average growth rate of arrivals to South Africa between 2001 and 2006 was 7, 7% (South African Tourism, 2002: 8; South African Tourism, 2005: 5; South African Tourism, 2007: 5).

Between 1998 and 2001, arrivals to South Africa grew at an average rate of 0. 3%. The South African tourism industry's phenomenal growth of 11, 1% in 2002 boosted the CAGR to 3%. Although this was lower than the CAGR of the 1994 to 2001 period, it would have been worse had it not been for the industry's growth in 2002. In 2002 tourism's contribution to the Gross Domestic Product[2] (GDP) was R72, 5 billion, which made up 7, 1% of the total GDP of South Africa. South Africa's then Minister of Environmental Affairs and Tourism, Valli Moosa, issued a press release in March 2003 in which he stated that South Africa had experienced a tourism boom that defied gravity in 2002 (South African Tourism, 2002: 10).

South Africa's top five non-Africa source markets in 2002 were the United Kingdom (UK), Germany, United States of America (USA), France and the Netherlands. These source markets had not changed by 2006. The top five

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[2] The GDP is the value of all final goods and services produced in the economy during a specific period – usually one year. Only the final goods are counted in order to avoid counting the same goods twice or more. The intermediate goods (goods that go into the making of other goods) are excluded form the count.

drivers of growth in terms of the volume of tourists were Botswana, Zimbabwe, the UK, Mozambique and Germany (South African Tourism, 2002: 16; South African Tourism, 2007: 22).

In 2003, total foreign arrivals to South Africa grew by 1, 2% from 2002 (4, 2% excluding arrivals from Africa), despite the decline in global tourism from over 714 million international tourists in 2002 to 694 million (a drop of 2, 8%). Even during trying times, when almost all South Africa's key competitors (barring Brazil, which experienced growth of 11, 7%) recorded declines in tourism arrivals due to international terrorism, war on terror and severe acute respiratory syndrome (SARS), South Africa performed very well (South Africa Tourism Annual Report, 2003: 4).

Foreign direct spend (FDS) also grew, from R48, 8 billion in 2002 to R53, 9 billion in 2003, representing an increase of 10, 5%. Total domestic direct spend in 2003 was R47 billion. The total tourism direct spend in 2003 was just over R100 billion (South Africa Tourism, 2003: 1).

Tourist arrivals in South Africa in 2004 numbered 6, 677 839, a 2, 7% increase from 2003. The high number of tourist arrivals pushed the CAGR for the period between 2001 and 2004 to 4, 9%. In 2004 the total foreign direct spend (TFDS) as a result of tourism was R47, 8 billion, a marginal decline of 1% from 2003's R53, 9 billion, although tourism out-performed gold exports which amounted to R15 billion (South African Tourism, 2002: 8).

In 2005 the TFDS was R55, 9 billion, a rise of 17% from the 2004 figure of R47, 8 billion. In the same year (2005), the value of gold exports was just over R28 billion. Tourism's contribution to the GDP in 2005 was R124, 02 billion, 8, 5% of the total GDP of South Africa, compared with R109, 73 billion or 7, 98% of the

total GDP in 2004. In 2006, tourism's contribution to the GDP was R141, 86 billion (South African Tourism, 2005: 5; South African Tourism, 2007: 9).

Over the years, the number of direct jobs in the industry has been growing steadily. In 2002, 492 000 jobs were created in the industry. In 2004, this number rose by 27 000, or 5%, from the 2003 figure of 512 000. This means the total number of jobs created by the tourism industry was 539 000 (South African Tourism, 2004a: 4). A total number of 1, 059, 880 jobs were created in 2005. This represents a rise of 3, 5% from the 2004 figure of 1, 024, 520. Nevertheless, South Africa is not doing as well as Thailand or Australia as far as creating direct tourism-related jobs or even extracting more value from each tourist per tourism employee is concerned (Departments of Environmental Affairs and Tourism & Trade and Industry, 2004a: 2; South African Tourism, 2005: 5).

The tourism sector is generally regarded by government, business and labour as one of the key stimulants for economic growth, wealth creation and economic empowerment. It is seen as a panacea for many economic and social ills in various types of local environments Given a more developmental role, tourism has the potential to contribute to overall socio-economic development through the provision of roads, telecommunication, electricity, piped and treated water supplies, waste disposal and recycling and sewage treatment. In poor communities, infrastructural development such as the building of roads, aimed at stimulating tourism, may also create opportunities for trade (The Cluster Consortium, 1999, cited in Rogerson, 2002b: 33; UNWTO, 2002: 43).

The promotion of tourism has been identified as a key strategy in bringing about economic growth, community development and poverty relief in the developing world (Binns and Nel, 2002: 235). The UNWTO (2002: 21) regards tourism as a tool that could be used to stimulate local economic development (LED) in ways

that may assist in the reduction of poverty. Over the past few decades tourism has emerged as one of the world's major industries, exceeding the importance of many manufacturing industries, cash crop agriculture and other services in terms of sales, employment and foreign currency earnings (Sinclair and Stabler, 1991: 1; UNWTO, 2002: 22).

In September 2005, the UNWTO issued a Declaration entitled *'Harnessing Tourism for Millennium Development Goals'*. The Declaration recognised that tourism has the potential to contribute to the achievement of some of the Millennium Development Goals[3] (MDGs) passed by the United Nations General Assembly in 2000. At community level, tourism has the capacity to stimulate job creation, human development and training and economic empowerment. Chapter 3 provides an explanation of how community-based tourism can impact on local socio-economic development. Tourism's great potential to impact positively on local socio-economic development stems from its multi-sectoral nature which comprises transportation, accommodation, catering and entertainment, tour operators, travel agents, tourism marketing associations and security.

The review of local literature did not produce any evidence that South Africa's tourism growth has had socio-economic benefits for communities in the vicinity of protected areas, other than the creation of job opportunities. The literature review emphasised the great potential of tourism as a catalyst for socio-economic

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[3] Eight goals were passed by the United Nations in 2000. These must be achieved by all countries lagging behind on any of the goals. The year 2015 has been set as the deadline for the achievement of the MDGs. These MDGs are 1) Eradicate extreme poverty and hunger; 2) Achieve universal primary education; 3) Promote gender equality and empower women; 4) Reduce child mortality; 5) Improve maternal health; 6) Combat HIV/Aids, malaria and other diseases; 7) Ensure environmental sustainability; and 8) Develop a global partnership for development. Tourism has the potential to contribute towards the achievement of some of these MDGs.

development. It also highlighted the ownership patterns in the South African tourism industry which are said to be 95% white-dominated (Jansen van Veuren, 2001: 137).

This study aims to highlight the continued marginalisation of communities in the vicinity of protected areas with a view to influencing policy on the skewed distribution of tourism benefits. In the process of highlighting high levels of poverty in the local communities, the attention of policy makers will be drawn to the plight of the local communities, specifically to the need for improving their socio-economic conditions. This could be realised by increasing opportunities for their meaningful involvement in the tourism industry through the ownership of tourism-related enterprises and their involvement in the decision-making structures of the industry.

1.3 The research problem

The above statistics on the performance of the South African tourism industry are impressive and show that since 1994 this industry has experienced phenomenal growth. South Africa broke the 6, 5 million mark in foreign arrivals in 2004 and 8, 4 million in 2006 after the stagnation of the 1970s and 1980s. The South African tourism industry remained robust despite global problems such as terrorist attacks in the USA and the subsequent war on terror, the severe acute respiratory syndrome (SARS) virus and the tsunami (South African Tourism, 2004a: 10; South African Tourism, 2007: 5).

However, tourism should not be about the recital of impressive statistics that translate neither into material benefit nor social development for the poorest members of South Africa's population. Tourism growth should mean, *inter alia*, access to food, security and economic empowerment, especially for previously

neglected individuals and communities. Meaningful involvement and economic empowerment through tourism may be achieved if opportunities are created for local communities to own tourism-related businesses, to establish partnerships for business development, to manage outsourced functions of the tourism industry and to encourage affirmative procurement by both public and private sectors and meaningful representation in decision-making structures of the industry.

Unfortunately, the current reality is that the majority of South Africans, including communities in the vicinity of tourist attractions and protected areas, remain effectively excluded from meaningful involvement in the tourism industry and, consequently, do not benefit directly from its phenomenal growth.

This study hypothesises that the local communities are neither meaningfully involved nor benefiting directly from the growth of South Africa's tourism industry. This is attributed to the unsatisfactory progress of the transformation of the tourism industry.

1.4   Objectives of the study

1.4.1   To determine the extent of involvement in tourism by local communities in the vicinity of protected areas

The South African tourism industry has consistently outperformed some of the top tourist destinations in the world. It has recorded phenomenal growth, especially since the democratic dispensation of 1994. It has been likened to the new gold of the South African economy (Rogerson, 2002b: 36; South African Tourism, 2004: 4).

Much has been written about the great potential of tourism as a stimulant for socio-economic development. This study seeks to determine who is benefitting as South Africa's tourism industry bursts its seams. It is also important to establish how much of the money generated from the Panorama region in particular is invested in the local communities. Above all, the study will assess whether tourism growth has benefitted the previously neglected communities in the vicinity of the Kruger National Park and other tourist attractions in the Panorama region of Mpumalanga Province. These other tourist attractions include Pilgrim's Rest and Blyde River Canyon Nature Reserve, which incorporates the Three Rondavels, God's Window and Bourke's Luck Potholes.

The study's emphasis is on the direct rather than the indirect benefits of tourism growth on local communities. The indirect benefits are driven by government through the provision of services and social grants. The direct benefits are discernible through public and private sector investment in the tourism industry in partnership with local communities.

1.4.2   To provide a justification for the need to accelerate the transformation of South Africa's tourism industry

The phrases 'meaningful involvement' and 'meaningful tourism-related business' permeate the study. The communities will be meaningfully involved when they participate in decision-making structures, own meaningful tourism-related businesses and benefit materially from the tourism industry. The ability of the people to influence development planning is fundamental and appropriate in the field of development. Meaningful involvement does not mean that everyone should be directly involved in decision making, for example, but that everyone should be represented and benefit from the processes (Shadid, Prins and Nas, 1984: 32).

Meaningful tourism-related business refers to service businesses in accommodation, transport, tour guides and the provision of tourist products such as horse riding, quad biking, hot air ballooning and game drives. In all these tourism-related businesses, the local communities have a role to play. They can add value to the tourist product and enrich the experience of tourists if space for their involvement is created (Colman, 2003: 43; Human, 2000: 20; Khalo, 2001: 20; Masland, 2002: 50; Marx, 2003: 58; McCance-Price, O'Shea and Rust, 2001: 82). Du Toit (2000: 77) puts it bluntly in the statement that South Africa's dream of becoming a preferred global tourism destination lies in the hospitality and diversity of its people.

Unless it transforms itself, South Africa's tourism industry will continue to harbour its negative white image and benefit only a tiny, privileged section of the population. The efforts to protect the industry will be hampered if all South Africans, especially those adjacent to protected areas and attractions, do not benefit.

In 2004 tourism stakeholders in Mpumalanga issued what became known as the Nelspruit Declaration. On the subject of transformation they committed themselves to, *inter alia*, facilitating the orderly and effective transformation, empowerment, development and upliftment of the local communities through the establishment of tourism-related businesses and affirmative procurement. The Nelspruit Declaration acknowledges that the transformation of the tourism industry is imperative. It further acknowledges the potential of tourism as a catalyst for the socio-economic empowerment of previously neglected communities. This study has assessed the progress that has been achieved on these two issues. The findings are discussed in Chapters 4 and 5 of this study.

Nationally, the Tourism Black Economic Empowerment (BEE) Charter and the Tourism Scorecard represent the most recent progressive approaches by the industry's stakeholders to influencing its transformation. The stakeholders (Department of Environmental Affairs and Tourism & Tourism Business Council of South Africa, 2005: 3) recognise and explicitly state that

> The sustainability, competitiveness and growth of our
> industry require the empowerment and transformation
> of the sector.

The Tourism Charter states that the involvement of previously neglected individuals and communities will bring a breath of fresh air to the process of innovation in the tourism industry. However, for the previously neglected communities to participate meaningfully in this industry, capital resources and specific skills are indispensable. Previously neglected communities have neither. To compound the problem, banks and institutions such as the Industrial Development Corporation (IDC) are hesitant to invest in the tourism industry because of its volatility (Du Toit, 2000: 77). Mechanisms for financing tourism-related business development in the local communities are investigated in Chapter 4 of this study in order to determine their inadequacies.

Access to land is also an important factor in determining the extent to which previously neglected communities can play a role in tourism. Jansen van Veuren (2001: 138) argues that the ownership of land is probably the most important determinant of indigenous people's potential for involvement in the tourism industry. This is because all tourism activity and tourism development takes place on land. Rogerson (2002a: 161) adds that access to land has the potential to offer communities entry into the tourism sector through the development of community-based tourism-related projects such as game parks and campsites.

Access to land as one of the prerequisites for the involvement of local communities in the tourism industry is discussed in Chapter 3. It can be stated at the outset that, given the current outcry at the slow pace of the South African land reform programme, access to land for tourism development by local communities in the geographic area of this study was also found to be a significant issue.

1.4.3 To identify and analyse strategies for harnessing the great potential of tourism in stimulating socio-economic development at local level

The tourism industry is renowned as a catalyst for socio-economic development in poor communities. The growing importance of tourism all over the world as an agent of socio-economic development is recognised and acknowledged by UNWTO. At its special meeting in 2005, UNWTO noted the important role that tourism plays as the main, and sometimes the only, means of economic and social advancement in developing and small island states. UNWTO further declared its conviction that tourism can make a substantial contribution to poverty alleviation, economic growth, sustainable development and environmental conservation (UNWTO, 2005a).

Tourism is known to be labour intensive and capable of providing immediate employment. The creation of opportunities through community-based tourism development has the capacity to empower people through ownership of meaningful tourism-related businesses, job creation and the development of skills.

Entrepreneurs and the employed have buying power which impacts positively on local economic activity. The labour intensive nature of the tourism industry means that entrepreneurship skills will be enhanced as more services are

required. The acquisition of valuable skills is the first step towards social development and empowerment. The provision of community services such as electricity and telecommunication, health facilities, safety and security and good roads has the capacity to stimulate local economic activity.

In the Panorama region, tourism has the potential to become a catalyst for the economic empowerment of local communities. However, the local authorities lack the vision and strategies to make tourism work for their communities. All they have done is to erect stalls at tourist sites from which local community members sell their crafts. Throughout the Panorama region, only one black family and one community can be said to be meaningfully involved in tourism. On the other hand, countless white families are involved in tourism. They provide accommodation in guest houses and lodges, resorts and hotels; they provide meaningful services such as transport for game viewing and a variety of tourist products that are well packaged for consumption by tourists such as wine tasting, golf, mountain bike races and hiking.

The following pertinent questions related to the research topic and the objectives of the study have been answered in subsequent chapters:

1. What are the prospects for community involvement in tourism in the Panorama region?

2. What role are the local communities playing in the tourism industry in the Panorama region, besides providing labour?

3. How has the tourism industry managed its own transformation in order to serve the needs and expectations of the new South Africa?

4. How can the volume of foreign tourists to facilities owned by local communities in South Africa be increased?

5. How can community-based tourism development be used to stimulate social and local economic development in South Africa?

1.5   Scope and limitations of the study

1.5.1   Scope of the study

The study was conducted among the black communities in the vicinity of the protected areas and tourist attractions of the Panorama region. The geographic area of this study covers the small towns of Graskop, Sabie, Hazyview and Pilgrim's Rest, which has been declared a national monument, and protected areas such as the Blyde River Canyon Nature Reserve and the Kruger National Park.

The involvement of local communities was studied to determine whether they collectively own the productive assets that make them entrepreneurs in the tourism industry and whether they have any influence on decisions that affect the development and management of tourist attractions and protected areas in their neighbourhood.

The Panorama region is one of the seven tourism regions of Mpumalanga Province (see Map 4 for other regions). This province was chosen because it has always been, and still is, a popular tourist destination in South Africa. It boasts breathtaking scenic beauty and abundant wildlife. In 2002, Mpumalanga Province was the third most visited province in South Africa after Gauteng and the Western Cape. In 2003 it was overtaken by KwaZulu-Natal and remains, to

date, the fourth most visited province in South Africa (South African Tourism, 2005: 51).

Map 1   The Panorama Region and Blyde River Canyon Nature Reserve

Source   Map Studio

The province is also home to contradictions in the form of remnants of the apartheid era's main homelands, namely KaNgwane and KwaNdebele, and the old Eastern Transvaal. These homelands brought with them underdevelopment, illiteracy and poverty whereas the former white areas still show signs of affluence and a high standard of living. The study could not have been conducted in a better setting than Mpumalanga Province for evaluating the transformation and benefits of tourism growth on ordinary local people.

The province's economic performance is remarkable. The size of its economy is almost ten times that of Swaziland and eight times larger than Mozambique's (Mpumalanga Tourism Authority, 2002: 1). Its actual poverty level of 25% in 2000 made it the third richest province in South Africa, surpassed only by Gauteng and the Western Cape, both of which had poverty levels of 12% (Statistics South Africa, 2000: 25).

Tourism is a major business in Mpumalanga Province. In 2002, R5 billion of the total R53, 9 billion spent in South Africa was spent in Mpumalanga Province. This total amount spent by tourists put the province in fourth place among South Africa's provinces. In 2003 the foreign direct spend in the province declined marginally to R4, 5 billion but the province remained in fourth place in terms of total value spent by tourists, surpassed again by Gauteng (R18, 7 billion), Western Cape (R8, 1 billion) and KwaZulu-Natal (R7, 4 billion) (South African Tourism, 2003: 35).

The Panorama region occupies the eastern slopes of the Mpumalanga Escarpment. The area was chosen because it is visited by large numbers of tourists who are attracted by its breathtaking natural wonders and come to re-live the history of the gold rush era by, for example, panning for gold.

Pilgrim's Rest originated as a gold mining town in 1873 when gold was first discovered there. Many of the buildings have been restored to vividly recreate the splendour of the 1870s. Other small historic towns are Graskop and Sabie. Natural wonders include God's Window, the Three Rondavels, the Pinnacle and Bourke's Luck Potholes. Blyde River Canyon, the world's third largest canyon and the biggest green canyon, offers excellent water sport facilities. Adjacent to the Blyde River Canyon and the Three Rondavels are the villages of Matibidi, Leroro and Moremela where some of the interviews for this study were conducted.

The Panorama region is also the gateway to the Kruger National Park. To the east of Graskop lies the small town of Hazyview, the last town on the way to the Kruger National Park's Numbi Gate. To the north of Hazyview is the sprawling village of Chief Steven Mogane. To the east are the villages of Chiefs Mdluli and Mahaule. On the north-eastern side of the Kruger National Park's Kruger Gate lies Mkhuhlu township and a number of small villages.

In the first quarter of 2004 the Panorama region was visited by 55, 2% of the total number of tourists who visited Mpumalanga Province. The Kruger National Park was visited by 86, 0% of the total number of tourists visiting Mpumalanga Province whilst the small town of Pilgrim's Rest was visited by 4, 6% of this total number. The total foreign direct spend for the whole province for the first quarter of 2004 was R973, 077, 566, a marginal decrease of 4, 7% compared with the first quarter of 2003 which experienced a total foreign direct spend of R1, 020 billion (South African Tourism, 2004b: 1).

More than half the total number of tourists who visited Mpumalanga Province in the first quarter of 2004 did not have any concerns prior to visiting. The remainder were concerned about inadequate security (20, 6%), hijacking (12, 8%),

diseases such as malaria (7, 2%) and mugging (6, 6%); racism, violence, rape, and Aids all scored less than 2% each (South African Tourism, 2004b: 35).

Mpumalanga Province is the fourth most popular province among tourists to South Africa. It has achieved this distinction despite lacking city attractions such as big shopping malls and major sporting activities. Mpumalanga Province's major draw card is ecotourism and a generally tranquil and relaxed tourist environment. This also explains why it was chosen as this study's geographic area.

1.5.2   Limitations of the study

A number of limitations have been identified and are outlined below:

i)   The emphasis of the study is not on the interface between conservation and development. In Chapter 2, sub-section 2.3, the researcher supports the adaptancy platform which is characterised by a more balanced approach to scholarly research in which both negative and positive impacts of development are given equal attention. Sustainable tourism development was given limited discussion in the study although its principles were given a cross-cutting perspective as they clarify its application especially in the context of this study which emphasises community development.

ii)   This study seeks to determine whether local communities are benefiting from the current growth in the tourism industry. Naturally, if they are not found to be benefiting, the main reasons for this will be highlighted. The

study is not in a position to investigate constraints facing tourism entrepreneurs. Such a study has already been undertaken.[4]

iii)   This study is not about stimulating the growth of the domestic tourism market, specifically among black people. Although this is an important area that would add more value to the tourism industry, it requires a study of its own.

iv)   Transformation is currently a major issue in South Africa's tourism industry. It is hypothesised in this study that the slow pace of transformation is the source of the continued marginalisation of the local communities by the industry. As a result, the transformation of South Africa's tourism industry has been given attention but not an exhaustive analysis in Chapter 4.

v)   The theme of this study is how far local communities close to protected areas are involved and how much they benefit from the booming South African tourism industry. The study will be limited to this theme and its supporting sub-themes, namely, the transformation of the tourism industry and the potential of community-based tourism development to stimulate local economic development (LED). Progress in the transformation of the tourism industry will be evaluated as will the prospects of community-based tourism development. The study will also investigate the financing mechanisms for those who wish to establish tourism-related businesses and the required skills base for the establishment of tourism-related enterprises by local communities.

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[4] Visser, D. completed a doctoral thesis on *Constraints facing tourism entrepreneurs in South Africa: a study in the Gauteng and Mpumalanga Provinces, South Africa* at the University of Pretoria in 2003.

vi)   Only available literature was reviewed to draw up suggestions for involving local communities meaningfully in the tourism industry. A discussion of the tourist product, particularly what its quality and nature should be, will also be provided. Other sub-themes of the study are marketing community-based tourist products and facilities; community socio-economic development through tourism development; the conditions required to accelerate LED and the role of public-private partnership in tourism development and investment in local communities.

vii)   This study is not in a position to trace the origin of tourism practices such as people's desire to travel to pristine places. Nor is it able to trace the evolution of the tourism industry and its terminology such as ecotourism, dark tourism and urban tourism.

1.6   Research methodology

This is an empirical study. The research methodology combines both a literature review and fieldwork. A literature review is a review of the existing body of knowledge in the chosen field of study to determine how other scholars have investigated the research problem (Mouton, 2001: 87). Fieldwork, on the other hand, suggests that the researcher is going beyond the library or his study into another terrain. This may be the laboratory, archive, natural setting, or any terrain dictated by his research design (Mouton, 2001: 98).

1.6.1   Literature Review

The literature review is meant to provide the general background and the context of the study. This review included unpublished papers, books, periodicals and journals from the library of the University of South Africa, the National Library

of South Africa and libraries of other academic institutions through the inter-library facility of the University of South Africa.

1.6.1.1 Unpublished Papers

The unpublished transformation strategy paper of the Department of Environmental Affairs and Tourism, entitled *A Transformation Strategy for the South African Tourism Industry* (Department of Environmental Affairs and Tourism, 2001), was consulted. The *Tourism Growth Strategy* of the South African Tourism, revised in 2003, was an important source because it provides an understanding of the strategic planning of one of the major stakeholders in the South African tourism industry, namely South African Tourism, the marketing body for South African tourism. Studying this strategy gives one a sense of the direction of the development of tourism in South Africa and of whether the tourism bubble will burst soon.

There are also studies undertaken in a private capacity such as the paper by Caroline Ashley and William Wolmer (2003) entitled *Transforming or Tinkering? New Forms of Engagement between Communities and the Private Sector in Tourism and Forestry in Southern Africa*, which outlines models for community-based tourism development. The British Department for International Development (DFID) in partnership with the Overseas Development Institute (ODI), an independent non-profit policy research institute, the Institute of Development Studies at Sussex University and others published a series of papers on development which were used extensively in this study.

Other studies were commissioned by the United Nations World Tourism Organisation and the United Nations System. These include a study by the

United Nations (2001) entitled *Integrating Biodiversity into the Tourism Sector: Best Practice and Country Case Studies - A Case Study of South Africa.*

The provincial governments have also commissioned a number of studies. One of these is the *Community-based Tourism Strategy for the North West Parks and Tourism Board* (North West Parks and Tourism Board, 2002). The study outlines a strategy for community-based tourism.

1.6.1.2 Government Publications

The *White Paper on the Development and Promotion of Tourism in South Africa* (South Africa, 1996) was used as a source of reference for government policy on tourism and tourism development. The *White Paper on Local Government* (South Africa, 1998) and the *Rural Development Framework* (Department of Land Affairs, 1997) were consulted as references for public policy on development at local level. In 2001 the Department of Provincial and Local Government published the *Integrated Sustainable Rural Development Strategy (ISRDS)* and this was followed in 2003 by the *Local Economic Development Programme.* In 2005 the Department of Provincial and Local Government released another policy guideline paper entitled *Robust and Inclusive Local Economies: Policy Guidelines for Implementing Local Economic Development in South Africa.* Amongst others, this policy guidelines paper calls for interventions that are based on the real needs of communities and the targeting of certain enterprises for support, especially those that create jobs, promote environmental and ecological sustainability, social development and black economic empowerment.

1.6.1.3 Journal Articles

Articles extracted from various periodicals and journal publications in the library of the University of South Africa, such as *The Journal of Southern Africa Tourism, Southern African Geographical Journal, Insight, Development Southern Africa, Indicator Southern Africa, Financial Mail, Drum, Enterprise* and *Newsweek* were referred to. In the preliminary literature review, the researcher focused on local articles because he wanted to familiarise himself with local points of view before embarking on a wider literature review.

1.6.1.4 Books

The library of the University of South Africa has a substantial collection of books on tourism. In the subsequent literature review, it was realised that the most authoritative works in the area of this study were international. The *Routledge Advances in Tourism* series edited by Brian Goodall and Gregory Ashworth was most authoritative on the thematic issues identified by the researcher. Some of these works include *Contemporary Issues in Tourism Development* edited by D. Pearce and R.W. Butler (1999) and *Tourism and Public Policy* edited by C.M. Hall and J.M. Jenkins (1995). A collection of twenty-seven case studies is included in *Practising Responsible Tourism* edited by W. Husbands and L.C. Harrison (1996).

1.6.1.5 Websites

The primary website accessed was the Mpumalanga Tourism Authority website, www.mpumalanga.com. It contains information on all seven tourism regions, with links to the websites of tourism entrepreneurs in the province. These links provide information on accommodation, tourist attractions and various activities related to tourism. The website also provides information on emergency and information numbers in all the regions of Mpumalanga Province.

The statistics on the performance of the South African tourism industry are taken from the Annual Reports of South African Tourism which are available online at www.southafrica.net/research. The first Annual Report was released in 2002. The Tourism Growth Strategy which was launched in 2003 provides detailed information on how tourism can stimulate and sustain the growth of the South African tourism industry. The website also contains information on the performance of the Provincial Tourism Authorities.

The leading world body concerned with tourism is the United Nations World Tourism Organisation. South Africa became a member of this organisation in 1994. Its website, www.world-tourism.org, features information on topics related to global tourism. It provides statistics on the performance of global tourism and its programmes, including sustainable development of tourism, quality and trade as well as market intelligence and promotion.

The Department of Environmental Affairs and Tourism's website, www.deat.gov.za, provides policy documents on tourism, annual reports and other useful documents on the tourism industry. Speeches by the ministers of this department are also available.

The website of Statistics South Africa, www.statssa.gov.za, provided statistics on demographics, population distribution patterns and poverty levels in South Africa and its provinces.

The website of the Tourism Business Council of South Africa provides a link to the pro-poor tourism website www.pptpilot.org.za which contains papers on strategies and challenges in integrating community-based approaches into the industry, as well as papers on community-based tourism development.

Most papers on pro-poor tourism written by Ashley, Spenceley, Elliot, Wolmer, and others, with financial support from DFID, are accessible from www.propoortourism.org.uk. However, the researcher's most trusted search engine on development is www.eldis.org/biodiversity, sponsored by DFID, amongst others, and hosted by the Institute of Development Studies at Sussex University.

1.6.2   Fieldwork

Fieldwork was important because it enabled the researcher to prove or disprove the hypothesis and most of the sub-themes in this study. In order to determine how local black communities were benefiting from tourism growth, the researcher had to go into these communities to collect primary data. The hypothesis of this study was consequently proven by the findings and outcomes of the fieldwork.

During the fieldwork, the researcher studied how tourism was benefiting the local communities by applying the outline which was used by Ashley, Roe and Goodwin[5] (2001) in their assessment of practical strategies for pro-poor tourism in a number of countries around the world.

Mahony and van Zyl[6] (2002) applied a similar format when they assessed the impact of community tourism projects in Umngazi, Makuleke and Manyeleti on development and policy. They evaluated these projects on their economic and financial impact on local communities; their contribution to human development;

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[5] All are researchers sponsored by the British Department for International Development.

[6] Both are researchers at the Development Bank of Southern Africa (DBSA), Johannesburg, South Africa.

and their impact on key government policy imperatives. The specific indicators or elements that were assessed in each category are highlighted below.

The indicators that were used to determine the economic and financial impact of tourism on local communities were the impact of tourism growth on local employment, on small business development and on collective economic benefits. With regard to tourism's impact on employment, the researcher investigated job opportunities created in local communities by the tourism industry. The impact of tourism on small business development in local areas is one of the most meaningful ways local communities might become involved in the tourism industry. Thriving small business development is important because it leads to economic empowerment which in turn creates wealth. This impacts directly on sustainable markets and livelihoods in households and communities.

As far as human development is concerned, the indicators that were assessed were the impact of tourism on capacity building and training, the level of involvement of local communities in decision making and the socio-cultural impact of tourism on local communities. Capacity building through mentorship, learnership and training through sector education and training authorities (SETAs) or in-house training is important in increasing skills and knowledge base of local communities in tourism. The subsequent chapters assess the progress that has been made in this regard.

The involvement of local communities in the decision-making structures of tourism and, above all, their level of representation, are critical for their meaningful involvement in tourism. In the researcher's view, when the local communities are represented in these structures, they have an increased chance of benefiting from tourism growth.

However, the ability to influence decision making and the implementation of decisions are diametrically different. Influencing decisions starts with access to decision-making structures whereas the ability to influence the implementation of decisions requires resources. Local communities do not have the resources (including knowledge) required for tourism's growth and consequently their voice in decision-making structures may not count for much. It is the question of he who pays the piper calls the tune. For example, when the local communities were asked in the researcher's questionnaire what they would need to start a tourism business, they could not provide a decisive answer. They felt that land, capital, expertise, and market and resources were all equally important (see Table 1).

	Number	Minimum	Maximum	Mean Rating	Standard Deviation
Land	206	1	4	2.42	.878
Capital	204	1	4	2.32	.932
Expertise	202	1	4	2.37	1.182
Market and products	198	1	4	2.97	1.317
Valid Number	195				

Table 1   What would you need to start a tourism business?
Source   Researcher's own statistics

The last point to be assessed in the researcher's format was tourism's contribution to key government policy imperatives at local level. The indicators

for this point are the impact of the growth in tourism on land rights and land tenure reform, on tourism-related investment in local areas and on transformation of the industry.

The contribution of tourism's growth to key government policy imperatives may be clarified through a number of questions. For example, has land been made available to the local communities for the establishment of tourism-related businesses? What progress has been made with regard to the local communities' claims for land that lies within protected areas? How has tourism contributed to Black Economic Empowerment in local communities?

The second indicator of investment in local communities is critical because poor people do not have the resources to advance their own interests in tourism. They need partnerships. Without resources like land and skills to bring to the partnership, their chances of extricating themselves from poverty remain minimal.

1.6.2.1   Interviews

The semi-structured face-to-face interview with the Acting Chief Executive Officer of Mpumalanga Tourism Authority took place in October 2005 in Nelspruit. The Mpumalanga Tourism Authority was responsible for the promotion of the province as a tourist destination before it merged with the Mpumalanga Parks Board in April 2006 creating a new structure called Mpumalanga Tourism and Parks Agency (MTPA). Other interviews were conducted with the Managing Directors of Phumulani Lodge, Mr Mdluli, and Mthunzi Lodge, Mr Sibuyi, Chief MM Mogane, Chieftain Mohlala and Councillors. The last interview was conducted in July 2007 with Ms Marinda Marais, the Regional Social Ecologist at MTPA.

The researcher interviewed tourism entrepreneurs from previously disadvantaged backgrounds. The people who make beds, sell crafts by the roadside, dance for the tourists, prepare food as well as the receptionists, security officers and messengers were not interviewed but were instead requested to complete the questionnaire.

1.6.2.2 Questionnaire

A questionnaire was designed for the Panorama region communities. Sampling was not necessary because the number of the targeted respondents was not large. It was estimated at about 400 respondents. The respondents comprised all the teachers in all the villages within the geographic area, workers in tourism businesses, shopkeepers and other business people in the villages. These respondents were villagers with knowledge of the tourism industry. The teachers were deemed to have knowledge of the tourism industry whilst the business people were considered to have the capacity to become tourism entrepreneurs. Some respondents came from villages adjacent to the Kruger National Park such as Mahushu and Numbi. The questionnaire sought to establish how these communities interlink with the tourism industry and to elicit the challenges they face in becoming meaningfully involved in the tourism industry.

Methodology for Statistical Analysis of the Questionnaire

All responses to the questionnaire were captured electronically in Excel and then converted to the Statistical Package for the Social Sciences (SPSS) Version 13.0 for analysis.

The major analyses involved the mean rating of responses, e.g. in Table 1, the respondents were asked what they would need to start a tourism business. They were required to rank their choices (land, capital, expertise, market and products) according to their importance. Their responses were scored and the average rating computed.

The standard deviation in tables indicates how homogenous respondents were in their opinions. A relatively small standard deviation indicates small differences of opinion between respondents, e.g. on land and capital, while a relatively high standard deviation indicates vast differences of opinion, e.g. in the case of expertise and market and products.

The Number column in each table reflects the total valid number of respondents for each question. It may happen that while completing the questionnaire a respondent spoils one particular answer. This does not necessarily render the entire questionnaire invalid, but only that specific answer.

Frequency shows the rate at which a particular answer was selected by the respondents. The frequency rate is then converted into a Cumulative Percentage to determine the overall frequency of responses to a particular answer.

1.6.2.3 Participant observation

The researcher stayed in a guest village owned by an emergent black entrepreneur in Graskop. The objective was to observe personally whether the standards at community-based tourism facilities were indeed suspect. Another objective was to gather first hand information and to make personal observations on the much debated issues of safety and value for money at community-based tourism facilities.

1.7   Structural presentation of the study

Chapter 1 consists of the background and motivation for the study. It states the objectives of the study and describes the research problem and methodology to be applied. It further outlines the scope and limitations of the study.

Chapter 2 presents the general overview of the literature review and perspectives of the study of tourism and development. It contains theories and approaches to tourism study such as sustainable and pro-poor tourism development. Community-based tourism, which is a component of pro-poor tourism, is discussed in detail with the emphasis on arguing for its use in stimulating black economic empowerment.

Chapter 3 outlines approaches and prerequisites for stimulating tourism-driven local socio-economic development and the successful implementation of LED as a strategy of the government. The challenges facing local communities in Mpumalanga Province are briefly compared with those facing local communities elsewhere in the world. The researcher compared the results of the study conducted by American academics in Illinois communities with that of Mpumalanga communities, with remarkable results. The researcher chose the American study because it compares and contrasts the tourism performance of 'successful' and 'less successful' communities. This situation is similar to that in Mpumalanga where there are established and emergent tourism entrepreneurs. The difference is that Mpumalanga's situation originates from a legislated racial past.

Chapter 4 concentrates on the progress and importance of the transformation of the South African tourism industry. An argument is made for the need to accelerate the transformation of the tourism industry as it is hypothesised that

the industry has not transformed sufficiently to benefit the previously marginalised communities. A review of progress in institutional transformation and the restructuring of the tourism industry is presented. This presentation includes the implications of the legislative imperatives of the Broad-Based Black Economic Empowerment and the transformation of the regulatory framework in tourism. The last part of the chapter deals with building community partnerships with the support of the public and private sectors.

Chapter 5 presents the results of the testing of the hypothesis. This is done by analysing the findings of the fieldwork using an outline adopted from Ashley, Roe and Goodwin (2001) and Mahony and van Zyl (2002). The main points of the outline address economic and financial benefits, human development and advancing of key government policy imperatives. Each point has three indicators which have been analysed in order to determine the benefits of tourism growth for local communities.

Chapter 6 summarises the study and advances recommendations on its findings. It ends by highlighting areas for further research which, owing to its limited scope, could not be covered by this study.

1.8   Summary

Over the past few decades, tourism has asserted its importance as one of the world's major industries. Its importance to the socio-economic development of developing countries has exceeded that of many manufacturing industries, including cash crop agriculture and other services in terms of sales, employment and foreign currency earnings (Sinclair and Stabler, 1991: 1; UNWTO, 2002: 22).

One of tourism's components, community-based tourism development, is advanced as a potential stimulant for socio-economic development in poor communities. In South Africa, the economic alternatives that tourism offers poor communities have prompted the post-apartheid governments to focus increasingly on tourism development in order to generate wealth and employment in these areas where traditional forms of primary production have ceased to be an option as the economic mainstay.

Consequently, increasing attention has been given to tourism development as a key strategy for local economic upliftment, community development and poverty relief in the developing world. In the Accelerated and Shared Growth Initiative of South Africa (ASGISA), South Africa's latest economic growth plan, tourism has been identified as a priority sector for accelerated growth. The United Nations World Tourism Organisation sees tourism as a tool that could be used to stimulate local economic development (LED) in ways that could assist in the reduction of poverty

Unlike the manufacturing industry, tourism happens at community level. This makes it a useful tool to stimulate job creation, human development and training, economic empowerment and social development. Tourism is in a unique position to advance community development because it is linked to many sectors of the economy such as transportation, accommodation, catering and entertainment, tour operators, travel agents, tourism marketing associations and security.

Despite tourism's potential to stimulate local socio-economic development, its direct benefit on poor communities in South Africa has not been determined through a scientific study. The employment opportunities are clearly discernible

whereas wealth creation and economic empowerment opportunities have not been as widespread as anticipated.

Poverty, together with its consequences of illiteracy, disease, homelessness and hunger, remains the single most critical threat to sustainable development. Tourism is accorded the status of a panacea for socio-economic developmental ills in the poor rural communities owing to the performance of the South African tourism industry since the introduction of a new political dispensation of 1994, a period in which South Africa has experienced unprecedented growth in the arrival of foreign tourists.

Despite this record growth in the South African tourism industry, the majority of South Africans, including communities in the vicinity of tourist attractions and protected areas, have remained effectively excluded from meaningful involvement in this industry and are consequently not benefiting directly from its phenomenal growth.

The researcher beliefs that granting tourism a more developmental role could impact on the socio-economic conditions of local communities. The local authorities lack the vision and the experience in strategic planning to make tourism work to the benefit of their local communities. The local white communities, on the other hand, are actively involved in the tourism industry. They provide accommodation in guest houses and lodges, resorts and hotels; they provide meaningful services such as transport for game viewing and a variety of tourist products that are well packaged for consumption by tourists.

The involvement of local communities is an important part of the tourism development and management policy of South Africa. The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 19)

calls it responsible tourism. Responsible tourism calls on stakeholders to involve local communities in assisting the industry in taking care of tourists and the environment.

The strategy of marginalising local communities in tourism development and planning which was practised by the apartheid governments was neither productive nor cost effective because it required human and financial resources for its enforcement. A win-win situation will be cost-effective while making the tourist product attractive and sustainable.

CHAPTER 2

THEORETICAL FOUNDATION FOR THE STUDY OF TOURISM AND DEVELOPMENT

2.1   Introduction

The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 19) advances responsible tourism as a key guiding principle for the development of the tourism industry in South Africa.   One of the principles of responsible tourism is that government and the private sector should take steps to involve local communities in the tourism industry.   The White Paper and the Tourism Black Economic Empowerment (BEE) Charter suggest a number of meaningful linkages to involve local communities in the tourism industry (South Africa, 1996: 7).   This study advances pro-poor tourism development and tourism-driven local economic development (LED) as meaningful and direct ways of empowering local communities.

The initial literature review for this study concentrated on local publications, particularly journal articles and unpublished strategy papers commissioned by national and provincial government departments.   The objective was to understand South Africans' perceptions of the development of their own tourism industry.   The scope was then broadened to include international views and trends in tourism development and its impact on the socio-economic conditions of local communities.

There is general consensus among policy and development scholars that policy frameworks and legislation in South Africa are adequate in addressing the general socio-economic conditions of poor people.   What is required now is a

monitoring and evaluation of the impact policy pronouncements have on the ground. Such monitoring and evaluation of public policy is necessary for a number of reasons, including policy development, administrative, managerial and political purposes and as a contribution to better planning and development (Hall and Jenkins, 1995: 80).

The overview of literature below concentrated mainly on mega-theories of development, namely Modernisation, Dependency and Sustainable Development. Sustainable (tourism) development was specifically emphasised through the discussion of pro-poor, responsible and community-based tourism development. The researcher, like Coetzee (1989), believes that development is for people and not for the select privileged minority.

Responsible tourism and pro-poor tourism development are held in high esteem in this study because they are practical with direct and clear implications for the South African tourism industry. Sustainable tourism development is achievable when responsible tourism is practised. The application of responsible tourism assures the sustainability of the tourism industry. The meaningful involvement of local communities in the tourism industry, which is an element of responsible tourism, enables the local communities to better understand the need to protect areas of wild fauna and flora. They further learn to appreciate the need to protect the environment and all aspects of the tourism industry, including tourists.

As Kercher (1993, cited in Hunter, 2002: 6) states, for sustainable tourism to occur, it must be closely integrated with all other activities that occur in the host region. This implies involving local communities in tourism development, policy formulation, planning, packaging of culture for the tourism industry and the preservation of the environment.

The principles of sustainable tourism development are discussed below in order to help clarify sustainable tourism development and to make it a living theory of development in poor communities. The vast volumes of literature on sustainable tourism development address various aspects of this subject. The emergence of the cautionary approach to tourism development in the 1970s (see sub-section 2.3 below) is one example of how scholars highlighted the increasingly negative impact of tourism on the environment.

The principles of sustainable tourism development discussed below under sub-section 2.5.3.1 are meant to clarify just what is meant by sustainable tourism development. Various scholars place emphasis on principles they deem important. In the discussion of these principles below, the researcher has emphasised those with which he identifies.

Community-based tourism development is regarded by the researcher as a fitting approach to tourism development that supports LED. The indicators for community-based tourism development are discussed below (sub-section 3.4) to provide more clarity on the subject. These indicators are the yardstick for community involvement in tourism. By discussing them, the researcher highlights what needs to be in place in local communities for them to become part of the tourism industry.

2.2   General overview of literature review

When the researcher embarked on the review of literature on tourism, he encountered a fierce debate on whether academic publications (such as this study) have any real influence at all on tourism development and the plight of the poor, other than to influence and impress fellow academics. Simply put, the question is whether policy makers are influenced by academic publications or

not. Regardless of this debate, it became necessary to proceed with this study owing to the researcher's conviction that, despite the enormous economic activity and capital generated by tourism growth, local communities were not benefiting directly from it.

The literature review found no studies that determined the level of material benefit to local communities from tourism growth in South Africa. There were no independent private studies or publications (except articles from journals, periodicals and newspapers) on progress in the transformation of South Africa's tourism industry. Currently, statistical information on the transformation of the tourism industry is inadequate. The Tourism Scorecard currently used to monitor the level of transformation of this industry will only provide statistical information in the future.

The critical area for this study was encapsulated by Sinclair and Stabler (1991: 2) in their remark that researchers have overlooked the interrelationships between the industry, the consumer and the destination as well as the dynamics of tourism supply and decision making. Sinclair and Stabler (1991: 1) go on to say that the reason there is lack of analytical research into tourism is partly because of the heterogeneous nature of the industry. They believe that the tourism industry comprises not only the supply of transportation, accommodation, catering, entertainment, related facilities and natural resources used for tourism purposes, but also intermediaries such as tour operators and travel agents, as well as tourism marketing authorities and agencies.

The merger of tourism and development presents a problem in reviewing tourism-related literature. If it is agreed that tourism must be given a more developmental role, then one cannot successfully talk of it without mentioning development. Dann (1999: 13) believes that scholars are disenchanted with the

merger of tourism and development because both lack ideological neutrality. He says that research in the field of tourism development consists of two essentially separate literatures. There is a full complement of literature on tourism and another on development. He feels that tourism development may still be at an early stage of theoretical advancement. In this study the merger of the two terms occurs when one talks of community-based tourism development as a strategy for poverty alleviation or the socio-economic development of local communities through tourism.

The idea of the 'immaturity' of tourism theory is shared by Shaw and Williams (1994, cited in Husbands and Harrison, 1996: 9). They claim that for a theoretical framework, tourism research and tourism studies are still somewhat marginal to the subject matter of accepted disciplines and fields of enquiry at most universities. Husbands and Harrison (1996: 9) add that the recent interest by universities in tourism is driven rather by the huge economic potential of tourism and its increasing significance as a foreign exchange earner with enormous potential for influencing socio-economic development, and not by the maturity of tourism as a disciplinary specialisation. This study was undertaken not because tourism has become a fashionable discipline at universities but because of its importance as a catalyst for socio-economic development.

Still on the subject of the immaturity of tourism, especially its theoretical framework, as a discipline, Husbands and Harrison (1996: 10) believe that, as yet, there is no theoretical or conceptual basis to tourism studies that definitely sets it apart from other areas or topics of study in the social sciences or business management or effectively distinguishes it from other disciplines.

Burton (1982, cited in Hall, 1994: 6) remarks that leisure and tourism policy research is in a relatively unhealthy state. It is plagued by, among other

problems, a lack of intellectual coordination and insufficient cross-fertilisation of ideas among researchers as well as by an inadequacy of research methodologies and techniques. He adds that there is also an absence of any generally accepted concepts and codes in the leisure and tourism field.

Hall (1994: 4) writes specifically about the lack of research on the policy implications of tourism. He observes that, as a result of a lack of official interest in conducting research into the political arena, there is little incentive for students to undertake research into tourism. There is no financial support from government for such research. He says that tourism research is unattractive probably because tourism politics seldom generate sufficient controversy to become an issue on the national political agenda. That is why tourism hardly attracts the attention of politicians, political scientists and even the media except when they hail it as a foreign exchange earner, creator of jobs and a stimulant of infrastructural development (Hall, 1994: 4).

This literature review has provided a firm base for the theoretical framework of the study. Through the literature review, the researcher discovered how other countries have used tourism to stimulate local socio-economic development. The literature teems with case studies from all over the world. However, only one study by American researchers was used in this research to determine similarities and differences in the challenges facing aspirant tourism entrepreneurs, particularly those living in rural areas.

The researcher chose the American study because it compares and contrasts the tourism performance of 'successful' and 'less successful' communities. This situation compares with Mpumalanga's, where there are both established and emergent tourism entrepreneurs. The difference between the Illinois and Mpumalanga scenarios is that that of Mpumalanga is racially based and the

result of national legislation that empowered one race group and disadvantaged another. Both studies have the same theme: tourism-driven rural community development.

The literature was found wanting in the area of the direct benefit to poor local communities from tourism and on progress in the transformation of South Africa's tourism industry. No single work exists that is exhaustive in its analysis of the challenges preventing the meaningful involvement of previously neglected communities in the tourism industry. Visser made a contribution through her study on *Constraints Facing Tourism Entrepreneurs in South Africa: A Study in the Gauteng and Mpumalanga Provinces, South Africa.* This study sheds light on the frustrations experienced by tour operators and service providers in South Africa's tourism industry.

However, information from various publications and unpublished government documents assisted the researcher. He was able to provide an analysis of what is required to accelerate the meaningful involvement of communities living in the vicinity of protected areas.

2.3   Perspectives on the study of tourism development

Traditionally, tourism research has followed four main platforms. The first emerged after the Second World War. This was known as the advocacy platform. Research in this field emphasised the economic benefits of tourism development. This was followed in the early 1970s by the cautionary platform which drew attention to the negative impact of tourism on the environment and on local cultures. When scholarly protests mounted in the late 1970s, claiming that too much emphasis had been placed on the negative impact of tourism on the environment, local destinations and on culture, the adaptancy platform

emerged. The adaptancy platform, which the researcher deems practical, is characterised by a more balanced approach to scholarly research in which both negative and positive impacts are given equal attention. The most recent movement is the knowledge-based platform. This positions itself on a scientific foundation and draws its theoretical base from the wider body of social sciences (Dann, 1996, cited in Boyne, 2003: 21; Jafari, 1990, cited in Boyne, 2003: 21; Beeton, 2006: 14).

This study contains most of the elements of the advocacy platform, which advocates tourism development for socio-economic development. This is the overarching objective of the present study – to use tourism for the socio-economic development of local communities. However, the study also recognises that knowledge-based development (as advanced by the knowledge-based platform) and planning leads to sustainable development. This is the case because knowledge of the tourism industry and other disciplines such as strategic and business management, marketing, financial and human resource management, economics, sustainable development, environmental law, politics, psychology, anthropology, environmental ethics and sociology are all important in tourism development and planning. The Mogane community (discussed in Chapter 5) failed to take advantage of their successful land reclaim which made them owners of a lodge and a guest house because they lacked knowledge of the tourism industry.

Government departments are involved in tourism development and this makes knowledge of public policy an important resource. Political scientists and public policy analysts are involved in tourism development and planning as are environmental activists. As a result, knowledge of some of the above disciplines is vital for meaningful involvement in tourism and for sustainable tourism development.

Statistics show that the tourism industry is a major contributor to the GDP and a major foreign exchange earner in many countries (Futter and Wood, 1997: 64; Honey, 1999: 4; Nelson, Butler and Wall, 1993: 4). The creation of an ideal environment for the continued growth of the tourism industry requires information and knowledge. The tourism industry is also known for being labour intensive. Human resource management and financial management are further disciplines necessary for one to be competitive in the industry.

Sinclair and Stabler (1991: 2) note that previous research in the tourism industry has fallen into three main categories. The first category describes the industry and its operation, management and marketing. The second concerns the spatial development and interactions which characterise the industry on a local, national and global scale. The third category investigates the effects which follow development of the tourism industry. These effects relate to economic, social, cultural, political and environmental inputs and outputs. In Sinclair and Stabler's opinion, there has been very little research into the tourism industry and how it works.

With regard to the above outline on the directions of tourism research provided by Sinclair and Stabler (1991), this study has raised spatial development issues and interrelationships within the tourism industry, especially at local level in its geographic area. The study has outlined the nature of interrelationships that exist within the tourism industry in Chapter 4.

It has been mentioned throughout this study that local communities are not participating meaningfully in the tourism industry. This falls within the cautionary approach outlined above by Sinclair and Stabler (1991) as it has implications for the environment which is the basis of tourism. If local communities are not involved they will have no interest in protecting the

environment and this will immediately raise questions about the sustainability of tourist attractions in their neighbourhood.

However, the study has gone further by highlighting aspects of dependency which characterise interrelationships in the tourism industry. In Chapter 4 it is mentioned that poor local communities require outside assistance to extricate themselves from poverty and to become meaningfully involved in the tourism industry. As a result, Sinclair and Stabler's cautionary approach is part of the discussion in Chapter 4.

Some scholars question the maturity of tourism's theoretical development and its growth as a study discipline at university (Shaw and Williams (1994, cited in Husbands and Harrison, 1996: 9). The fact that the tourism industry is still predominantly labour-intensive makes it unattractive to skilled university graduates. Hall (1994: 5) puts it bluntly when he notes that, despite extensive research in tourism in the 1980s and 1990s, many people still do not regard the field as a serious subject for study. They often equate it with booking a holiday at a travel agency or learning how to pour a beer.

Moreover, involvement in the tourism industry as an entrepreneur does not necessarily require a university degree as is the case in other disciplines such as engineering, law, medicine and economics. A functional knowledge of the dynamics of the industry, including financial and marketing skills and knowledge of some disciplines such as sociology, anthropology, economics, psychology and political science, should suffice. That is why the study of tourism does not enjoy a high profile at universities.

Husbands and Harrison (1996: 10) raise a point which is echoed by many scholars in this study. They believe that, compared to other industries and

disciplines, the importance of tourism as a career is hampered by the failure of society to fully appreciate the social and economic significance of the industry. This point was echoed by Rogerson (2002a: 161) following his study of the Highlands Meander, a tourism region in Mpumalanga Province. He remarked that one of the reasons for the local black communities not being meaningfully involved in the booming tourism in the towns in their vicinity, other than providing labour, is that they lack appreciation, knowledge and an understanding of the industry's potential to stimulate their socio-economic development. This researcher believes that this apparent lack of interest is a consequence of the absence of opportunities encouraging them to establish meaningful linkages with the tourism industry. Their lack of appreciation is the consequence of poor education and a lack of knowledge of tourism's great potential as a tool for socio-economic development.

The post-apartheid South African governments have acknowledged the potential tourism has as a tool for stimulating socio-economic development (South Africa, 1996: 1). As a result, students of tourism should not be disheartened by the debate on whether academic publications have any real influence at all on tourism development and planning other than to impress fellow academics. They should be motivated by the influence they could have by highlighting the huge potential of tourism as a means of pushing back the frontiers of poverty in local communities.

2.4   Development theory

The purpose of this sub-section is to discuss some of the theories and approaches to tourism development. The discussion below excludes some of the classical approaches to social development, such as the Basic Needs Approach, because

such discussion would not add value to the researcher's argument for economic empowerment through tourism growth.

Again, due to the limited nature of this study, the researcher decided to consider only major development theories, namely modernisation and dependency. The wealth of other development theories such as neo-liberalism, the world systems theory, the new political economy, capitalism, socialism, participatory development, human basic needs and even imperialism, will not be discussed. Nevertheless, their importance and centrality to the study of development cannot be emphasised enough.

2.4.1   Modernisation theory

Modernisation is a consequence of systematic thinking and writing about social reality and transition from the primitive to modernity. It is a special kind of hope which embodies all the past revolutions of history and 'all the supreme human desires' (Apter, 1987: 54).

Modernisation theorists believe in systematic change and progress in the development of societies from traditional to modern. A society was called 'traditional' if most relationships in it were 'particularistic' and not 'universalistic' (individualism versus universalism) For example, if birth and not one's achievement was the determinant of one's development path (ascription or birth versus achievement); if there was dependence on agriculture, low rates of production growth, low degrees of specialisation, largely local networks of exchange and one way flow of goods and services from rural to urban areas (Larrain, 1989: 87; So, 1990: 25; Leys, 1996: 65).

Modernisation is usually regarded as some kind of final stage in the development of societies and is arrived at by evolution (So, 1990: 18; Coetzee, 2001: 27).   It upholds the belief that to achieve development, social transformation of the traditional or pre-modern society must occur. Belief in the supernatural must be abandoned and the technological, organisational, social and other characteristics of the so-called advanced societies of the Western world must be embraced (Coetzee, 2001: 27; 33).

The transition of European societies from feudalism to capitalism is seen as a classic example of modernisation. However, the growth of capitalism, especially in Britain, was not seen by all as a boon but by some as a recipe for the destruction of non-capitalist societies. This was the basis of Marx's attack on capitalism in his writings (Chilcote, 1984: 13).

Modernisation theorists believe that as long as the developing world still shows signs of feudal Europe, it is not yet ready to realise its development destination. Basically, modernisation requires the fundamental transformation of traditional society from simplicity to complexity and from homogeneity to heterogeneity (Coetzee, 2001: 28; 33).

Fundamental transformation must include political democratisation, social development on the basis of strengthened civil society and acceptance of true capitalism (Coetzee, 2001: 28). The debate on whether capitalism has the capacity to redistribute wealth or not is an age old one. However, there is evidence which suggests that development has the capacity to promote class divisions and to exploit poor social classes (Dube, 1988: 5).

Modernisation theorists believe that the former Soviet Union's satellite republics that have been accepted as members of the European Union are a good example

of the process of modernisation as they have emerged from communism to embrace capitalism (Coetzee, 2001: 28).

Rostow (1960: 4) attempted to provide a more general perspective in the analysis of development. His preoccupation was with the process of 'capital formation' (Hettne: 1995: 53). Rostow identifies five development stages through which all societies have to pass. These are the traditional society, the preconditions for take-off, the take-off, the drive to maturity and the age of high mass consumption. Rostow derived these stages from his study of Western economic development (Harrison, 1988: 26).

This study will not discuss the features of each of Rostow's stages but will highlight some, such as the traditional, take-off and the road to maturity stages. The traditional society is characterised by a high concentration of labour in agriculture but low productivity. There is also low capitalisation with non-existent savings. Societies in this stage are kin-oriented and observe a hierarchical social system. The illiteracy level is also high (Rostow, 1960: 4).

The geographical area of this study has all the elements of Rostow's traditional society. The inhabitants of this area rely on subsistence farming. They have low capitalisation and kinship plays a major role in social relationships. The traditional leader wields great influence and is well respected. Education is generally elementary and this impacts negatively on productivity and the availability of skills.

Rostow (1960: 7) regards the take-off stage as the 'watershed in the life of modern societies'. A feature of the take-off stage is that politicians regard economic governance as a fundamental high-order political imperative. Rapid industrialisation is experienced during this stage as is agricultural productivity.

Basically, agriculture becomes commercialised. The reinvestment of high personal income further stimulates industrialisation. This is indeed the period of high economic growth (Rostow, 1960: 8).

The road to maturity stage occurs about forty years after the end of the take-off stage. The share of net investment and saving in national income during this stage rises by 10-20%. A nation in this stage is able to feed itself comfortably. Distinguishing features of this stage are that the domestic economy becomes diversified and intertwined with the global economy where the new regime of trade terms becomes applicable, while the importation of goods is replaced by local production. Every effort is directed towards growing the economy even if this means replacing old values and institutions with new ones (Rostow, 1960: 9).

The general criticism of modernisation is that it is oversimplified and lacks structural perspective (Harrison (1988: 27). Some of its critics, like Harrison (1988: 27), say it ignores the ruinous effects of colonialism and promotes Western materialism as the ultimate goal of development. The theory foresees that modernity (as exemplified by Western culture, values and norms) will be readily accepted by 'primitive' societies (Harrison (1988: 27). For instance, since the founding of the People's Republic of China, its leaders have been preoccupied with the overarching goal of modernising the nation (Nyberg and Rozelle, 1999: 1). To date, the Asiatic nations, especially China and Japan, still uphold their fundamental traditions and values but have achieved high levels of development.

Critics believe that Rostow's mathematical approach to development has loopholes (Harrison, 1988: 27). They say that, to date, there is still inequality with regard to the development of nations and the stages identified by Rostow are not discernible in the developing world. Apart from the loopholes in the

mathematical approach to development, it is doubtful, as Harrison (1988: 27) puts it, that Western Europe developed according to Rostow's stages of development. In fact, Harrison (1988: 27) goes further to support those who feel that Rostow's contribution to development theory has been exaggerated.

Although the researcher takes issue with Rostow's view that, for poor societies to achieve high levels of development, they have to follow patterns set by others, it is commonly believed that modernised societies have embraced technological innovations and economic governance that have stimulated economic growth. This in turn forms the basis for social transformation. The poor nations have no choice but to embrace technological advancements. The antithesis to technology's unifying effects is that it (technology) will prove disastrous unless resources and access to information and decision-making power are provided in terms of world equity and not on the basis of greater political influence (Goulet, 1985: 143).

The researcher believes that Rostow has made a significant contribution to the theory of development. He has not claimed that his stages of development are finite and universal. He indicates at the outset that the stages of development he advances are an 'arbitrary and limited way of looking at the sequence of modern history' and that the stages have been used to dramatise 'the uniqueness of each nation's experience' (Rostow, 19960: 1). As a result, for example, when a nation like South Africa which shows signs of Rostow's last stage (the drive to maturity) still experiences a low savings record, it should be understood in the context that Rostow's stages of development are merely a dramatic illustration and are in no way universalistic.

Modernisation is intended to apply to nations but its analysis of stages of societal development may cascade down to the local and regional levels as well. For

example, in this study communities do not have modern technology, expertise, capital or skilled human resources to move from a 'traditionalist' stage to a modern one. Rostow (1960: 4) refers to all these impediments as a ceiling that prevents traditional societies from developing. Poor rural communities, like traditional societies, are usually bound by tradition. They also rely on land for their livelihood but their level of productivity is kept low by the inaccessibility of modern science, its applications and its frame of mind (Rostow, 1960: 5).

Like Rostow's traditional societies, poor communities rely on subsistence farming. They have poor, traditional leadership, low rates of production growth, a low degree of specialisation, little involvement in decision making and are very much dependent on outside help. Rostow's societies in the take-off stage are led by a political group that regards good economic governance as the basis for political power. This political group is not bound by customs and traditions, unlike the traditional leadership of many rural communities. Rural people are generally trapped in poverty and lack resources, including information, unlike Rostow's societies in the take-off stage which show signs of sophistication.

Communities all aspire to change in some way. They want to increase their economic productivity, diversify their economic activities and occupational roles, increase involvement in a market economy, use more efficient modes of transport elevate their levels of and access to political activity, education, information and health facilities. As a result, movement towards change is a permanent feature of communities. Communities that do not aspire to modernise in some way are extremely rare (Edwards and Jones, 1976: 33).

Communities show signs of, and aspire to, industrialisation, urbanisation and modernisation but as Edwards and Jones (1976: 24) observe, a community can move towards modernisation without industrialising. A rural community can

draw on industrial technology and become modern in character without urbanising. One thing that is certain to occur in communities is a movement towards change which fundamentally reflects and embodies the process of modernisation. As a result, even in the geographic area of this study, modernisation is very much a part of everyday life.

To move from traditional to modernity demands that communities must change. Change from traditional to modernity gives effect to modernisation which in turn reflects the process of development. This study is essentially about pondering and implementing various interventions and strategies to effectively move local communities from poverty to a better life. As a result, change, development and modernisation are the fundamental objectives of the study and are discernible throughout it.

2.4.2   Dependency theory

Unfortunately, very few countries have entered Rostow's take-off stage, despite the transference of capital and technology from the developed to the developing nations. Instead, inequality between the developed and developing world continues to grow to date. By the 1970s the Dependency Theory was being regarded as a reaction to Modernisation although the theory itself had its origins in the 1940s (Lewellen, 1995: 59).

The Dependency Theory originated in Latin America where there was a realisation that lack of development was the result mainly of the economic dependence of Latin America on the export of primary products. Calls were made for 'import replacement by industrialisation' (Coetzee, 1989: 54). It was thought that an import replacement policy would stimulate self-supporting

growth and the expansion of local markets and that development would thus be based on internal rather than external markets (Coetzee, 1989: 54).

The grand, idealistic basis of the call for 'import replacement by industrialisation' was aimed at the replacement of an export-oriented policy by an internally directed policy. It was hoped that this would boost internal trade at the expense of external trade and thereby stimulate the development of a locally controlled economic structure. It was also anticipated that industrialisation would reduce the power of the traditional affluent elites (oligarchies) and open the way for political democratisation (Berstein, 1976, cited in Coetzee, 1989: 54).

Many believed that such democratisation would lead to the emergence of a new developmental state, the even distribution of resources and the economic integration of poor rural communities into the economic mainstream. Above all, it was hoped that a new Latin American consciousness would be invoked which would propel people to strive for unification and national independence (Coetzee, 1989: 54).

The failure of 'import replacement by industrialisation' forced its supporters to adapt their strategies and acknowledge that the world is made up of a core of dominant countries on one hand, also known as the centre, and the periphery of dependent ones on the other (Lewellen, 1995: 60).

This formed part of the quest for a new development theory that would satisfy scholastic opinion on development on one hand and suggest practical development strategies on the other. The Dependency Theory is clearly discernible at community level. It is stated below that local communities do not have the resources required for their development and that such resources have to come from outside. The importation of resources perpetuates high leakages.

It further forces rural communities into the role of recipients rather than active participants in their socio-economic development. Rural communities will not be able to consume everything they produce. 'Exporting' to the urban areas is a natural process for both rural and urban communities just as it continues to occur between the developed and the developing worlds.

The Dependency Theory is said to be the manifestation of voices from the periphery. It views development from the developing world's perspective and is in stark contrast to the modernisation paradigm. One of the criticisms of modernisation is that developing countries could never follow the developed North's path because most of the developed North was never colonised. As a result, the developing world faces different conditions that constrain its development (So, 1990: 96).

Andre Gunder Frank is credited with popularising the Dependency Theory. He avoided using the terms 'core' and 'periphery' in preference for 'metropolis' and 'satellite'. He argues that the purpose of cities established in the developing world was to service the socio-economic needs of the colonisers. He adds that the metropolis-satellite relation is not limited to the international level as it is apparent at regional and local levels within developing countries (So, 1990: 97). The researcher supports Frank's assertion. In this study, the high leakage of resources from local areas is blamed on relations between regional and national markets, but as indicated above, there are no alternatives.

Even those commodities that are produced where poor communities live are taken to the regional, national and international markets to continue to service the needs of those who have. This is the leakage that perpetuates underdevelopment in the developing countries and development of the North (Frank, 1967, cited in So, 1990: 97).

The major criticisms of the Dependency Theory are that it ignores internal conditions and pays too much attention to external variables. In today's globalised economy, the de-linking strategy that is proposed by the Dependency Theory is impractical (Davids, 2005: 17).

Edwards and Jones (1976: 9) define a community as a locality-based unit of social organisation that still retains a vital role in societal life. It is subordinate and dependent on larger communities elsewhere. It is a social system with differentiated, interlinking subsystems and operates through intricate linkages with extra-community systems. From the literature on community development reviewed in this study, it is clear that there is an emphasis on the need for smaller communities to create linkages with larger, more sophisticated communities to accelerate their development.

The subordination status of small communities, especially rural ones, suggests the existence of a dependence relationship with sophisticated communities. Sophisticated communities are like Rostow's societies during the take-off stage. They show signs of sophistication as they use technology for industrial or agricultural development. Their leadership regards economic development as 'serious, high order political business' (Rostow, 1960: 8). By using the word *sophisticated*, the researcher has in mind urban communities. However, since some urban communities may also be poor (and some rural ones, like the faming community, affluent), the researcher has in mind the more affluent urban communities.

In Chapter 5 the researcher indicates categorically that poor communities require external intervention to extricate themselves from the poverty trap. It is not envisioned that a poor community has the capacity to take an equally poor one

out of poverty but rather that a sophisticated community can play a role by creating meaningful linkages with a poor one. Such a relationship will be characterised mainly by dependence on the sophisticated community by the poor one. This kind of relationship does not mean that the poor community has no contribution to make to the relationship but rather that the volume, value and impact of its contribution will be less.

In view of the above discussion on the inter-dependence and interactive relationship between poor communities and sophisticated ones, and the fact that communities are part of the specific system of action that arises when they establish structural arrangements to adapt and survive as a group (Ferrinho, 1980: 5), it is concluded that dependency is very much a feature of this relationship. Rural communities are a resource base for sophisticated communities. They provide unskilled human resources and foodstuffs needed for the livelihood of sophisticated communities.

2.5   Approaches to tourism development and practice

2.5.1   Responsible tourism

Responsible tourism is an approach to tourism planning and development that ensures that the benefits of tourism are enjoyed by all, including tourists, host communities, local authorities, tourism entrepreneurs and national government. Responsible tourism has become necessary because of globalisation and the growth of the tourism industry, both of which have the potential to upset environmental conservation efforts and consequently hamper local community development (Husbands and Harrison, 1996: 11).

The involvement of local communities is imperative for the sustainable growth of the tourism industry. Responsible tourism development is achievable when stakeholders (private and public) play a meaningful role in the development of the industry. In its application, communities become central to a holistic concept of sustainable tourism development which embraces and integrates environmental, economic, political, cultural and social considerations (Richards and Hall, 2000: 5).

The key elements of responsible tourism include avoiding wastage and over-consumption; the sustainable use of local resources; sensitivity to the host culture; involving local communities in planning and decision making as well as taking care of the environment (South Africa, 1996: 20).

Responsible tourism is preferred as there is overwhelming evidence that tourism has become one of the world's largest industries and one of its fastest growing economic sectors. Its growth is persistent and rapid (Dowling, 2001: 286). Given this continuing and rapid growth of the global tourism industry and its competitive nature, it is anticipated that countries and regions will compete to increase the size of their market share. When this happens the environment and the culture of the poor local communities may be ignored or even harmed (Husbands and Harrison, 1996: 2).

Responsible tourism is important because it aims at striking a balance between tourism development and environmental sustainability and between the costs and benefits of tourism development. Sustainability is one of the most important issues faced by the tourism industry (Husbands and Harrison, 1996: 2).

It is thus vital, as Husbands and Harrison (1996: 2) put it, to derive a framework and a set of practices to ensure that expectations of tourism entrepreneurs and

local communities are met without harming the physical or social resource base which is the basis of tourism in a given area. Consequently, responsible tourism is advocated as a way of developing tourism, and of ensuring that the well-known negative externalities associated with conventional mass tourism are kept at sustainable levels. Sustainable development, and specifically sustainable tourism development, is the main tourism development approach advanced in this study.

2.5.2   Local Economic Development

Local economic development (LED) is defined as the locally inspired efforts that seek to accelerate growth and development and to create opportunities for local communities to be reintegrated into the national economy (Department of Land Affairs, 1997: 35). In LED practice, communities must use their human, social, institutional and physical resources to empower themselves. The implementation of LED is conditional on the provision of an enabling environment for entrepreneurialism and development by the public sector.

The theory and practice of LED cuts across many social science disciplines such as business administration, public administration, economics, geography, sociology and political science. The LED approach was based on the operation of market mechanisms and arose out of many years of efforts at improving community livelihood and fighting poverty (Wiewel, Teitz and Giloth, 1993: 80).

LED is not based solely on individuals igniting their entrepreneurial spirit but on a number of conditions which must be addressed by the public sector. These include, for instance, policy formulation on participatory development. The public sector has other responsibilities that include infrastructural development, the creation of value adding cooperative networks which is part of institution

creation and consolidation and the development of skills and entrepreneurial culture.

The LED approach in South Africa will be fundamentally different from LED approaches elsewhere in the world because of the unique socio-economic landscape engendered by apartheid. In South Africa, LED should lead to economic empowerment of the previously disadvantaged communities. Elsewhere in the world, the emphasis is on employment creation (Blakely, 1989: 67). Employment creation is welcomed but of greater importance is that local communities have a say in or even own the greater proportion of the investment in their own areas.

During its formative stage, LED was dominated by the desire to maintain an area's economic base by attracting investment into local industries and creating conditions conducive to business development (Fitzgerald, 1993: 125). Since the 1970s, however, the organisation and scope of LED has changed. Both the public and the private sectors started playing more prominent roles in its stimulation. The private sector's approach to stimulating LED was based on entrepreneurialism whilst the public sector focussed on creating a policy and infrastructural environment conducive to LED. However, the rise of growth coalitions and the increasing popularity of partnerships brought public and private sector efforts closer together in developing local economies (Bingham and Mier, 1993: vii).

The current thinking around LED is dominated by the Institutionalist theory or Institutionalism. To understand that the economy is 'embedded in formal and informal institutional, social and cultural conditions and practices' is to begin to understand Institutionalism (Wood and Valler, 2004: 1). For these institutions to support local development, their role should be clearly defined. They should be

adaptable and development oriented (Jessop, 2004: 34). Institutionalism emphasises that economic decision making and action is fundamentally moulded by the shared values, norms, beliefs, meanings and rules and procedures of the public and private sectors, institutions of society and communities themselves (Blakely, 1989:12).

Institutions support socio-economic development although they can also constrain it, particularly through inherent structural and strategic policy weaknesses. The institutions that are relevant to this study include all levels of government, the private sector and development agencies. Throughout the study, especially in Chapter 4, the researcher has commended certain institutions, called on some to improve their performance, e.g. THETA, and proposed the establishment of others such as the Tourism Co-ordination Centres in Chapter 6.

Communities are major stakeholders in the development of local economies because development is for them. They must participate in order to present and advance their values and aspirations. Institutionalism is given effect when shared meaning and values are developed and when the networks of social interaction are strengthened. Institutionalism has its own limitations, some of which stem from the dynamics within and between institutions. This is because the institutions may share values and beliefs, but their means of achieving these may be conflicting. The importance of strong institutions as pillars for LED and the role of actors in these institutions, their identities, interests and strategies within the greater network of interactions which may go up to the international level, are fundamental. The enabling physical and policy environments and knowledge are also crucial to spur on entrepreneurship (Jessop, 2004: 46).

This study shares Blakely's (1989: 57) sentiments that national policies alone will achieve limited success if they are not applied with the support of local communities. The local communities are major stakeholders in the tourism industry because they give effect to the tourist product. The previous paragraph emphasises shared values, norms and beliefs among public, private, not-for-profit and communities as prerequisites for economic decision making and action. This is the same fundamental principle of development which permeates this study. The approach taken by the researcher is thus firmly located within institutionalist thinking.

Institutionalism manifests itself in a number of ways. One of these is economic clustering which occurs when interaction takes place between related businesses in a particular locality (Blair and Premus, 1993: 17). Whether it is called an industrial district, a local production system, new industrial space or an agglomeration, the economic cluster is important in LED planning. Of critical importance for LED are the kinds of interactions that exist within this economic cluster or agglomeration economy.

Agglomeration economies are forms of Institutionalism. They occur when benefits accrue as a result of businesses located in close proximity to one another. Agglomeration economies encourage closer interaction among the businesses found in a particular locality. The greatest advantage of agglomeration economies is that they reduce transportation costs considerably while maximising the locality's potential and the utilisation of resources (Blair and Premus, 1993: 17; Wood and Valler, 2004: 7).

At best, the tourism industry is a cluster of related economic activities. For example, in this study, the tourism economic cluster is exemplified by the interactions between lodge owners, shuttle operators, game-viewing service

providers, shopkeepers, restaurants owners, security providers and entertainers. There are many tourism-related entrepreneurs in the Panorama region. These provide the tourist with choice and value and make Panorama the famous tourist destination that it is.

Nevertheless, this study does not view tourist attractions, which are found at local level, as all that is required to grow the tourism industry. The study has acknowledged that communities and other sectors of the economy such as transport, accommodation, entertainment and service providers help to shape the tourist product. Through this approach, economic clustering has been given prominent recognition in this study.

LED is no longer seen as a narrow local effort. It is regarded broadly in a regional, national and even global scope. Consequently, LED efforts today will be regarded as futile if they do not clearly link with the regional, national, and global markets. Tourism supports this definition of LED because the product is at local level whereas its consumers are all over the world. When one leaves tourism out of the equation and concentrates on LED through industrial development, it becomes clear once again that the thinking must be regional and beyond. This is because the locality is important when it interlinks with regional, national and global trends. Without meaningful linkages, the locality will generally be too small to make any impact (Nelson, 1993: 29).

There are two dominant schools of thought on regional development which is LED on a greater scale. One is the development-from-above approach which views regional development as emanating from the core and growth centres and spreading out to the periphery and hinterlands. The other is the development-from-below school of thought which argues for regions to take control of their own development and to spread out through their own institutions. Both these

approaches are acceptable to the researcher as long as the local people are involved. After all, development is an interconnected and interrelated process which brings together different stakeholders (Blair and Premus, 1993: 28).

Herrschel and Newman (2004: 237) discuss vertically and horizontally divided regionalisation. They define horizontal regionalisation as the division of responsibilities between the various regional bodies such as development agencies and regional government offices. These regional bodies compete for influence on the development of their own regions. Vertically, the division of responsibilities occurs through the varying scales of government and regulation.

There is growing recognition that patterns of LED need to be socially inclusive if they are to be sustainable. This is the fundamental principle of development emphasised in this study. There are ways to involve local communities meaningfully in the tourism industry, such as creating economic linkages with them through preferential procurement, outsourcing some services to them and involving them in decision-making structures. This inclusive approach is contained in the Responsible tourism policy of the South African government (South Africa, 1996: 47).

LED is central to this researcher's approach to tourism development. As a result, Chapter 3, entitled *Tourism as a tool to stimulate local economic development*, has been dedicated to comprehensively discussing other aspects of LED, including approaches to stimulate it using tourism, the potential of tourism-driven LED, the determinants of community-based tourism development and the challenges for community-based tourism development.

The researcher believes there is hope for the rural communities. He acknowledges that the locality's capital flow may not be sufficient to sustain the

growth of the business but through linkages with the regional and national markets, the locality has a chance to develop. If the tourist product is what is being sold, marketing and networking must be strengthened for the local tourism entrepreneur to stay in business.

2.5.3   Sustainable tourism development

Sustainable tourism is an important feature of responsible tourism development. It is defined as

> tourism which is developed and maintained in an area
> (community, environment) in such a manner and on such a scale that
> it remains viable over an indefinite period and does not degrade
> or alter the environment (human and physical) in which it exists to such
> a degree that it prohibits the successful development and well-being
> of other activities and processes (Butler, 1993: 29).

Bramwell and Sharman (2000: 17) believe that sustainable tourism development should involve taking account of local communities' views and choices about their present and future needs and livelihood without ignoring environmental, economic, social and cultural issues.

Sustainable tourism development further implies that the development of the product, policy, planning and marketing are all handled in ways that ensure that tourists, host communities and investors reap the long-term benefits of a vibrant and healthy tourism industry (Husbands and Harrison, 1996: 5). In South Africa, the complete realisation of this concept has not yet been achieved since the overwhelming majority of this country's local communities have still not been

meaningfully involved in the tourism industry. The reasons for this are discussed in Chapter 5.

The emphasis in this study is on sustainable community-based tourism development. Potts and Harrill (2002: 49) use a theoretical shorthand form of this type of tourism development which they call travel ecology. They explain travel ecology tourism planning as policy that seeks to create communities that are resilient enough to survive in a highly volatile political and economic environment and which think beyond merely sustaining tourism or some specific aspect of tourism development.

Hunter (2002: 3) breaks down sustainable tourism into a further two variants which he calls light green and dark green attitudinal tendencies towards tourism and the environment. The dissimilarities between the light green and dark green variants are numerous. The main difference is that wherever tourism occurs, the dark green variant is likely to entail a more widely scoped, geographically extensive and stronger degree of environmental concern and action than the light green type. Hunter (2002: 12) states that these variants are scale independent. They may apply at different levels, from the individual business right up to the national tourism development plan or policy statement. This means that they are applicable to local communities as well.

The dark green variant considers impacts over a wider geographical area. That is because it recognises that it is important to understand the environmental impact beyond the immediate tourist setting, and to understand it in the context of regional planning. If this approach is not followed, the result may be the transfer of problems from individual centres to the surrounding areas (Hunter, 2002: 16).

This study identifies more with the attitudinal tendency of the dark green variant, basically because its approach to tourism development is knowledge-based. This encourages research related to the tourism industry and explains why the supporters of the dark green tendency are likely to have background training in academic disciplines such as ecology, geography and environmental sciences and are more inclined to express views from a cautionary perspective (Jafari, 1989, cited in Hunter, 2002: 15).

These two variants further reignite the great debate on the ethics of development or economic growth versus environmental protection. One dark green variant calls for natural resources to be maintained and for the impact to be reduced or preferably minimised where possible. This is in opposition to the light green tendency which says that environmental action should be undertaken only when required and beneficial. The light green variant has an environmental concern of narrow scope and limited geographical scale. Management follows the approach that the industry should be self-regulating as opposed to a tendency where management is likely to be trained in an environment-related academic discipline.

The light green tendency advocates that tourism is intrinsically good and has an inherent right to expand. It further says that growth is good – the key issue is to maintain it within existing parameters and to promote it where tourism is still lacking or undeveloped. As a result, satisfying the needs of tourists through correctly tailored products is the fundamental task of tourism. Light green's environmental concern is limited to the maintenance of sufficient environmental quality at the destination to ensure the continued survival of existing tourist products and the development of new products at existing and new locations (Hunter, 2002: 14).

Light green's reference to the environment is product-linked, which amounts to little more than beautifying the environment for tourists. This may involve keeping the streets, which may be lined with palm trees, clean rather than a radical appraisal of the environmental functioning of a tourist destination area. This approach to tourism development is too simplistic and does not address real issues of sustainability in the tourism industry. The emphasis is on improving the tourist product without consideration for the environment. The light green variant pays very little attention to the demands of natural resource management. Environmental outputs such as air and noise pollution, environmental degradation and erosion of culture are, where possible, only tackled retrospectively and provided this is economically viable (Stabler, 1997, cited in Hunter, 2002: 14).

This study supports the dark green variant. It places emphasis on the protection of natural resources that support tourism, rather than on the expedient promotion of tourism-related economic growth for its own sake and as an end in itself, with little regard for the long-term effects of environmental harm.

2.5.3.1 Principles of sustainable tourism development

One of the fundamental principles of sustainable development is an inclusive approach. With South Africa's history of segregation, it is imperative that sustainable tourism development is approached in a more inclusive manner. Everyone should feel that tourism development is important for his or her livelihood. This would encourage feelings of mutual responsibility in communities and society as a whole. Exclusion breeds hostility towards tourism development from those who remain marginalised. If exclusion is allowed to persist, the industry will spend more of its resources trying to protect itself from

those who feel excluded (South Africa, 1996: 47; Bramwell and Sharmann, 2000, cited in Harris, Griffin, and Williams, 2002: 17).

Sustainable development acknowledges that appropriate policy formulation, proper planning and sound management are essential responses to the problems of environmental degradation that arise from tourism development (Bramwell and Sharmann, 2000, cited in Harris, Griffin, and Williams, 2002: 17). The formulation of appropriate policy is not intended to restrict economic growth but rather to encourage long-term management of growth within existing limitations in order to achieve a win-win relationship between the environment and the society. If proper planning is not adhered to, the industry will simply not be sustainable because cultures and the environment will be ruined (South Africa, 1996: 47; Bramwell and Sharmann, 2000, cited in Harris, Griffin, and Williams, 2002: 17).

Such a relationship requires consultation rather than the imposition of views and perspectives. Consultation leads to ownership and sustainability of development agendas and programmes. It is important that all stakeholders be consulted when decisions about the management of national resources are taken. When the process of consultation occurs, it is important for all stakeholders to think in the long term and beyond the environment to economic, social, cultural, political and even managerial issues. It is highly likely that there will be conflicts of interest in the management of communal resources. As a result, trade-offs and compromises will have to be made, all in consideration of what is at stake for the community (Bramwell and Sharmann, 2000, cited in Harris, Griffin, and Williams, 2002: 17).

It may be difficult to achieve equity and fairness when the entire community discusses how to satisfy human needs and aspirations. There are complex

dynamics within communities such as power relations, gender, age and different levels of development among individuals. Regardless of the dynamics, equity and fairness among community members and between communities and the environment are virtues that all should strive to uphold (Bramwell and Sharmann, 2000, cited in Harris, Griffin, and Williams, 2002: 17).

Sustainable development has tangible outcomes. It is thus important to understand the multi-sectoral and interdisciplinary nature of the tourism industry. The multi-sectoral nature of the industry refers to, for example, how the tourism industry is linked to the agriculture sector for the supply of fresh produce, to the service sector, the banking system, and to the entertainment, construction and security sectors. Tourism is interdisciplinary in nature in that market economies and how they operate, management procedures of public, private and NGO sectors, sociology, psychology and other social sciences all have a role to play in the industry.

An understanding of the interdisciplinary nature of the tourism industry offers insight into the values and attitudes of the community. What worked well in one community may not necessarily work well in another. However, when the community is involved or consulted, sustainable development can be discussed openly, long-term objectives can be set and the knowledge that the community has about their own environment can be utilised. In the end, ideas are converted to deliverables as trade offs and compromises are made for the sake of the socio-economic development of communities.

The post-apartheid South African governments advocate and are committed to responsible tourism (South Africa, 1996: 19). Responsible tourism has been discussed extensively throughout this study as a policy of government aimed at involving communities, the public and the private sectors in playing a role in

advancing the growth of the industry. The post-apartheid governments have also acknowledged the importance of tourism for the development of poor communities. The government's community tourism development plans share the same objectives as pro-poor tourism.

What is lacking in the government's efforts to use tourism for poverty reduction are the mechanisms to enforce compliance, particularly of the ideal of community involvement in tourism. For example, the government is committed to encouraging tour guides and tour operators to be more innovative with regard to tourists' itineraries. They are encouraged to schedule visits to places outside the traditional markets. However, without clear strategies on community-based tourism development, including packaging of culture, there is no point in encouraging visits to local communities since tourists will have nothing to do there. Community-based tourism development is thus of strategic importance for the continued growth and sustainability of the tourism industry.

2.5.3.2 Pro-poor tourism

Pro-poor tourism was first promoted by the British Department for International Development and received support within the UNWTO when it was incorporated in their report released at the World Summit on Sustainable Development (WSSD) in South Africa in 2002 (Goodwyn and Maynard, 2000, cited in Spencely and Seif, 2003: 7).

Pro-poor tourism is an approach to tourism development that seeks to increase net benefits for poor communities and to ensure that tourism growth contributes to poverty alleviation (Ashley, Roe and Goodwin, 2001: 8). Its application concentrates on increasing opportunities for poor people to benefit from tourism through their meaningful involvement and even through job creation. It is a

strategic approach to tourism development. It supports sustainable tourism development through its broad planning and implementation scope (Ashley, Roe and Goodwin, 2001: 8).

Some pro-poor tourism benefits are non-material. They include enhanced opportunities for access to information, infrastructure and markets and improved opportunities for the acquisition of skills, for example in management and marketing (Ashley, Roe and Goodwin, 2001: 42). Knowledge of where to find information is a resource that enables individuals and communities to access public and private services (Narayan, 2002: 13).

The benefits of pro-poor tourism are especially discernible when policy frameworks create environments in poor areas conducive to their meaningful involvement in the industry. Policy frameworks aimed at supporting pro-poor tourism may impact positively on land rights and access to land, tourism development planning processes and government support and capacity (Ashley, Roe and Goodwin, 2001: 42).

It is the responsibility of both the public and the private sectors to advocate the development of pro-poor tourism. The public sector has a leading role to play through its obligations and mandate for social development. The public sector does not necessarily have to commit resources to advance the developmental role of tourism but may promote it through regulatory frameworks. These regulatory frameworks need not be in the pro-poor language. Only the pro-poor strategies need be built into the frameworks (Ashley, Roe and Goodwin, 2001: 18). These are especially important in preventing the harmful effects of private sector investment in local communities and community partnerships with the private sector. Tourism development driven purely by private sector motives may be harmful and disruptive to the cultures of local communities if there is no

regulatory framework. It is also debatable whether the private sector's motives are reconcilable with poverty reduction strategies in poor communities.

2.6   Conceptual Definition of Community as in *Community* Development

Once again the literature on community development, as in tourism development, consists of two essentially separate literatures. One volume, as it were, deals with community and the other development. Both *community* and *development* are briefly discussed below.

From the literature reviewed, it becomes clear that there are many definitions of community. They reflect a number of aspects such as geography, psychology, sociology and economics and even suggest that a community operates within a system. The socio-cultural features are portrayed by a set of common values and interests around which institutions are developed and with which residents identify. The feeling of belonging to a network of social interactions advances sociological ties whereas a system of reference for a set of common individual associations evokes psychological feelings.   The interdependence and the interrelatedness of communities make these communities subsystems (Edwards and Jones, 1976: 15; Ferrinho, 1980: 1; Bruhn, 2005: 11).

In this study, Richards and Hall's (2000: 2) definition of community applies. They define a community as people who belong to a specific topographical location, to a particular local social system or who share feelings of togetherness. Common attributes of communities which give them form and character include geographic space, culture and aspirations. The strengths and limitations of the community's collective action are determined by its socio-cultural, demographic and ecological features which engender a complex system of interaction. These are the main features of most definitions of *community* (Ferrinho, 1980: 1).

Above all, communities show signs of change or progress which are the end product of development which in turn gives effect to modernisation. As part of a whole or a system, communities may live in different areas but never in isolation. They are part of a social system. They are interdependent and within them exist interrelationships and interactions that collectively advance or block their development (Edwards and Jones, 1976: 9; Figueira-McDonough, 2001: 24; Tyler, 2006: 21).

Who wants to live in a post-community era? Reference here is made to a community as a unit found in a particular locality. The thought of a post-community era should create fear and anxiety. The researcher believes that it is from a sense of community that one develops the values, hopefully sound ones, that shape one's personality. The major custodians of acceptable values are the family and religion (Bell and Newby, 1971: 24). Communities simply create a sense of belonging. This is why many people spend time and resources in purchasing property in community X rather than community Y – community wields enormous influence on one's outlook and perceptions in life.

Ferdinand Tönnies's work *Gemeinschaft and Gesellschaft* (1887) is considered pioneering in the formulation of the sociological concept of community (Bell and Newby, 1971: 24; Figueira-McDonough, 2001: 2). Tönnies wrote about the *gemeinschaft* or the 'natural' community in which community members share the same traditions, customs and norms and where their personal relationships are based on trust and reciprocity. In the case of the *gesellschaft*, the community comprises strangers who do not share a common past and who relate to one another in an impersonal, transitory and artificial manner (Tönnies, 1887, cited in Figueira-McDonough, 2001: 2).

Communities differ according to their location – rural or urban – their culture, their size and their level of sophistication, that is, whether they are poor or affluent. The geographic area of this study demands that the focus be on poor rural communities. As a result, the place-based attribution of community applies in this study rather than the attribution of a community formed on the basis of special purpose. The latter attribution applies in the case of the Treaty establishing the African Economic Community, the now defunct European (Economic) Community and all the Regional Economic Communities (RECs) on the African continent, such as Southern African Development Community, (SADC), Economic Community of West African States (ECOWAS), East African Community (EAC) and others. Other communities are formed on the basis of professionalism, as in the farming community, and on sentimentalism in the case of belonging to a particular religion whose members may be scattered all over the world.

A community is not homogenous: it is made up of diverse but interrelated groupings such as the literate and the illiterate, the young and the old, men and women, the fairly well-off and the chronically poor and the liberals and the conservatives. Communities have a distinctive and interrelated social structure comprising individuals, informal and formal groupings patterned clearly into subsystems of family, economy, government, religion, education and social life (Edwards and Jones, 1976: 15).

The community is important in this study because it is the object of the process of development. An understanding of the community advances the community development process just as a lack of understanding of the dynamics within a community prevents meaningful and sustainable community development and planning (Edwards and Jones, 1976: 9).

After the Second World War, Western nations became concerned about the development of what was then called the Third World. Their thinking was that technological advancement accompanied by economic growth would stimulate the development of Third World countries. Consequently, efforts were directed at economic development in the Third World through technology transfer and financial aid but the development success rate was minimal. The emphasis shifted from financial aid to social reform with the end product envisaged to be a better life for what is today called the developing countries (Ferrinho, 1980: 21; Larrain, 1989: 1).

This approach to developing what were then called Third World countries accelerated the process of urbanisation, especially after the Second World War. As a result of urbanisation, the corporate community was enlarged, decision making became more centralised and the consumer society emerged (Figueira-McDonough, 2001: 7). As the process of modernisation accelerated, some communities became increasingly marginalised whilst others became more assertive.

Consequently, the national and regional governments and corporations took over the functions traditionally performed at local level in order to help marginalised communities. Self-sufficiency was severely challenged by interdependence within a system. The end of the smallholder and the emergence of the more productive commercial farmer signalled a precarious new situation where only the powerful contenders could survive (Figueira-McDonough, 2001: 7). Communities that became marginalised were predominantly found in rural areas. This is why this study became necessary – to give these communities a voice by highlighting their plight.

Nevertheless, one must be realistic about what communities are able to deliver. It is also important to determine whether the South African policy context supports community development and whether community empowerment through LED is a myth or a reality. The challenges that face communities, especially with regard to tourism development, are discussed in Chapter 3.

In South Africa, the poor communities have predominantly been black. This is a legacy of apartheid. The post-1994 governments have directed resources towards the development of poor communities. These communities were provided with housing, water, free education, free access to health facilities for certain categories of the populace, electricity, telecommunication and various social grants. Above all, there are many institutions and policy frameworks that support their development. All the abovementioned were implemented to improve the standard of living in these communities. It cannot be said that the battle has been won as this is work in progress, but meaningful progress is being recorded.

Among the rural communities, hope has been revived. The post-apartheid governments have committed themselves to rural economic development. The pessimists may argue that the voice of the powerful still reverberates throughout the poor communities and is exemplified by top-down and elitist development agendas that only serve the interests of capital. They believe that globalisation shows no concern about the patchwork that is done at community level (Taylor, 2003: 13).

The optimistic view is partly what has sustained the arguments for community development in this study. It has been said in Chapter 1 that there is plenty for everyone in South Africa. A number of factors have been blamed for the continued marginalisation of rural communities. They include poor planning,

the private sector's reluctance to invest in poor communities, lack of access to information by poor communities, lack of resources in poor communities including skilled labour, capital and land. The researcher sees opportunities in community development based on LED strategies and community involvement in tourism development.

Community development and empowerment is achievable through public policy support and action. There is no shortage of policy frameworks for development in South Africa. In the case of community development through tourism development, the policy frameworks are discussed in Chapter 3. The main framework is the LED strategy which is driven by the Department of Provincial and Local Development. Other departments, such as Social Development, Housing, Education and Health, promote their own strategies and programmes aimed at improving the quality of life in the poor communities.

LED and community-based tourism development have been emphasised in this study as vehicles for socio-economic empowerment and development of the communities. LED has been examined in this chapter (Chapter 2) while the prospects for community-based tourism development are discussed in Chapter 3. To conclude this discussion of the nature of a community and to answer the question of whether there is hope in community development and what there is to sustain this hope, the researcher submits that communities have the capacity to develop through external support. They will, however, require knowledge or collateral to participate fully in their own development.

2.7   Prospects for community involvement in tourism

This sub-section answers the question of whether community development is myth or reality. In the case of this study, tourism is the tool that is anticipated to

stimulate community development. One way of involving local communities meaningfully is through the development of community-based tourism. This can be achieved through a co-operative triangle formed by the public sector, the private sector and the community, where the community presents potential tourism-related projects for funding and implementation. Community-based tourism development is the crux of tourism at local level and the vehicle for the socio-economic development of local communities.

The fact that the majority of South Africans have never been meaningfully exposed to the tourism industry and have not benefited from this country's vast resources is a legacy of apartheid. The apartheid laws deliberately prevented the black communities and individuals from meaningful involvement in the industry through legislation such as the Reservation of Separate Amenities Act, Act No 49 of 1953. This Act sought to prevent any contact between whites and other races at public facilities. By law, blacks were barred from the quality of facilities enjoyed by whites. The post-apartheid governments have sought to redress this marginalisation of black communities in the tourism industry through policy frameworks and the establishment of institutional support. However, progress remains unsatisfactory.

The development of tourism occurs within the context of a localised planning framework which always affects, negatively or positively, the interests of the local community. As indicated above, the place-based attribution of community, that is, people who live in a particular geographic area, applies. Consequently, emphasis will be on communities settled adjacent to tourist attractions, particularly protected areas. The recognition in recent years that communities can have some influence over the development of tourism has created interest and a growing stream of literature on community-based tourism and community development in tourism (Richards and Hall, 2000: 4).

The involvement of communities situated in the proximity of protected areas requires that they participate in the decision-making processes regarding tourism development at the levels of policy formulation, application and monitoring. It further implies that they have the right to own meaningful tourism related enterprises with the purpose of eliminating poverty in their households and communities. A community's involvement in tourism should naturally lead to its economic empowerment.

The researcher is not oblivious of the fact that the poor are not a homogenous entity. They consist of many diverse groups and will not benefit uniformly from development programmes. The poor are characterised by various dynamics which may advance or hamper community involvement in tourism development. In fact, as Bennett, Roe and Ashley (1999: 25) observed, some of the poor may suffer as a result of development. Some may not be reached by development at all. However, when the poor communities participate in their own development through their own structures, it becomes possible to monitor the impact and spread of tourism benefits.

During the launch of ASGISA in February 2006, South Africa's Deputy President, Phumzile Mlambo-Ngcuka (2005: 5), observed that the tourism industry faces the challenge of using broad-based black economic empowerment more effectively than simply the transfer of equity in order to encourage the industry's transformation. The Broad-Based Black Economic Empowerment Act (South Africa, 2003: 4) lists some of the interventions that may be applied to achieve broad-based black economic empowerment. These include facilitating ownership and management of enterprises and productive assets by communities, workers and cooperatives, and preferential procurement. Thus far national legislation (Broad-Based Black Economic Empowerment Act, 2003) and

policy framework (White Paper on the Development and Promotion of Tourism in South Africa, 1996) support the view that the historically disadvantaged should be involved in and benefit from the tourism industry.

In an interview with Michelle Colman (2003: 43), Colin Bell, Managing Director of Wilderness Safaris, remarks that simply giving tourism-related jobs to people in rural areas is not enough. He believes that the success of conservation efforts depends on creating a sense of ownership, allowing communities to become meaningful stakeholders and creating incentives to encourage them to protect and nurture the environment. Meaningful involvement is the key to sustainability, stronger linkages and successful partnerships in tourism development.

It is common knowledge that tourism growth has the capacity to create immediate employment opportunities, especially for the unskilled. It is discussed in Chapter 3 that the tourism industry is capable of empowering the local people economically through enhancing opportunities for small business development, building of local institutional capacity and skills development, rather than continuing to produce a working class. Tourism's potential for creating jobs is welcomed just as its potential to economically empower the previously neglected communities cannot be disputed.

The meaningful involvement of local communities in tourism planning could lead to a pool of ideas, interests and attitudes and a new dynamism within the tourism industry. It would further lead to the development of policy which is supportive of participatory or collective development planning. This diverse participation could result in more consideration being given to tourism's varied economic, environmental and social impacts (Bramwell and Sharman, 2000: 26). This would benefit strategic development in the industry. The involvement of

the community is likely to assist in the formulation of more appropriate decisions and to increase their motivation. The local community's support for environmental conservation and protection measures is likely to increase. Consequently, everyone, from tourists to owners of tourism related enterprises, will benefit (Tourism Concern, 1992, cited in Hall, 2000: 49).

Varied input through a democratic process of consultation is better than a top-down imposition of views and agendas. Community involvement helps to build on the body of knowledge, insights and capabilities of all the stakeholders. The sharing of ideas among these stakeholders could result in a richer understanding of issues. The process might also lead to more innovative policies, all to the good of the local community. The involvement of communities is more than a mandatory public relations exercise: it is a way of ensuring the sustainability of tourism enterprises and of equipping local people with skills (Colman, 2003: 43).

This study supports the approach that, in using tourism for community development, the emphasis should be on striving to achieve collective community rather than individual benefits. Communities have better prospects for support from government than do individual efforts. The public sector may support community development by investing in infrastructural development and by aligning policy with outcomes. Moreover, communities may already own certain resources such as land which is a resource that can be used for their development. Above all, community projects and involvement have more impact on social development than individual efforts. Although individually-owned businesses may be more profitable and competitive, the benefits are not necessarily widely distributed (Huata, 1997, cited in Jansen van Veuren, 2001: 139).

Involving the community solves some problems but may create others. For example, consideration must be given to how the scope of community involvement will be determined and how power relations (including gender) within the community will be managed. This is because stakeholders within the community are not homogenous. There are dissimilarities and inequalities in the power relations of local communities within the wider society (Bramwell and Sharman, 2000: 27).

In South Africa it is common to have traditional authority structures coexisting with the elected (democratic) structures. However, it can be said that involving local communities meaningfully in tourism development solves more problems than it creates. Although at the outset community involvement may seem costly and time consuming, it is less expensive than conflict resolution and having to repair the damage that may follow the paralysis of exclusive relations within the community. Other than contributing to the sustainability of the tourism industry, a socially inclusive approach helps to spread the benefits of tourism's growth and thereby fight poverty.

2.8   The working definition of *development* in this study

Development refers to a tangible process with tangible outcomes. Many disciplines have their own definition of development. For economists, development is synonymous with economic growth measured in aggregate terms, for example, by determining the per capita Gross National Product (GNP) level of a country (Ferrinho, 1980: 21; Goulet, 1985: xiii). As a result, there will be developed, developing and undeveloped or underdeveloped countries. Rostow's (1960) work clarified economic growth as part of the process of development.

When emphasis is placed on economic growth and even technological advancements, the objective would be wealth creation, higher per capita standard of living, a reduction in poverty and improvement in the quality of life (Dubhashi, 1987: 36). Wealth creation may not necessarily be a bad thing but consideration must be given to the costs that accompany it and which may not be measured in monetary terms. Consider, for example, how colonial subjects were brutalised by the regimes imposed on them by colonial powers and how their raw materials were exploited in the quest for capital accumulation. Marx wrote at length against this viewpoint of development which is basically colonialism (Larrain, 1989: 45).

Another view of development maintains that development equals economic growth, evolution (revolution to the Marxists) and social change. This definition is faulted when not just any kind of growth and social change will do. The kind of growth that is acceptable is that which leads to the overall transformation of societies, resulting in a social order in which every human being has the opportunity to achieve a better life. This definition is very broad as social scientists adapt it to their disciplines and use it to denote various processes in economic, social, cultural and political factors (Mehta, 1984: 5; Goulet, 1985: xiii).

A third and smaller group of development thinkers places emphasis on ethical values: development is equated with qualitative improvement in all societies and groups and even individuals. This group regards development as a means to the human ascent (Goulet, 1985: xiv). The focus on the human element of development is discussed below under the theory of community development practice. This theory of community development practice or principles of community development includes human orientation, participation, empowerment, ownership, release, learning, adaptiveness and simplicity (Swanepoel, 1997: 2; Narayan, 2002: 31).

Following the content and arguments raised in this study, the last definition, which equates development with the improved material quality of the life of poor people, is the one most relevant to this study. The change in the material well-being referred to may further be qualified by adding that it should lead to the empowerment of poor communities. Empowerment is associated with dignity, self-strength, control, own choice, self-power and self-reliant living for the majority of rural people (Mehta, 1984: 18; Narayan, 2002: 13).

If the kind of social change referred to in the second definition, where development is synonymous with economic growth and social change, also leads to dignified, empowered and self-reliant living for the majority of rural people, it may also be acceptable. Community development should build good social values. Concrete freeways and elevated bridges are indications of positive development but of greater importance is the fact that the people who manage or use them should relate to and feel satisfied and empowered by them (Ferrinho, 1980: 21).

Dubhashi (1987: 21) believes that development today is viewed as more than just an economic phenomenon, but one with political and social dimensions. He states that political development is evidenced through the stabilisation and consolidation of participatory political institutions. Where this kind of development takes place, people participate with confidence in the political process and have faith in the institutions of authority which are in turn responsive to their needs. The social development process is evident where there is interracial harmony and protection of minority groups (Dubhashi, 1987: 21).

The researcher believes that economic growth for its own sake is worthless just as phenomenal growth in tourism that does not benefit the poor has been

challenged in this study. Economic growth has not proven beyond doubt that it has the capacity to lead directly to improved standards of living for the poor.

2.9   The theory of community development practice

The achievement of human ascent or even social change requires a philosophy or vision which guides those who work with communities.   This vision or philosophy should form the basis of the belief system of the organisations and their workers who are involved in community development.   The belief system should be inspired by principles that guide community development workers and organisations in managing this development with due consideration for the dynamics within communities associated with community development. Without a belief system, nothing will recommit community development workers and organisations to their work within communities when dynamics threaten their benevolent efforts (Swanepoel, 1997: 2).

There are at least eight principles that should guide community development workers and organisations in their efforts to develop communities. One of these principles is human orientation (Swanepoel (1997: 2).   This principle seeks to maintain the human dignity of the beneficiaries of community development projects and programmes while at the same time providing for their basic needs.

This means that no development programme or project should seek to service the basic needs of poor communities without due regard for their human dignity. In order to enhance human orientation and dignity, it is vital that communities are consulted and involved in the design and implementation of development programmes that seek to benefit them.   In order to achieve buy-in and democratisation of the development process, the approach should be bottom-up (Makumbe, 1996: 13; Monaheng, 2000: 130).

A development project or programme must fulfil the principle of participation (Swanepoel, 1997: 4; Kumar, 2002: 23). This principle has been emphasised throughout the study as meaningful involvement (of local communities in tourism development). The meaningful involvement of local communities creates an invaluable pool of local knowledge which may be tapped for purposes of development (Narayan, 2002: 75).

Meaningful involvement is qualified by certain indicators including representation in decision-making structures of the tourism industry, and (meaningful) service provision through affirmative procurement and partnerships. This means that the community participates in the planning, budget allocation and rule making of a development project (Narayan, 2002: 40). Such participation by local people unlocks their collective knowledge on the socio-ecological system of their neighbourhood (Alamgir, 1989: 5; Treurnicht, 2000: 68).

Swanepoel (1997: 6) and De Beer (2000: 271) emphasise that participation must mean more than just involvement. Through participation, the local communities must feel empowered: participation must translate into power for the poor. Empowerment means more than just the power to make decisions: it includes the knowledge and information to make the right decisions. The right decisions presuppose knowledge of the subject. If local people do not have knowledge and information about the context of the development project, they are unlikely to feel empowered when they participate in it (Swanepoel (1997: 6).

A community development project or programme must lead to the empowerment of participants and beneficiaries. In this regard, Swanepoel (1997: 6), De Beer (2000: 271) and Narayan (2002: 13) are not referring to socio-economic

empowerment of communities but more to their spiritual satisfaction. This stems from their control and self-reliance, making their own choices, living a life of dignity in accordance with their own values and their own decision making as a result of their participation in and ownership of their own development. Empowerment is crucial because it leads to improved quality of life, good governance, pro-poor growth, project effectiveness and improved service delivery (Narayan, 2002: 8).

Community development workers must be guided by the empowerment principle. If their project or programme does not lead to feelings of empowerment on the part of participants and beneficiaries, it is not worth implementing. Such a programme is likely to collapse when it is handed over to the community for maintenance. Empowerment enhances freedom of choice and action in the process of shaping the life of an individual or community (Makumbe, 1996: 15; Narayan, 2002: 8).

A community development project or programme must fulfil the principle of ownership by the intended beneficiaries (Swanepoel, 1997: 7). Ownership in this regard refers to having a say in and control of one's own development, and not ownership of tourism-related enterprises. The mistake that community development workers make is to import projects and ideas from elsewhere without adapting them to local conditions and dynamics. By involving the intended beneficiaries of development projects and programmes through a consultative process and by investing in their skills and knowledge, development workers legitimise the development process and entrench its ownership at community level (Swanepoel, 1997: 7; Narayan, 2002: 3).

A community development project must release the poor from entrapment by poverty (Swanepoel, 1997: 8). It has already been said that the poor are

powerless and not well organised. Sometimes, as Swanepoel (1997: 8) indicates, development is targeted at the 'enterprising part of the community'. When this happens, the poor members of the community remain poor and the 'not-so-poor' benefit.

The principle of release is important because, if kept in mind, it will help the development worker and organisation to guard against directing scarce resources away from the people who need them most. When the correct community group is targeted for development, there are opportunities to achieve more than just poverty relief or improvement in the well-being of that community: empowerment, self-reliance and dignity may also be achieved (Swanepoel, 1997: 8).

The principle of learning is a natural outcome of the efforts by people who continue to strive to fulfil the development needs of communities (Roberts, 1979: 35; Swanepoel, 1997: 9). The development workers and their organisations are subjected to the process of learning, as are the intended beneficiaries. There are no teachers in situations like these. All learn from the realities of the situation and adapt in ways that allow the development process to move forward. If development workers and their organisations approach communities with predetermined positions and not with a view to being enriched by the community's inputs and experiences, it is likely that their development projects and programmes will experience problems with regard to ownership (Swanepoel, 1997: 10; Narayan, 2002: 75).

Even though the development worker may have some idea of how to move from one point to another, it is vital not to impose one's views on the beneficiaries of a development project but to allow oneself to be enriched by their inputs and experiences which are context-specific (Narayan, 2002: 75).

The principle of adaptiveness is closely related to the principle of learning (Swanepoel, 1997: 10). Learning requires one to adapt and to be flexible. To be adaptive, one needs to be careful with inflexible, predetermined planning. Adaptiveness requires a willingness to learn as one goes forward, to encourage experimentation and the chopping and changing of organisational procedures and to anticipate dynamic community relations (Swanepoel, 1997: 11).

Simplicity is a principle of community development that refers to less sophisticated and less complex community development projects (Swanepoel, 1997: 12). In mega development projects, there is limited participation and ownership by local communities. There is also no room to adapt and learn continuously since mega projects require huge resources for their implementation. As a result, their planning and implementation details must be precise. In mega projects, anything less than precision planning and implementation cannot be tolerated. This means that mega projects have the capacity to curtail human orientation, empowerment, ownership and all the other principles of community development discussed above.

Swanepoel (1997: 12) sums it up when he writes that development organisations and the public sector will be well advised not to be blinded by the volume of needs and to overlook the need for simplicity. This is a complex balance for the development organisations to maintain as poverty is glaring and calls for a comprehensive response which, when applied, may fly in the face of the principle of simplicity. Most of the approaches suggested by the researcher in this study, such as community-based tourism enterprises and other tourism-related SMMEs, are simple projects which are in line with the principle of simplicity.

To conclude the discussion on the principles of community development, it must be said that the community development process must be evaluated constantly to determine whether it continues to service the expectations of communities (Roberts, 1979: 35). As Makumbe (1996: 7) observes, it is not uncommon for the bureaucrats and development organisations to evaluate the development process and to keep the results to themselves. This deprives development organisations of feedback from the intended beneficiaries which could enrich the development process.

2.10   Location of Study in Development Theory and Practice

The elements of sustainable tourism development which inform government policy on tourism development in South Africa, especially responsible tourism, are fundamental to this study. Responsible tourism means that local communities, employees, tourists and the environment are all important in the development of tourism (South Africa, 1996: 19).

The principles of sustainable tourism development discussed above under sub-section 2.5.3.1 have been given over-arching attention in this study. In the researcher's mind, sustainable development must be founded upon social development. If the social development motive is removed from sustainable development, any growth that is envisaged will not be sustainable. Sustainable development should be approached not only from the point of view of environmental preservation but also from the point of view of achieving social development.

The elements of the Dependency theory of centre and periphery are relevant and applicable to this study. It is noted in subsequent chapters that poor people require external assistance to develop. They have knowledge of their

surroundings but that alone is not bankable. For ideas to become bankable, knowledge of business management and capital resources are necessary. Knowledge of the interrelationships between the tourism industry and the market is also indispensable. Products that are not consumable are a waste of resources: this may happen if there is no relationship between market and product or between centre and periphery.

The tourism industry must continue to grow but all must share the benefits of this growth, especially the locality which is the destination of tourists. The relationship between centre and periphery must exist within a pro-poor tourism development plan. Without a plan, linkages between centre and periphery with regard to tourism supply and demand will continue to be weak. These could be strengthened through the meaningful involvement of local communities in tourism decision-making structures.

In this study the researcher has called for practical intervention mechanisms to monitor and advance socio-economic development in order to end the poverty that besieges local communities. Modernisation does not advance many of these practical intervention mechanisms. This is partly because modernisation theorists simply elevate the need for the transformation of traditional society to modernisation above everything else. They believe that transformation will culminate in the development of such a society.

Only certain elements of some of the growth stages of Modernisation are discernible in this study. For example, the call for the establishment of a core capitalist sector that is entrepreneurial and which can provide leadership and constitute a driving force behind socio-economic development is highlighted. The researcher questions this qualification of socio-economic development, however, in that it is intended to be driven by a capitalist class. The researcher

does not believe that capitalism is best suited to advance socio-economic development. Capitalism leads to change, transformation or development but is itself not a development strategy but a reflection of the development process.

Besides the flaws of capitalism, the core capitalist sector advanced in Modernisation may be seen as similar to the researcher's support for a development agent and a core group of community members who together can drive the tourism development projects at local level (see sub-section 5.3.3 below). The need for a development agent arises as poor people seldom have the capacity or resources to organise or extricate themselves from poverty. They need outside help which is an element of dependency.

Modernisation's two stages of patterned growth that may be said to be relevant to this study are, first, from an independent household to a household economy, to an urban economy to a national economy and, second, from a village economy to a town or city economy, to a territorial economy, a national economy and a world economy (Coetzee, 1989: 23). In terms of this study, these stages of patterned growth should be seen as a call to strengthen linkages in order to avoid leakages. Through the involvement of the local communities, especially in the decision-making structures of the tourism industry, stronger connections may be established.

The researcher is not interested in tourism only for its own sake, but for its development potential through local economic development. To the researcher's mind, tourism should always be used as a tool to alleviate poverty at local level and to empower local communities economically through meaningful ownership of tourism-related businesses. The researcher attaches greater significance to tourism that leads to economic empowerment of local communities. In Rostow's (1960: 6) words, economic progress is considered good whether for national

dignity, private profit, or the general well-being of people and a better life for the children.

Now and then conferences are held to draw up strategic plans designed to grow the tourism industry. Some of the most common strategies are reflected through marketing when efforts are made to maximise tourist stay and spend. Usually the objective is to keep the tourist service sectors fully operational so that jobs are retained and revenue, especially foreign exchange earnings, is generated. Of course, poor people who supply labour in the industry are considered in the equation in the sense that they will take home meagre wages.

The researcher supports tourism growth that fights poverty and empowers local communities, including economically. The researcher advocates a pro-poor tourism development approach which is community-based. There is no point in quoting statistics on the growth of the tourism industry if these statistics do not translate into meaningful benefits for the poor communities.

Policy on the growth of the tourism industry must seek to address the poverty that afflicts local communities and not merely to stimulate the growth of the industry, which is mostly achieved through public resources for the benefit of a few privileged tourism entrepreneurs. All the principles of community development discussed above should be regarded as vital if the process is to lead to an enhanced sense within the community of self-strength, control, empowerment, dignity and the right to make choices and decisions.

The researcher recognises that the UNWTO looks to tourism as a tool for socio-economic development, not just tourism development for the sake of enriching those who already have an advantage in the industry. The strategies that are reflected in tourism public policy will be futile if they do not seek to empower

the local communities socially and economically. It must be borne in mind that public resources are used to market a country and its regions as tourist destinations. Public resources must not be used to advance the interests of a few already established tourism entrepreneurs at the expense of the poor majority.

2.11   Summary

In the review of literature emphasis has been placed on local publications, particularly journal articles and unpublished strategy papers commissioned by national and provincial government departments. The objective was to discern South Africans' perceptions of the development of their own tourism industry before linking up with international perspectives on community-based tourism development. It was found that there is general consensus among scholars that there are sufficient policy frameworks and appropriate legislation in South Africa to advance the interests of poor people.

The application and monitoring of policy pronouncements to achieve the desired objective of responsible tourism is generally ignored by the authorities. However, the release of the Tourism BEE Charter and the Tourism Scorecard in 2005 has breathed new optimism into the South African tourism industry, specifically with regard to allowing all South Africans to benefit from the industry. The Tourism BEE Charter and Scorecard are discussed in depth in Chapter 3.

The location of this study in development theory is most important. This guides the approach and arguments raised in the study for community-based tourism development, the need for the transformation of the industry, tourism driven-LED and how the tourism industry may be used for the socio-economic empowerment of poor communities in the vicinity of protected areas.

In this regard, the researcher supports Ferrinho (1980: 21) who believes that resources and technology are really indispensable but that they alone are not sufficient for development. They must be adequately integrated in a system of organisations to achieve the desired outcomes.

Both the mega theories of development discussed above namely, modernisation and dependency, are relevant to this study. For example, modernisation is about change. In this study, modernisation is concerned with social change or social reform and how it affects all communities. All communities aspire to change in some way (Edwards and Jones, 1976: 33). They want to increase their economic productivity, diversify their economic activities and occupational roles, increase involvement in a market economy, use more efficient modes of transportation, elevate their levels of and access to political activity, education, information and health facilities. As a result, movement towards change is a permanent feature of all communities (Edwards and Jones, 1976: 33).

In addition, development is not an end in itself but a process that should stimulate social reform. In subsequent chapters, the way community development is envisaged to stimulate social development will be outlined. However, one approach is to implement community development in a way that leaves communities empowered. Various methods of achieving community empowerment, discernible in restored dignity for these communities, have been suggested above; when communities participate, control, are self-reliant and make choices and decisions in a quest for their own empowerment and development.

Local communities lack knowledge of the tourism industry and the required management skills. This was emphasised in the local literature reviewed. The Tourism, Hospitality and Sport Education Training Authority (THETA), the

tourism sector education and training authority, should be encouraged to fast-track the training of previously disadvantaged individuals in order to position them and their communities for meaningful involvement in the industry. Skills development is a key success factor that requires urgent attention, as identified in ASGISA (Mlambo-Ngcuka, 2006: 5).

The researcher believes that a certain level of education is required to become meaningfully involved in tourism. It has been mentioned above that knowledge of other disciplines such as financial and human resource management, anthropology and sociology, economics and politics, is required to operate a tourism enterprise successfully. The tourism development approaches discussed above, namely, responsible tourism and sustainable tourism, have an important role to play in tourism development.

CHAPTER 3

TOURISM AS A TOOL TO STIMULATE LOCAL ECONOMIC DEVELOPMENT

3.1   Introduction

Local economic development (LED) refers to locally inspired efforts that seek to accelerate growth and development and to create opportunities for local communities to be reintegrated into the national economy (Department of Land Affairs, 1997: 35). The Department of Provincial and Local Government states that LED is an outcome of actions and interventions which result from good local governance based on the application of integrated government action at local level (Department of Provincial and Local Government, 2006: 8). Public sector leadership through developmental local government is fundamental to LED planning and implementation. Above all, the private sector has a greater role to play in stimulating local enterprise development and strengthening linkages between local suppliers and outside service providers.

The key features of LED are tapping into the local pool of knowledge and identifying and using local resources to create opportunities for economic growth and employment. LED further seeks to encourage social development through economic growth in a particular area and to diversify the local economic base into sectors other than those that have traditionally existed (Nel and Binns, 2002: 185).

The post-apartheid governments have emphasised the importance of LED planning as a tool for socio-economic development (South Africa, 1998: 17). LED is crucial to the growth of the national economy because, although it occurs

within the framework of national economic policies and plans, it remains the centre of all economic activity (Mufamadi, cited in Department of Provincial and Local Government, 2005: 1). It is vital for visible economic performance and social development because it happens at local level.

The significance of the LED approach is that it increases ownership of development and instils a democratic approach in development through consultation. LED has the potential to empower the local communities directly by keeping the circulation of the local economic development resources within the area. Even when local communities establish external partnerships or linkages, these should still be on the basis of informed decision making.

In 2005 the Department of Provincial and Local Government released its latest policy guidelines for the implementation of LED in South Africa. These guidelines were presented in a document called *Robust and Inclusive Local Economies: Policy Guidelines for Implementing Local Economic Development in South Africa.* The drafting of the guidelines was informed by a number of government strategies and decisions including the electoral mandate of the 2004 elections; the Medium Term Strategic Framework (MTSF); the Cabinet Lekgotla of January 2005; the Micro-Economic Reform Strategy (MERS) and the February 2005 proposal to Cabinet on the harmonisation of municipal Integrated Development Plans (IDPs); Provincial Growth and Development Strategies (PGDSs) and the National Spatial Development Perspective (NSDP) (Department of Provincial and Local Government, 2005: 3).

The *Robust and Inclusive Local Economies: Policy Guidelines for Implementing Local Economic Development in South Africa* (2005) calls for a move away from an approach of supporting isolated projects towards a focussed support of productive networks of enterprises that are linked to broader support initiatives

and markets for the sale of produce. Above all, the guidelines call for the procurement regime of the public sector to be oriented towards supporting the types of enterprises that are linked to broader support initiatives and markets (Department of Provincial and Local Government, 2005: 4).

The policy guidelines recognise that there are many opportunities that remain unexplored owing to a lack of resources, including skills. Many of these opportunities are pursued by only the few people who have the resources. This results in a concentration of economic wealth in the hands of a privileged few. The disparity in the income and resources of the minority compared to the majority is too great. One of the reasons for many communities remaining poor is precisely because they do not have an income that could be spent in their area, thus generating revenue for the municipality which would in turn use this revenue to sustain the infrastructure and service provision needed for LED (Department of Provincial and Local Government, 2005).

This study emphasises that, because they help shape the tourist product, the local communities are a major stakeholder in the tourism industry. The previous paragraph emphasised shared values, norms and beliefs as prerequisites for local economic decision-making and action. The approach taken by the researcher is well located in Institutionalist thinking as discussed in Chapter 2, sub-section 2.5.2. Institutionalism attaches great significance to institutions as agents for the implementation of LED.

The public sector, represented by the Department of Provincial and Local Government in South Africa, implements LED, which is one of the Department's five Key Performance Areas. The other four are Municipal Transformation and Organisational Development, Municipal Financial Viability and Management,

Good Governance and Public Participation and Basic Service Delivery (Department of Provincial and Local Government, 2006: 3).

LED is part of a bigger development strategy on the part of the public sector. Other strategies include ASGISA, National Spatial Development Perspective, the Provincial Growth and Development Strategies and the Regional Industrial Development Strategy which is promoted by South Africa's Department of Trade and Industry (Department of Provincial and Local Government, 2006: 3).

LED should not be about strengthening self-sufficiency at the local level but rather about building networks which may reach as far as the regional, national and even international level. For the researcher, it is imperative that LED leads to economic empowerment. For this to happen, LED must be well conceived and supported through the provision of infrastructural, capital and human resources. Local institutions must be strengthened to enable them to play a supportive role. The supply-demand relationship at local level becomes more practical when tourism is the product to be exchanged. This can be achieved when the needs of the tourist are serviced locally.

3.2   Approaches to stimulate LED

Various approaches can be used in suitable contexts to stimulate LED. These include supporting local initiatives, using local resources, skills and leadership and fostering the creation of local partnerships and consultation. Nevertheless, external factors and other international trends cannot be ignored. LED plans, visions and strategies must take into account the broader development context (Meintsma, 2001: 14).

In terms of South Africa's strategy for LED planning, the greatest attention so far has centred on issues concerning production or manufacturing activities and on questions relating to the retention of business and the attraction of new investment (Agarwal, Ball, Shaw and Williams, 2000, cited in Rogerson, 2002a: 143). In ASGISA, South Africa's latest economic growth plan, tourism is recognised as one of the immediate priority sectors with the potential to contribute 12% to GDP. In this regard, ASGISA identifies key issues in the tourism industry that require attention, such as marketing, safety and skills development (Mlambo-Ngcuka, 2006: 5).

The government obviously understands the importance of safety for the tourists. The local communities in Panorama region ranked safety last on a list of the needs of a tourist. They rated value for money, entertainment and a unique experience as more important than tourist safety (see Graph 1). This suggests that it is vital that education on tourist safety be provided to local communities. However, educating the local communities about tourist safety should not be done in isolation, but should form part of the strategy to involve them meaningfully in the tourism industry.

What is the most important tourist need?

Experience

Entertainment

Value

Safety

0   1   2   3   4

Mean Rating
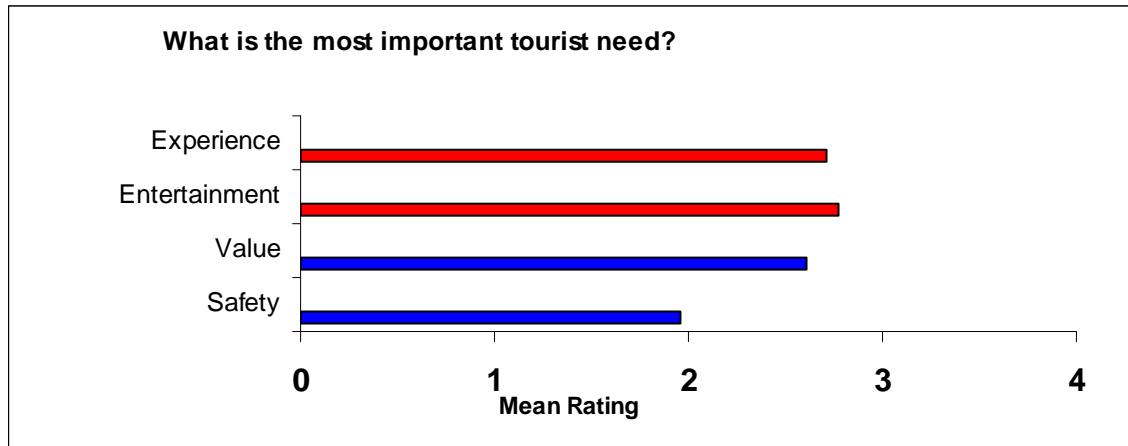
Graph 1   What is the most important tourist need?

Source   Researcher's own statistics

In fact, at the 16th General Assembly of the UNWTO held in Senegal towards the end of 2005, security was raised as one of the concerns the tourism industry faces. If the private and public sectors do not involve the local communities, discrepancies like these, where tourist safety is not considered very important, will continue to exist. The industry may invest resources in highly technical and sophisticated security devices, none of which will bear fruit unless there is meaningful involvement of local communities in the tourism industry.

The public-private partnership holds the greatest prospect for the advancement of tourism-driven LED. Poor people need outside assistance to develop. They do not have capital or other resources such as knowledge and information that are required for investment and they are unable to attract private sector investment into their areas by themselves. Local communities lack the skills and knowledge to produce and market a tourist product or destination (Rogerson, 2002c: 97).

One of the fundamental prerequisites for the successful implementation of LED strategies is a shared understanding among decision-makers and development agents inside and outside government of what amounts to appropriate and effective LED practice. This requires inter-governmental coordination, that is, between government departments (horizontally) and (vertically) through all three spheres of government.

3.3   The prospects for tourism-driven LED

A number of articles appearing in journals over the last few years have commented on the role that tourism could play in LED. They include Rogerson's (2002a) *Tourism and Local Economic Development: The Case of the Highlands Meander*; Rogerson's (2002c) *Tourism-led LED: The South African Experience;* Rogerson's (2002b) *Driving Developmental Tourism in South Africa;* Nel and Binns's (2002) *Place Marketing, Tourism Promotion and Local Economic Development in Post-apartheid South Africa;* Koch's (1998) *SDIs, Tourism-led Growth and the Empowerment of Local Communities.* The Department of Provincial and Local Government has also produced LED frameworks, manuals and strategies.

Another branch of literature addresses tourism-driven development at local level, focussing on specific areas such as skills development. Articles in this regard include Kaplan's (2004) *Skills Development in Tourism: South Africa's Tourism-led Development Strategy*); Rogerson's (2003) *Tourism and Transformation: Small Enterprise Development in South Africa*; Rogerson's (2004) *Transforming the South African Tourism Industry: The Emerging Black-owned Bed and Breakfast Economy;* Goudie, Khan and Kilian's (1999) *Transforming Tourism: Black Economic Empowerment, Heritage and Identity beyond Apartheid;* Marx's (2003) *Tourism Benefits Spread, But Pace is Slow: Tracking Transformation.* More articles have been written on the role of communities in tourism. They include Colman's (2003)

Communities – The Essential Ingredient in the Conservation Pot; Human's (2000) *Bed, Breakfast and Shebeens: How Townships are Trapping Tourists*; McCance-Price, O'Shea and Rust's (2001) *B&Bs Mushroom in Townships*; Marx's (2003) *Township SMMEs want Larger Share of Tourist Dollar*.

LED is implemented neither by national nor provincial government. The local authority has the greatest, but not the exclusive, role to play in the implementation of LED. To implement LED, local communities must be mobilised for developmental action through local structures such as the district or the local economic development agency (LEDA) where they exist. However, progress on implementation hinges on the availability of tourism-related skills in marketing and financial management and capacity.

THETA, the tourism sector education and training authority, will have to accelerate training in order to position individuals and local communities for participation in the tourism-driven LED programmes. The document entitled *Robust and Inclusive Communities: Policy Guidelines for Implementing LED in South Africa* (Department of Provincial and Local Government, 2005: 4) emphasises that LED is not about municipalities financing community projects from their own budgets nor about mayors and councillors running projects, but rather it involves their taking active steps to ensure that the overall economic and social conditions in the local area are conducive to the creation of economic empowerment and employment opportunities.

The availability of infrastructure and policy stimulate economic activity. Public policy helps facilitate the LED process. When local economic activity impacts positively on the socio-economic conditions of local communities, whether through individual or group initiative, credit will be given to the public sector for

creating these favourable conditions. Likewise, if there is no LED activity, blame will be apportioned to the public sector.

3.4 The determinants of community-based tourism development

Community-based tourism is defined as a significant number of local people providing meaningful services to tourists and the tourism industry and also owning meaningful tourism-related enterprises (KwaZulu-Natal, 2000, cited in Rogerson, 2002b: 36). Meaningful involvement and ownership are achievable through partnerships, outsourcing and the purchase of goods and services, such as vegetables and poultry, entertainment, laundry services and security, from the community.

Before the private sector invests in the community, it will have to satisfy itself that such investment will be profitable. The private investor needs to be convinced that communities can consistently abide by the terms of the partnership. It is the researcher's conviction that joint planning and training of local people should precede joint implementation of community-based tourism projects. Consulting and investing in community human resource development builds confidence and trust between the private investor and the community. The public sector's role should continue to be that of facilitation, co-ordination monitoring and evaluation.

Establishing viable community-based tourism development initiatives in rural areas and townships is a major challenge. There are a number of issues that have to be addressed for the successful implementation of these initiatives. One of them is the ability to create a tourist product and to market it successfully. The successful marketing of a tourist product or destination depends on attracting the appropriate number of visitors to satisfy the economic demand of the area's

tourism businesses (Laws, 1995: 104). If tourist products do not have sufficient appeal to tourists, there is an increased chance of resource wastage on projects that end up as 'white elephants'.

A second important determinant for successful tourism development in local communities is the ability of community-based tourism enterprises to offer a product that has an appeal to a wider consumer base. For some tourists, rural tourism may be unattractive because of its remoteness, whereas others might find the prospects of the untamed rural natural environment very appealing (Laws, 1995: 104).

At the moment, the opportunities offered by tourism for the long-term development of communities and for allowing individuals to reach their full potential have not been fully realised (Potts and Harill, 2002: 49). Few studies have assessed the actual socio-economic impact of tourism at the destination level. No study has determined the benefits of tourism's current growth on local communities, despite the fact that it is at community level that the impact of poverty should be measured (Ashley and Elliot, 2003: 2).

In 2002 the North West Province commissioned a study on community-based tourism development. This study was the result of general acknowledgement by stakeholders that community-based tourism initiatives had delivered fewer opportunities and benefits than expected and that more could be done to enhance community-based initiatives, products and programmes in tourism. Reasons for the continued marginalisation of local communities were said to include an unstructured approach to tourism planning, implementation and management of community-based tourism programmes, especially inside and around the protected areas (North West Parks and Tourism Board, 2002: 7).

The central government acknowledges, through the White Paper on the Development and Promotion of Tourism in South Africa, (South Africa, 1996: 6) that more should be done to involve the previously neglected communities meaningfully in the tourism industry. In order to achieve this, more resources will have to be committed to community-based tourism development to translate policies into tangible socio-economic benefits.

In determining the constraints on community-based tourism development, the North West Parks and Tourism Board found that there was no champion of community-based tourism development in its province. Other reasons were the familiar ones of a lack of resources, including human, power politics within and between communities, a lack of initiative in the communities as a result of dependency attitudes and high leakage and a lack of information (North West Parks and Tourism Board, 2002: 7).

The potential for tourism development in the rural areas lies in environmental and community-based tourism. Environmental tourism is a general term for tourism in natural settings in which emphasis is placed on the understanding and conservation of the natural environment (Dowling, 2001: 289). The Panorama region offers breathtaking natural beauty which has made it a world-renowned area for eco-tourists.

The environment is a critical factor in tourism development because it moulds the tourist product. In this context, the environment must be understood to be inextricably linked to concepts of economic, social, cultural and political responsibility (Richards and Hall, 2000: 5). That is, it must be understood in the context of both human and physical attributes. Human attributes refer to *inter alia*, cultures, traditions and lifestyle whereas physical attributes include the atmosphere, micro-organisms, flora and fauna, mountains, rivers and valleys.

Therefore, responsible tourism implies responsibility to the environment through the promotion of balanced and sustainable tourism which also focuses on the development of environmentally based and sound tourism activities (South Africa, 1996: 19).

In order to achieve responsible tourism with regard to caring for the environment, the UNWTO (2002: 20) advances that the planning and management of tourism development be done in a way that does not lead to serious environmental or socio-cultural problems in the tourism area. It emphasises that the natural, historical, cultural and other resources of tourism should be conserved for use in the future while the needs of present society are served.

Husbands and Harrison (1996: 5) note that there is evidence which suggests that even though communities involved in tourism may appreciate the economic benefits brought about by this industry, they worry about the environmental degradation and the undue social disruption that often accompany mass tourism. This concern may be addressed by applying the cautionary approach to tourism development, briefly discussed in Chapter 2, sub-section 2.3. The cautionary approach is significant because it recognises that tourism development may lead to negative impacts on the environment which may finally raise concerns within communities and may even make them hostile to tourism (Pearce and Moscardo, 1999: 35).

In South Africa, the increased demand for tourism development does not supersede the realisation of the need for environmental protection, as has been the case in many other developing countries. Public policy as expounded in the National Environmental Management Act No 107 of 1998 and National Environmental Management: Protected Areas Act No 57 of 2003 has made a

point of providing detailed specific objectives and standards relating to the sustainable use of the environment and protected areas.

The environmental quality standards or objectives which are envisaged must be indicated once a tourism-related business has been established in a particular community. The measurement of environmental performance may be explained by considering its input, internal management and output dimensions. Inputs are, for example, land, capital, raw materials and energy whereas outputs will be emissions or air and noise pollution, environmental degradation, solid waste and erosion of culture (Goodall and Stabler, 2000: 65).

Not only must the supply of materials and energy resources, most of which are likely to emanate from outside the immediate area or region, be acknowledged but also the distribution of services and the transfer of tourists to and from the destination. The approach must involve measuring the impact of inputs and outputs, considering their origin, transit and destination areas (Goodall and Stabler, 2000: 65).

Unplanned tourism development affects the local biosphere, that is, air, land, water and environment, negatively. This impact can even be measured in monetary terms by using the cost-benefit analysis at a point where the inputs and the outputs impact on one another. This cost-benefit analysis may be used for a variety of purposes. In the case of this study it could be used to appraise the merit of projects or policies in order to assist in choosing the most appropriate option: this will be the one in which the long term expected benefits exceed the costs.

It is generally accepted that a place frequented by many people is bound to change over time. The ideal *modus operandi* would be to manage such change in a

way that does not impact negatively on the sustainability of the environment. In some instances, as in measuring atmospheric pollution, environmental quality targets for greenhouse gas reduction may have to be set in order to meet the internationally agreed standards of quality (Goodall and Stabler, 2000: 67).

Hall (1994: 9) contends that instead of giving attention to policy implications on tourism, researchers have concentrated on the notion of environmental degradation because of increased concern about the negative aspects of tourism and the long-term viability of tourist destinations. He feels that the actual measurement of capacity and the subsequent imposition of limits in tourism development and planning are often considered only in hindsight or are rare. However, in South Africa, the National Environmental Management Act, No 107, 1998 has addressed issues pertaining to the management of the environment, including the imposition of severe penalties on transgressors.

In order to prevent the harmful effects of tourism growth on the environment, standards and regulations for environmental and cultural impact assessments and monitoring and auditing of existing and proposed tourism developments should be developed. Area and sector specific research on overall tourism effects is necessary. All stakeholders must be involved in developing environmental awareness programmes. For long-term benefit, government must ensure that the carrying capacity of tourist destinations is kept at sustainable levels and is monitored and adjusted appropriately. This may be challenging for the government to enforce, especially at public tourist destinations where bookings and reservations are not possible, such as public beaches (Nelson, Butler and Wall, 1993: 22).

Whatever the regulation method adopted to minimise the impact on the environment of a tourism-related business or destination, there must be

commitment from all the stakeholders. This should not be difficult to achieve as communities have laws to conserve and preserve the environment. These laws must be invoked to minimise environmental degradation at tourist destinations.

Nelson, Butler and Wall (1993: 22) are correct in saying that knowledge and use of bio-indicators by communities can be a very important complement to government or corporate activities. These can make a positive contribution to improving the general understanding, planning and management of human effects from tourism and other activities on the environment. The environment is our source of life and it must be protected if it is to continue to sustain life.

3.5   Challenges for community-based tourism development

There are a number of factors that may prevent the municipality from providing services to its people. These include the poverty-stricken nature of area of operation, poor capacity which leads to poor planning and governance within the municipality, a low skills level in the area, poor infrastructure, an absence of a manufacturing base and unemployment. The nice-to-haves in each municipality, especially those in poor rural areas, would be LED qualified staff members (also qualified in tourism development), innovative development strategies, land use policies, sufficient by-laws and economic development implementation capacity (Department of Provincial and Local Development, 2006: 10).

Most of the above challenges have been discussed throughout this study. The new addition is poor governance at local level. It was observed in the geographic area of this study that the local district municipality is too big for the few officials and the mayor to cope with. There is very limited economic potential in this municipality other than tourism and timber plantations which are privately

owned. Generally, small municipalities and those with limited economic potential have a greater challenge in providing services and infrastructure to their constituency (Department of Provincial and Local Development, 2006: 18).

Without recognised economic potential, these impoverished municipalities are severely handicapped in attracting investments into their areas, developing policies that support tourism growth and in promoting and marketing tourism and policies to stimulate private sector investment (Charlton and Essex, 1995: 52). Those that cannot generate their own revenue are more handicapped in funding local economic activity. Consequently, they rely on grants from the provincial and national government for their livelihood.

Community-based tourism development is an approach to tourism development that has the potential to benefit local communities directly. It is defined as tourism in which a significant number of local people provide services to tourists and the tourism industry. Community-based tourism development should further offer some benefits to local people who are not directly involved in tourism through, *inter alia*, improved education and infrastructure (KwaZulu-Natal, cited in Rogerson, 2002b: 36).

Tourism-driven LED has the capacity to empower local communities, both socially and economically. Of particular importance is the need to attract new investment into local areas and to reverse past directions taken by the South African tourism industry in which it relied mainly on wildlife as the draw card for foreign tourists. Communities offer other products, for example culture, that may be packaged and consumed by the tourists. These must be recognised and acknowledged when South Africa (and Mpumalanga Province) is marketed as a tourist destination.

It is essential to propagate community-based tourism development because through it opportunities to stimulate the socio-economic development of local communities are increased. It also ensures that communities do not remain simply recipients of tourism-related benefits but are empowered through meaningful involvement. Investment in community-based tourism has the potential for making a marked impact on the poor communities and for reducing the grinding poverty that afflicts them.

The potential of community-based tourism development is clearly captured by Husbands and Harrison (1996: 11). They believe that, when set against the background of persistent worldwide growth in the tourism industry, the combination of globalised markets and production systems, together with heightened environmental awareness and increased interest in community well-being following economic restructuring, tourism is perhaps more crucial to the livelihoods of communities, regions and nations than has ever been the case.

Community-based tourism development is hampered by, *inter alia*, the land policy of the past apartheid regimes and its subsequent population settlement patterns. Access to land is fundamental in any business development. Owning land would allow poor communities to use it in many ways, including for development and as collateral.

Jansen van Veuren (2001: 138) believes that land ownership is probably the most important determinant of local communities' potential for involvement in tourism. Communities can determine how best to use their land for tourism-related development, including game farming which has great opportunities although it requires specialised knowledge of wild animals. Game farming, trophy hunting and the sale of hides all have the potential to generate revenue and empower communities. Other tourist services such as the supply of fresh

produce are also dependent on the availability of land. In the researcher's opinion, the availability of land creates an atmosphere of possibilities.

In cases where the local people have been able to institute successful land claims, this has provided them with a possibility of empowered participation in tourism. The successful land claim by Chief Mogane's community is a shining example. After regaining their land, which included a four-star lodge, a guest house, a cultural village and a lemon and mango farm, Chief Mogane's community planned to use the turnover of about R1, 8 million per year to build clinics and schools within its own community. Unfortunately, a lack of knowledge of farming, the tourism industry and management skills has dashed their hopes for a better life.

In a study on the Highlands Meander, a tourism region of Mpumalanga Province made up of the small towns of Belfast, Dullstroom, Machadodorp, Lydenburg and Waterval-Boven, Rogerson (2002a: 161) discovered that despite the successful tourism promotion of this area, there were limited benefits for the local black communities besides labour supply. He says that the prime beneficiaries of this local tourism-driven economic development process are a set of established white-owned tourism businesses.

One of the reasons Rogerson (2002a:161) highlights this state of affairs is that the local black communities do not have access to land. He states that access to land has the capacity to offer communities the possibility of entry into the tourism industry through the development of community-based tourism projects such as campsites and backpacking. He believes that the question of access to land as a means to entering the tourism economy highlights the importance of the speedy resolution of outstanding claims for land restitution.

Mahony and van Zyl (2002: 85) hold similar views on land ownership by poor rural communities. They say that land is often the only form of economic wealth that rural people have and it is therefore important to create a financial, institutional and regulatory framework that will enable communities to transact with their land in a transparent and equitable manner. The use of communal land for tourism investment could be a key wealth creation element for people in rural areas (Mahony and van Zyl, 2002: 85).

When all is said and done on the involvement of the local communities in the tourism industry, access to land remains one of the most important determinants of whether local communities are positioned for economic empowerment or not. After all, without land they neither have the necessary skills nor the capital resources to break into the tourism industry.

Infrastructure is another important determinant for the involvement of local communities in the tourism industry. At a Tourism Transformation Workshop held in 2001, one of the constraints said to be preventing meaningful involvement of local communities in the tourism industry was a lack of investment in infrastructure in their own areas. The tourism infrastructure of Mpumalanga Province, especially of the Panorama region, is, however, in a relatively good condition.

The construction of the R35 billion Maputo Development Corridor is the most ambitious project in the province since the advent of the new political dispensation. The Corridor includes a new R1.8 billion toll road linking the area to Maputo in Mozambique, telecommunication, a R2 billion gas pipeline from Mozambique and 180 other projects between Witbank and Maputo, all of which are impacting positively on the socio-economic conditions of the local communities (Mpumalanga Tourism Authority, 2002: 1).

The provision of a vital infrastructure of roads, electricity and telecommunication are tourism-related interventions which may be used as vehicles for poverty alleviation in local communities. Infrastructure is crucial both to attracting tourism investment and to enabling investors to tap into potential tourism markets in these areas (Rogerson, 2002b: 41).

Coltman (1989: 80) and Nijkamp (2000: 37) differentiate between infrastructure and suprastructure. According to these authors, the latter comprises amenities such as accommodation, food services, shopping centres, banks, hospitals and entertainment. Infrastructure, on the other hand, refers to roads, telecommunication, water and electricity. It is supplied by government through tax revenues whereas the suprastructure is provided by the private sector. The relevance and importance of both the infrastructure and the suprastructure in this study is that they help shape the tourist product.

Unfortunately, the current situation is such that the historically white areas have benefited from lavish infrastructure provision that stimulated the local area's tourism potential (Jansen van Veuren, 2001: 144) whilst the black communities in both rural areas and townships were deprived of adequate infrastructural development. The post-apartheid governments have intervened through appropriate legislation to ensure that policy formulation and planning for community development are integrated and favourably disposed towards aiding LED and benefiting the poor.

The provision of infrastructure as a means of stimulating investment opportunities in areas of tourism potential should advisedly be pursued along the spatial development initiative (SDI). However, since it is not possible to have a network of SDIs covering every square kilometre of land in South Africa, it

may be preferable for rural development not to implement multi-billion investment projects but rather standard infrastructure.

On the subject of infrastructural development, ASGISA emphasises generation, transmission and distribution of electricity; maintenance of harbours, ports, railways and construction of a petroleum pipeline; airport improvement; water infrastructure; supply of 2010 Soccer World Cup infrastructure; Information Communication Technology (ICT) infrastructure, especially the strategy to grow South Africa's broadband network; implementation of a strategy to reduce the cost of telephones; the completion of a submarine cable project that will provide competitive and reliable international access; and the provision of subsidies to encourage the establishment of call centres as well as labour intensive business in poor areas. Provinces have prioritised their ASGISA projects and local government initiatives are also included in ASGISA (Mlambo-Ngcuka, 2006: 3).

Infrastructural development may be further expanded through the priority areas of tourism infrastructure investment (PATIIs). The PATIIs represent geographical areas which exhibit a high potential for tourism development and which form the base for tourist product development. One of the key factors identified as a prerequisite for tourism development in the PATIIs as a means of bridging the dispersed tourism space economy is infrastructural development.

The few tourism entrepreneurs who come from previously disadvantaged communities have not diversified their products. This has led to a saturation of the market by similar products. Consequently, they end up with neither niche markets nor products that may make them competitive. Although not all rural areas have a destination mix with sufficient drawing power to attract domestic, let alone international visitors (Killion, 2001: 171), the assumption is that local communities always have culture as their main product, as long as it is packaged

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in a consumable way. Cultural tourism includes customs and people, their heritage, history and way of life (South African Tourism, 2002: 41).

The game farming[7] industry has potential if well managed. Ecotourism[8], the socially responsible travel to natural or near-natural areas that promotes conservation, includes game viewing and has a low visitor impact and provides for the beneficially active socio-economic involvement of local people. It ranks among one of the major attractions for foreign tourists to South Africa (South African Tourism, 2002: 41).

Wildlife conservation and utilisation has the potential to support subsistence farming in many rural communities, ensuring food security for their households. In wildlife-based enterprise development, rural communities can sell the wild animals or integrate wildlife-related products (animal hides, meat, wildlife hunting) and markets and create economic linkages with other areas. With the increase in numbers and varieties of their wildlife, opportunities to integrate their areas into existing wilderness safaris will be enhanced.

Middleton (1988, cited in Laws, 1995: 15) suggests the concept of a total tourist product which he defines as the interdependence of many elements in tourist destinations which together form the basis of tourists' experience. The components of the total tourist product may be classified into natural and man-made attractions in an area, including its facilities and services, its ease of

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[7] Van der Merwe completed a Doctoral study at the North West University in 2004 on *Game Farming as Sustainable Ecotourism Attractions.*

[8] Honey (1999) says that ecotourism has seven characteristics: It involves travel to natural destinations; minimises impact; builds environmental awareness; provides direct financial benefits for conservation; provides financial benefits and empowerment for local people; respects local culture and supports human rights and democratic movements.

accessibility and the images which are used to attract tourists. When all these are combined, they produce a tourist product that ensures that linkages are strengthened and that investment and resources do not leak out of the local area.

The tourism industry should take an interest in the development of complementary products and the creation of new market niches. Local communities are well placed to provide complementary products such as guided walks and the performing arts which require less capital investment and are generally less risky (UNWTO, 2002: 41).

Community-based tourism development with its new market niches and products still has to claim its place on itineraries of tour operators and guides. A start to this would be to improve the quality, reliability and competitiveness of local products (UNWTO, 2002: 39). Products should be understood as the complete experience of tourists, including symbolic associations aimed at fulfilling their expectations from the time they leave home to the time they return (Bhatia, 1991: 142; Jefferson, 1991: 4).

Education and partnership between established and emerging local tourism entrepreneurs is essential. It is at local level that the elimination of continued marginalisation of poor local communities in the tourism industry can be accelerated. When local communities and the private sector collaborate in the development of tourism, local economic benefits and ownership are likely to be greater (UNWTO, 2002: 39).

The search for new market niches is advocated by Rogerson (2002b: 41). He was motivated by the current space economy of South Africa. It boasts mainly traditional markets which are dispersed and not user friendly. The most popular tourist destinations in South Africa are the Panorama region and the Kruger

National Park in Mpumalanga Province, and Durban and Cape Town. Gauteng Province offers the infrastructure, such as luxury buses and the convenience of OR Tambo International Airport, to reach these popular traditional markets. But the geographically polarised pattern of tourism development means that the benefits of tourism are currently distributed in a spatially uneven manner with few benefits or opportunities flowing outside the major tourism areas (Rogerson, 2002b: 40).

The current geographically polarised tourism development pattern is unlikely to change. However, the need to disperse tourists from the established tourist destinations into other parts of South Africa may accelerate the development of new tourism investments outside the traditional heartlands, with a bias towards the local communities (Rogerson, 2002b: 40).

There are a number of constraints that have been identified in this study (see Chapter 3, sub-section 3.5 and Chapter 4) as causes of the continued marginalisation of previously neglected areas. The creation of new market niches in other parts of the country is a viable option for preventing such continued neglect. These new market niches must be integrated into the itineraries of the ground handlers and inbound operators as creating mutually beneficial business linkages between the formal and the informal sector is critical for the growth of the tourism industry (UNWTO, 2002: 38).

Attracting tourists to community-based tourism developments should not be difficult as long as the perceptions and mind-sets are right and tourist products are available for consumption. Again, access to international markets does not present a problem to tourism, unlike cash crops or manufactured goods. If the tourist product is good and offers value for money, tourists will consume it.

Tourism is one of the few sectors of the economy which provides the opportunity to consume the product at the point of production. This creates other economic opportunities for local communities at the destination. The challenge, in the case of South Africa, is to expand community-based tourism and to establish mechanisms to encourage tour guides to appreciate it. Their ability to appreciate it is dependent on marketing and the attitude of tour guides.

Tourists are not commodities but human beings with the right to choose where they want to go and what they want to do, as a result, tourism transcends multilateral tariff and non-tariff trade barriers. Tourist supply should not present difficulties as most export industries depend on financial, productive and human capital for their sustainability; tourism depends not only on these but also on natural resources such as wildlife, scenery, beaches and culture (UNWTO, 2002: 33).

More effort must be put into stimulating domestic tourism to prevent the industry from relying solely on foreign tourists. Some considerations could include rebates for domestic tourists. This is already happening at South African National Parks (SANParks) where South African nationals pay much less than foreign tourists. The challenge is to extend this benefit to other tourist attractions, services and facilities.

The great potential tourism has as a stimulant for the increased revenue base of local authorities is dependent upon the visionary marketing of community-based tourist products. The international tourism market is crucial to the continued growth of the South African tourism industry and for foreign exchange earnings. However, the domestic market should also be expanded because its growth will impact on community-based tourism development efforts and ameliorate the industry's seasonality problems.

Another point for consideration is the boosting of the domestic tourism market through subsidy schemes or tax rebates for tour operators. Again, the monitoring of policy pronouncements will prove crucial to the success of any strategy that requires the buy-in of established tour operators.

Local governments should also ensure that micro-enterprises and emerging entrepreneurs, often neglected, are promoted in local tourism marketing initiatives (UNWTO, 2002: 38). The government could consider a policy that encourages visitor attractions, parks, cultural sites and hotels to provide information about local products and services provided by poor local communities (UNWTO, 2002: 38).

As the regulator of the industry, government is in a position to influence community-based tourism development through a policy framework. This is not to suggest that the current democratic government should exert the type of influence that the apartheid governments brought to bear on tourism distribution patterns, determining as it did where tourists could go and what they could do. Rather, incentives such as tax rebates to tour operators who take tourists beyond the traditional markets could be considered.

As a consumer, government could also form partnerships with individuals from the previously neglected communities. The policies of affirmative procurement must be upheld for a while longer until the playing field has been levelled.

It is important that current mind-sets and perceptions be addressed. Previously neglected communities view tourism as something white people engage in (South Africa, 1996: 8). The enormous opportunities presented by tourism development which could impact positively on their socio-economic circumstances are not fully appreciated. Some white tourists, both foreign and

domestic, as well as some established white tour operators view the historically black local areas as unsafe. These are divergent mind-sets and perceptions fuelled by the history of confrontation and suspicion and have their source in the system of apartheid.

Instability, as in civil war or any armed conflict, widespread criminal activities, especially where there seems to be a culture of impunity, violent protests, terrorist actions, blatant disregard for human rights and perceived dangers presented by natural disasters such as floods, all hinder the growth of the tourism industry. South Africa has experienced its share of these ills. They range from apartheid rule's brutal suppression of basic human rights to the national states of emergency which became the hallmark of apartheid rule throughout the 1980s up until the pre-1994 violence in the townships and the countryside of KwaZulu-Natal. The South African tourism industry has also experienced sporadic violent crimes directed at tourists. These crimes are highly publicised in both the local and the foreign media and this naturally harms the image of the industry and of South Africa as a prominent tourist destination.

The few years before and after the watershed elections of 1994 were considered violent enough to dissuade tourists from visiting South Africa – let alone venturing into the townships. Although South Africa's image and ranking as a safe tourist destination has improved since 1994, there are still perceptions that ours is a violent society. There is no need for 'spin-doctoring' on this issue but rather for hard work in addressing the sources of these negative perceptions that potential tourists harbour about South Africa.

When tourists were asked in a survey what their concerns were prior to visiting South Africa, 50, 8% had no concerns. The remaining percentages reflected mainly safety and security concerns, broken down as follows: hijacking (14, 2%);

inadequate security (13, 8%); mugging (9, 2%); violence (2, 6%). Other concerns were diseases such as malaria and Aids, rape and racism (South African Tourism, 2003: 39).

These are mind-sets and perceptions that the South African tourism industry still has to contend with. These attitudes must be managed decisively and responsibly. Violent crime, especially when it involves foreign tourists, severely harms the image of the industry. But if communities do not benefit directly from the tourism industry, they will do very little to protect it.

The rural areas are usually tranquil, and South African townships are currently not afflicted by the general state of crime and lawlessness. Nevertheless, it is possible that some tourists feel an ever present threat of danger when they visit the townships. These are perceived threats that need to be addressed systematically by stakeholders because perceptions, real or unfounded, are influential in the marketing and promotion of tourism.

3.6 International dimension of challenges to community-based tourism development

The researcher wondered whether these challenges were uniquely South African, part of the apartheid legacy, and sought answers from studies with the same theme of community-based tourism development conducted elsewhere in the world. There are many books available, teeming with case studies on the involvement of local communities in tourism development. One of these is *Practising Responsible Tourism: International Case Studies in Tourism Planning, Policy and Development* edited by L.C Harrison and L Husbands (1996). It contains twenty-seven case studies from all over the world. The *Routledge Advanced Series* carries many similar case studies.

The researcher chose a study conducted in Illinois, United States of America, by a group of academics[9] to determine whether the challenges to rural community development are the same around the world. One would imagine that the United States of America, which has been a democracy for much longer than South Africa, would experience a different set of challenges. However, as the reader will see below, the similarity in challenges faced by these two countries is striking.

Whereas South Africa's challenges have their origin in the apartheid system, the American researchers trace theirs to economic restructuring and the farm crisis experienced by their country in the 1970s. Economic restructuring and the farm crisis severely reduced the economic opportunities of rural communities. That was compounded by another wave of farm crises in the 1980s in the Midwest which forced farmers to file for bankruptcy and restructure the ownership regime of their farms. These problems significantly reduced the economic development options of rural communities while at the same time making traditional development strategies obsolete (Wilson, Fesenmaier, Fesenmaier and van Es, 2001: 132).

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[9] Suzan Wilson: Assistant Professor in the Department of Sociology and Anthropology at Gustavas Adolphus College in Saint Peter, Minnesota; Daniel R. Fesenmaier: Professor and Director of the National Laboratory of Tourism and eCommerce in the Department of Leisure Studies at the University of Illinois; Julie Fesenmaier: Senior Research Specialist in the Laboratory of Economic and Community Development at the University of Illinois and John C. van Es: Assistant Dean for Programme Co-ordination at the University of Illinois.

The American researchers used the focus group[10] methodology to obtain their information. The focus groups were composed of communities from various parts of Illinois which were involved in tourism. There were two groups of participants: one group was formed by communities from successful tourism areas whereas the other comprised communities from less successful tourism areas. The focus groups deliberated mainly on how local communities had developed their tourism industry and the reasons for some communities being more successful than others in developing tourism in their areas (Wilson, *et al.,* 2001: 133).

Tourism and its accompanying business opportunities became one of the non-traditional development options implemented in these communities (Luloff, Bridger, Graefe, Saylor, Martin, and Gitelson, 1994, cited in Wilson, *et al.,* 2001: 132). Rural tourism was seen as less costly and easier to implement than other rural economic development strategies such as manufacturing industries (Wilson, *et al.,* 2001: 132), and its multiplier effect has been extensively acknowledged in tourism development literature and in this study. Tourism has the potential to benefit local communities directly through ownership of tourism-related enterprises. It also leads to the creation of job opportunities.

Whereas the required environment for growth and sustainability of tourism in the rural areas, such as attractions, marketing, infrastructure, services and hospitality for tourists, require capital and knowledge resources to develop, the involvement of communities themselves is crucial for sustainable tourism development (Wilson, *et al.,* 2001: 133). The involvement of local communities in

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[10] A focus group is an informal, small-group discussion designed to obtain in-depth qualitative information (Dean, 1994, cited in Wilson, *et al.,* 2001: 133)

tourism development is one of the sub-themes of this study and the American researchers also acknowledge its importance.

The American study shows that the challenges facing community involvement in tourism development are the same anywhere in the world. One of these researchers' findings on challenges facing tourism development in rural areas is the importance of and demand for widespread community support for tourism in their own areas. The involvement of communities is more than a mandatory public relations exercise but rather a way of ensuring the sustainability of tourism enterprises and of equipping local people with life skills (Colman, 2003: 43). Above all, community involvement, support for and a positive attitude towards tourism, including whether the community is hospitable, are important for the sustainability of tourism in local communities.

In South Africa, the level of involvement of local communities in tourism is very low. The role of the local authority is important in stimulating community-based tourism development and tourism-driven LED. The local authority should play a role in marketing the local area to tourists and to the private sector for tourism-related investment. A local authority that is well resourced may be able to commission studies on a variety of issues such as statistical information on the volume of tourists in the locality, creating partnerships with the private sector and tourism promotion and marketing (Charlton and Essex, 1995: 43).

At the time of the American study, the local communities in Illinois were aware of tourism's benefits. Wilson, *et al.* (2001: 136) feel that if communities are involved and appreciate their involvement, their word of mouth and pride in what they have will be the best way to promote local tourism. It must be acknowledged that not all community members will support and value the importance of tourism in their own areas, especially if they do not benefit from it.

An important consideration is that structures are accessible and opportunities available for their involvement, should they wish it.

The American study underscores the importance of both promoting the attractions and services available to tourists and of the knowledge of where aspirant tourism entrepreneurs may receive technical assistance. If the Americans with their high literacy rate regard technical assistance in marketing and drafting of business plans important, South Africa's rural communities will need them even more owing to their low level of literacy. The respondents in the American study emphasise the importance of tourism information and assistance and the need for organised central agencies and councils to provide them with information and technical assistance (Wilson, *et al.* 2001: 136)

A study on the Highlands Meander, a tourism region in Mpumalanga Province, by Rogerson (2002a: 161), states that black local communities lack an appreciation of the importance of the tourism industry. Without in-depth understanding of the great potential offered by tourism, they will not fully appreciate its great potential. Local communities lack information on how they could interlink with the tourism industry. This lack of information on tourism's potential to stimulate local socio-economic development is one of the challenges which requires the combined resources and efforts of both private and public sectors.

In South Africa, local communities lack the necessary training and this prevents them from participating meaningfully in the tourism industry. They do not have the expertise to operate a successful tourism venture (Killion, 2001: 181; Kaplan, 2004:217) and are consequently not in a position to enjoy tourism's socio-economic benefits.

In an interview with Marx (2003a: 17), Matlou responded to a question on the importance of technical and general knowledge of the tourism industry as pre-requisites for successful entrepreneurship by emphasising that those who want to venture into the tourism business require sound business principles in management, marketing and finance. They need to have business plans, to know the market and the resources required and, above all, to be prepared to work hard just like in any other business.

The support and involvement of local government is crucial to local tourism development. According to the participants in the American study, the role of local government should be funding and promotion; creation and maintenance of the infrastructure necessary for tourism such as roads, airports, reliable water and electricity supplies; and zoning and maintenance of the community so that it is clean and appealing to tourists. Stakeholders should also invest in education and occupational support for tourism employees and entrepreneurs (Wilson, *et al.* 2001: 134).

Other examples of local government support for tourism are listed as funding the production of brochures, organising and improving traffic systems, keeping the streets clean and free of potholes and beautifying downtown areas by planting flowers (Wilson, *et al.* 2001: 134). Fortunately, the Panorama region has fairly good roads and fairly clean towns. The only streets that are not tarred are the ones in the villages. Otherwise, road maintenance and tourism signage are visible through towns right into the picturesque mountains. Men weeding the verges at the top of mountain passes are a common sight.

Inadequate funding for tourism development and promotion presents a problem in South Africa and elsewhere (as revealed by the American study). Rural communities are generally trapped by poverty. They do not have the capital

resources to invest in business development. The investors, on the other hand, most of whom are private and from the big cities, are hesitant to invest in rural communities. Between 1995 and 1998 investment in the tourism industry in South Africa amounted to R44.9 billion, split among seven sectors, the main beneficiary being the construction sector (United Nations, 2001: 2).

The above figure may not mean anything until one establishes who was investing and in which geographic area this investment was made. Take for example the building of complexes which received 21% of the R44.9 billion – shopping complexes not owned by black business people and built without black economic empowerment deals do not lead to black economic empowerment. They perpetuate the class divisions among the South African population. Even services (which got 6% and attractions, which received 2%) will not mean anything until one knows where the investment was made.

According to the American study, successful communities are those that provide tourists with packages which persuade them to stay longer and to spend more. Those that have something to offer but do not provide attractive packages continue to receive smaller numbers of tourists (Wilson, *et al.* 2001: 134). The marketing strategy of South African Tourism currently includes promoting the Southern African Development Community (SADC) as a tourist region. Tourists are offered packages to South Africa and the SADC countries and are also encouraged to stay longer and spend more (South African Tourism, 2002: 38).

In South Africa, aspirant tourism entrepreneurs still struggle with packaging the tourist product. This thwarts all prospects of compiling a comprehensive package for tourists because such packages include a variety of products usually provided by more than one tourism entrepreneur.

Packaging the tourist product involves putting it together in a consumable way, considering factors such as the nature of the product, its accessibility, the area's natural beauty, climate, affordability, health considerations, socio-political stability and telecommunication. The overall objective should be to package a tourist product in a way that attracts and attains tourist satisfaction. The satisfaction of tourists has many advantages for local communities in that it leads to more spending, longer stays and repeat visits.

In an interview with Marx (2003a: 18), Matlou notes that packages should be created to include a stay in the townships. He says that the way the country is marketed may spell doom or boon for the emerging tourism entrepreneurs. He emphasises the need to market South Africa as a multicultural country while not discarding the traditional approach of marketing it as a country featuring the Big Five.

The difference between the experiences of the Americans in Illinois and the local communities in Mpumalanga Province is that the Americans are directly empowered by local tourism events whereas in Mpumalanga Province only the established white tourism entrepreneurs benefit. During the World Gold Panning Championship in Pilgrim's Rest, Mpumalanga Province, held in September 2005, mainly white entrepreneurs benefited. Their accommodation was fully utilised as were their transport and restaurants. Local black vendors tried unsuccessfully to sell their crafts, the main activity they do for themselves by themselves, but on the day participants in the Gold Panning Championship bought mainly alcohol and food, not crafts.

The American study emphasises coordination and cooperation between business people and local leadership. It encourages partnerships between the local communities and the public and private sectors. Utilisation of the funds

earmarked for investment in community-based tourism projects requires that all stakeholders work together.

In Chapter 4 of this study a project that remained a 'white elephant' in Chieftain Mohlala's community because of a lack of consultation and cooperation is discussed. The government approved a tender for the construction of a cultural centre. To date, the cultural centre stands empty and unutilised. The participants in the American study emphasise the importance of consultation, proper coordination and cooperation by all stakeholders.

In Mpumalanga Province specifically and South Africa as a whole, the best approach will have to include mentoring of emerging tourism entrepreneurs by those who are established. Unfortunately, South Africa's race relations have not yet matured to a stage where voluntary mentoring is possible. In the researcher's opinion, consideration must be given to providing incentives to mentors. Without such incentives, it is unlikely that any tourism entrepreneur will want to use his or her time in mentoring others.

Strategic planning is vital in preparation for any business venture. Proper planning delivers expected results and avoids wastage of time and capital resources. In South Africa there is no shortage of policy frameworks for the development of communities. The problem is in implementation, monitoring and evaluation of development initiatives.

The participants in the American study perceive cooperation among tourism entrepreneurs as an important factor for successful tourism development (Wilson, *et al.* 2001: 135). This is understandable considering the multi-sectoral nature of the industry. It fosters relations with different types of economic sectors and businesses. The use of a core-group in communities, which

presumably adopts the role of LEDA in South Africa, to make tourism work is, however, an experience that remains remote in the thinking of local communities in the Panorama region.

In Chapter 5 of this study, sub-section 5.3.3, it is stated that the use of development agents or consultants is common in South African tourism development. These development agents are usually attached to an organisation which has profit rather than socio-economic development motives when it invests its resources in poor communities.

Cooperation exists in the rural communities of Illinois and this has allowed them to develop a strong retail base (Wilson, *et al.* 2001: 136). They use their own resources to market their communities as a destination and not a tourist stop-over. Younger tourism entrepreneurs are given mentorship. In Panorama region there is no mentorship of the emerging tourism entrepreneurs. In Visser's (2003) study conducted among mainly (93%) white tourism entrepreneurs, the respondents complained that the black tourism entrepreneurs got preferential treatment over them during government procurement and tender processes, whereas the emerging black tourism entrepreneurs said that government supported established white tourism businesses. This creates the impression that development in South African tourism is beset by racial polarisation.

The American study did not break down the participants according to race. This makes it virtually impossible for one to say that the white majority in Illinois are accommodative of the black minority, unlike in South Africa where the empowered white minority are not receptive to the poor black majority's overtures for cooperation. If this was not the case, many tourism-related partnerships would have been forged between blacks and whites in the Panorama region.

During the American study, the participants from communities with a less successful record in tourism development debated the reasons for success advanced by successful communities. The less successful communities were found to have been unable to develop their businesses or to attract more tourists. Their tourism planning strategy was found to be wanting. Cooperation amongst them and with the local government was also non-existent, as is the case in the Panorama region.

Focus group participants from both successful and less successful communities agreed that funding for tourism development was generally inadequate. In South Africa's local communities, where many households struggle to obtain food and shelter, it makes sense that money for development has to come from outside these communities.

The successful communities in Illinois have convention and visitors' bureaus. These market local tourism, recruit new tourism entrepreneurs and provide them with technical assistance. They coordinate special local tourism events and generally provide leadership for the development of the tourism industry in their area (Gatrell, 1988, cited in Wilson, *et al.* 2001: 136).

The visitors' bureaus are the equivalent of Tourism Information Centres which are found in every town in the Panorama region. American Convention and Visitors' Bureaus are more specialised and are funded to provide technical assistance and to organise special tourism-related promotional events. South African Tourism Information Centres provide only information on where to stay and what to do. Most of them have one person providing information to tourists. From mid-2005 to mid-2006 there were Tourist Monitors all over the Panorama region. They wore uniforms and were clearly identifiable, but through informal conversations with them, the researcher gained the impression

that their level of knowledge on tourism and information on the Panorama region was very low.

There are more similarities than differences between the experiences of the Americans in Illinois and the researcher in the Panorama region. The feedback from local communities reveals that the challenges facing the Americans are prevalent in Panorama and elsewhere in South Africa. The review of local literature shows that the problems of lack of information, skills and training, funding, non-competitive practices, lack of coordination, unprofitable tourism practices, and low levels of public and private sector collaboration are not unique to South Africa but occur even in developed countries.

The few marked differences between the findings of the American study and the South African situation are the issues of access to land and the availability of infrastructure necessary for tourism development. The American study does not highlight these issues as fundamental for tourism development in the rural areas whereas the South African literature teems with these as prerequisites.

This gives one the impression that infrastructural development in Illinois was not effected along class lines, unlike in South Africa where it was implemented along racial lines. It suggests that access to land is not a critical success factor[11] in American tourism development efforts, unlike the situation in South Africa.

[11] a)   J.A. Jonker (2004) conducted a study on *The Strategic Identification and Integration of Critical Success Factors to Achieve International Competitiveness for South Africa as a Tourism Destination.* Some of the objectives that Jonker sought to achieve in his study were to analyse the contemporary literature on critical success factors and to determine possible critical success factors for South Africa, including how these factors could be integrated in development planning.

3.7   Summary

One of the objectives of this study, noted in Chapter 1, sub-section 1.4, is to identify and analyse strategies to harness the potential of tourism as a stimulant for socio-economic development at local level. LED has been identified as a strategy which has the potential to stimulate socio-economic development at local level.

Scholars and commentators created vivid images of the great potential of tourism as a catalyst for local socio-economic development. In order to successfully implement LED strategies, it is imperative to have a shared understanding among decision-makers and development agents inside and outside government with regard to what amounts to appropriate and effective LED practice. There should also be strategic policy harmonisation between government departments and through all three spheres of government (Department of Provincial and Local Government, 2005).

Government policy on local development emphasises that the implementation of LED is not the responsibility of national or provincial government but of local community structures, including the district or the local economic development

b)   The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996) listed nine critical success factors for the South African tourism industry. They are: sustainable environmental management practices; involvement of local communities and previously neglected groups; a safe and stable tourism environment; globally competitive practices by offering quality services and value for money; innovativeness and responsiveness to customer needs; focus on product enhancement and emphasis on diversity; effective tourism training, education and awareness; creative and aggressive marketing and promotion; strong economic linkages with other sectors of the economy; appropriate institutional structures and appropriate supportive infrastructure.

agency. However, progress is hampered by a lack of both capacity and the required tourism skills in marketing and financial management.

In the Panorama region, it was found that the local communities are uncertain about who has a significant role to play in developing tourism in their own areas. The results of the questionnaire scored communities, public sector, private sector and individuals almost equally (see Graph 4).

The American study has helped to ease some of the concerns the researcher has been harbouring. The study shows that the challenges for community development through the development of tourism are the same anywhere in the world. For example, one of the findings of the American study on challenges facing tourism development in the rural areas is the importance of and need for widespread community support for tourism in their own areas. The researcher also found this challenge to be prevalent in the geographic area of this study.

CHAPTER 4

TRANSFORMATION AND THE SOUTH AFRICAN TOURISM INDUSTRY

4.1   Introduction

Transformation has been used as an indicator in the discussion of the impact of tourism growth on communities in the vicinity of protected areas. This indicator is singled out in this chapter owing to the hypothesis that it is because of a lack of transformation that the tourism industry has not benefited all communities in South Africa. Addressing this indicator separately affords the researcher the opportunity of investigating and discussing it in depth. The researcher agrees with Rakolojane (2000: 19) that rural poverty is created by a number of closely related processes that are mainly policy induced. The transformation of the tourism industry is a major policy issue that determines who benefits and in what way.

The theme of the White Paper on the Development and Promotion of Tourism in South Africa is transformation. Transformation includes the meaningful involvement of previously neglected individuals and communities in the tourism industry through the ownership of tourism-related businesses, including transportation services, accommodation, tour guides and the outsourcing to them of certain functions and services such as laundry, supplying of fresh produce and security services by lodges and hotels. It further includes the preferential allocation to them of procurement of goods and services. Encouraging previously neglected individuals and communities to travel more domestically would further stimulate the growth of the tourism industry (South Africa, 1996: 3).

The meaningful transformation of the South African tourism industry must lead to economic empowerment and direct benefit to the previously neglected communities. They should be involved in decision-making structures and in developing meaningful economic linkages with the industry.

Areas that require transformation to enable South Africa's tourism industry to benefit previously disadvantaged communities are ownership and control of the tourism industry, distribution of benefits accruing from tourism growth and local communities' lack of knowledge about the industry. Others such as a more proactive role by the public sector continue to receive attention through various policy frameworks, e. g ASGISA.

4.2   Efforts to transform South Africa's tourism industry

4.2.1   Tourism and black economic empowerment

It is common knowledge, as Goudie, Khan and Kilian (1999: 22) put it, that during apartheid rule few black South Africans could become free moving tourists, tour operators, managers or decision makers in the tourism industry. It cannot be said that today the situation has changed to any significant degree; in the researcher's geographic area, the Panorama region, there was no evidence to suggest that it had. The local communities' involvement in tourism is still limited to labour supply and the sale of crafts from neighbouring countries.

There is an urgent need to reverse past directions followed by the South African tourism industry which were unsustainable and prohibited its expansion. The policies of the past discriminated against the majority of South Africans whilst the industry was hamstrung by over-protectionism, especially from foreign competition (South Africa, 1996: 4). As a result, the potential of the tourism

industry to spawn entrepreneurship, to create new services, to encourage the growth of other sectors of the economy, to empower rural communities, to generate foreign exchange and to create employment, is still to be fully realised.

At a Tourism Transformation Workshop organised by South Africa's Department of Environmental Affairs and Tourism in 2001, the constraints to meaningful participation by local communities in the tourism industry were identified. These included a lack of knowledge of tourism's operational management skills. Training and capacity building for those who come from previously disadvantaged backgrounds are indispensable.

Local communities have neither the skills nor the capacity to compete for the existing tourism market where a white-dominated 'Old Boys Network' has entrenched itself (Department of Environmental Affairs and Tourism, 2001a: 20). Aspirant black tourism entrepreneurs are not united through a vocal forum nor do they pool their resources. This leads to weak linkages with the industry and also renders them generally ineffective in capturing part of the tourism market.

Local communities generally contend with a lack of investment in infrastructure development in their own areas and non-competitive practices within the industry such as networks of established tourism entrepreneurs. Coordination of provincial tourism practices is said to be lacking (Department of Environmental Affairs and Tourism, 2001a: 20).

The transformation of South Africa's tourism industry is crucial, especially when one considers the efforts by the post-apartheid governments to build an egalitarian society and the quest for an equitable redistribution of resources. Transformation also highlights the issue of accessibility of resources to all citizens of South Africa. After all, it was the apartheid ideology which

determined the tourism development patterns through legislation that deliberately advanced the interests of white tour operators at the expense of blacks. Even the tourists were controlled with regard to where they could go and what they could do, depending on their race (Kohler, 1992: 81). These are some of the reasons that make the transformation of South Africa's tourism industry absolutely imperative.

The UNWTO (2002: 14) states that to transform the industry and make it serve the interests of poor communities, governments must lead with visionary strategies, practical policies, regulations and, above all, thoughtful inclusive coordination. Poverty alleviation programmes feature prominently in the governments of the post-apartheid South Africa. There is a strong emphasis in South African development planning upon job creation and enterprise development in support of the country's poor masses.

However, policy formulation is easier to achieve than policy implementation and evaluation. Policy implementation requires resources and mechanisms to monitor and enforce compliance. Developmental local government is one such policy guideline which seeks to find sustainable ways of meeting the social, economic and material needs and thereby improving the quality of life of the previously disadvantaged communities. Despite the determination of the post-apartheid governments to push back the frontiers of poverty through strategic policy interventions, there has not been clarity or any significant progress with regard to using community-based tourism development for local socio-economic development (South Africa, 1998: 17).

The reluctance of stakeholders from the private sector to embrace transformation in South Africa's tourism industry continues to hamper the building of a nation which has equal access to opportunities. Finance, for example, continues to be

more readily available to white tourism entrepreneurs because they are more likely than their black compatriots to have security, equity and the requisite skills (Jansen van Veuren, 2001: 144).

The tourism stakeholders should play a more proactive role in influencing transformation of the industry. The industry cannot be left to regulate itself. Mahony and van Zyl (2002: 83) emphasise this point when they challenge the assumption that even without government intervention the benefits of tourism growth will eventually trickle down to the poor communities. They believe that unless specific measures are put in place to target and assist marginalised or vulnerable community groups, it is unlikely that the economic benefits from tourism growth will filter down to them.

4.2.2 SMME development for local socio-economic development

During apartheid rule, Small, Micro and Medium-sized Enterprise[12] (SMME) development in the tourism industry was not given attention either by government or tourism development analysts. As a result, during apartheid rule, tourism's linkages with economic development were largely overlooked by South African tourism scholars (Rogerson, 2003: 111). Instead, attention was given to the biased interests and economics of the white elite (Baskin, 1995, cited in Rogerson, 2003: 111).

The post-apartheid governments introduced policy frameworks which were aimed at encouraging SMME development. Localised as they are, SMMEs can

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[12] **Small** enterprises consist of 20-50 employees; **very small** enterprises have 5-20 employees; **micro** enterprises have less than 5 employees whereas **medium**-sized enterprises have 50-200 employees (Department of Provincial and Local Government, 2005: 15).

impact directly on socio-economic development. The selling of shares, as happened in the recent acquisition of 53% of Protea Hotels by a black empowerment consortium, is just one way of achieving equity in the tourism industry although this approach is not necessarily broad-based.

Another credible way of achieving equity is the promotion of ownership of small tourism enterprises by local communities. Investment in local communities requires potential investors to break with the past. As Mlambo-Ngcuka (2006) says, investors must fund a project on the basis of its viability and not on the strength of the applicant's collateral.

The post-apartheid governments have created institutions and structures to assist in advancing tourism SMME development in the previously neglected communities. In 1995, government released the White Paper on Small Business which sought to create an environment conducive to small business development. The White Paper on Small Business seeks primarily to facilitate greater income equity, wealth and economic opportunities for all South Africans (South Africa, 1995).

The revamping of apartheid-era institutions and structures and the introduction of new ones is a clear acknowledgement by the post-apartheid governments of the importance they attach to the development of SMMEs. These institutions were created either to fund the development or promotion of SMMEs. A number of them from both the private and the public sectors are discussed below.

The progress to date with regard to tourism-related SMME development could have been better. One of the greatest obstacles to visible transformation and restructuring of the SMME is the unfamiliar and irritatingly long and complex series of procedures and actions confronting financial aid seekers. In general,

problems with regard to accessing finance, information and expertise have been discussed in Chapter 3, sub-section 3.5.

It suffices to say, though, that the tourism industry is still riddled with old perceptions and stereotypes from both black and white local communities and tourism entrepreneurs. This is an indication that transformation in the tourism industry has yet to reach maturity. The Cluster Consortium (1999) attributes the slow pace of entrepreneurship development in the tourism industry to the underdevelopment of its growth engines. Despite suggestions by some analysts (Ashley and Roe, 2002: 4) that South Africa is currently emerging as an innovative leader in developing the practices and applications of pro-poor tourism, the inequalities are still too glaring to declare victory.

4.2.3   Institutional transformation and the restructuring of South Africa's tourism industry

The restructuring in 1997 of the South African Tourism Board (SATOUR), which was created during apartheid to promote and market South Africa, signalled a bold and optimistic new era for tourism in South Africa. Just before its current structure and Growth Strategy became operational, SATOUR was criticised for concentrating on the lucrative international and domestic white markets rather than concerning itself with the involvement of rural and township communities in the tourism industry (Dor, 1995, cited in Goudie, Khan and Kilian, 1999: 23).

The refocusing of the Department of Environmental Affairs and Tourism led to the release of the White Paper on the Development and Promotion of Tourism in South Africa (1996) which has been extensively quoted in this study. The White Paper laid down clear guidelines for the development of South Africa's tourism industry and outlined the challenges. It further identified stakeholders and

outlined their roles and proposed responsible tourism as the hallmark for tourism development in South Africa.

Determining the progress made in the implementation of the White Paper on the Development and Promotion of Tourism in South Africa would require a study of its own. Thus far, though, analysts have remarked that the pace of transformation in South Africa's tourism industry remains unsatisfactory (Marx, 2003a: 16).

4.2.3.1 Legislative framework for tourism development

The White Paper on the Development and Promotion of Tourism in South Africa is the blueprint for tourism development. It identifies tourism as a priority sector for national economic development and acknowledges its potential role in the socio-economic development of South Africa. The narrow and biased approach to tourism development adopted by the apartheid governments has generally curtailed tourism's potential as a catalyst for socio-economic development. In 1996 when the White Paper on the Development and Promotion of Tourism in South Africa was released, the Reconstruction and Development Programme (RDP) of the new government was the beacon for social development, and tourism was seen as a potential contributor.

Unfortunately, the constraints to tourism development in the previously disadvantaged communities are sobering in their magnitude. They require a variety of resources such as skills and capital and an atmosphere conducive to tourism development. The whole tourism landscape must be revolutionised in order to achieve sustainable tourism development.

The White Paper (South Africa, 1996: 52) states that tourism development should be private sector driven whilst government should provide the enabling climate for it to flourish. Government continues to provide an enabling environment through a series of policy frameworks, statements and interventions.

Tourism is earmarked as a tool for the empowerment of previously neglected communities with a bias towards the empowerment of women. This is precisely the objective of this study – to determine the level of involvement of local communities in tourism and the extent to which they are benefiting from the current phenomenal growth of South Africa's tourism industry.

The White Paper on the Development and Promotion of Tourism in South Africa addresses measures and policies to be implemented in various areas in order to stimulate tourism growth. These measures and policies encompass safety and security for tourists; skills acquisition through education and training in order to facilitate employment growth and international competitiveness; creating financing mechanisms for tourism development; creating a climate of political stability, economic growth and profitability; product and infrastructure development; tourism marketing and promotion (South Africa, 1996: 28).

The development of skills as an instrument for the empowerment of previously disadvantaged individuals is crucial. There is a call for previously neglected areas to form part of mainstream tourism economic activity. This implies that products must be developed in local communities and strategies for the empowerment of individual community members must be implemented. As Kaplan (2004: 222) observes, without appropriate knowledge and skills among local community members, efforts aimed at their empowerment are severely hampered.

The release of the Skills Development Act (1998) was aimed at implementing a new skills development strategy for South Africa. Even non-formal training would be graded according to the SAQA Act (1995). This is done through SAQA's National Qualifications Framework (NQF). As per the National Skills Development Strategy (NSDS), projects receive funding from the National Skills Fund (NSF). Each economic sector has established a SETA which is expected to promote both formal and informal training.

According to Kaplan (2004: 223), coordination between those who are responsible for tourism planning with those responsible for education and skills development planning is crucial. Currently there is an acute skills shortage, especially among previously disadvantaged communities, prohibiting them from even becoming recipients of government's affirmative procurement, let alone allowing equal partnership with the private sector.

4.2.3.2 Transformation of the regulatory framework

The Tourism Black Economic Empowerment (BEE) Charter

A regulatory framework in the form of national policy is crucial in guiding the development and transformation of the tourism industry. Government has a responsibility to provide the enabling framework for the industry to flourish (South Africa, 1996: 23). To this end, the government has established policy frameworks and other institutional support structures, including Khula Enterprise Finance and THETA, but unfortunately the industry has had little direct impact on previously disadvantaged communities.

The signing in July 2005 of the Tourism BEE Charter and the Tourism Scorecard by Marthinus van Schalkwyk, the new Minister of Environmental Affairs and

Tourism, and Thabiso Tlelai, Chairperson of the Tourism Business Council of South Africa (TBCSA), is a significant milestone in the pursuit for meaningful involvement of previously neglected individuals and communities in South Africa's tourism industry.

The Tourism BEE Charter is a series of commitments to be voluntarily implemented by the stakeholders in South Africa's tourism industry, with the express purpose of transforming the industry into one that can truly be said to be representative of all South Africans. It is a framework of guiding principles for the implementation of BEE in the tourism industry. The over-arching objective is to transform the tourism industry in a way that will lead to the involvement and benefit of black South Africans (Department of Environmental Affairs and Tourism & Tourism Business Council of South Africa, 2005: 5).

The two challenges identified in the Tourism BEE Charter are making South Africa globally competitive and involving black people in the tourism industry. The stakeholders recognise that these two challenges are interlinked and must be addressed to sustain the continued growth of the tourism industry. Above all, the Charter is an effort to empower previously neglected communities and individuals by providing them with opportunities to own meaningful tourism-related enterprises and to transform South Africa's tourism industry in such a way that it benefits and represents all South Africans (Department of Environmental Affairs and Tourism & Tourism Business Council of South Africa, 2005: 3).

The specific areas targeted for transformation and empowerment by the Tourism BEE Charter are: ownership; strategic representation; employment equity; skills development; preferential procurement; enterprise development; social development and industry specific indicators set out in the Tourism Scorecard.

The Tourism BEE Charter and Scorecard came amidst appeals by commentators to stakeholders in the tourism industry to change the nature of the South African tourism industry from one that is predominantly white-owned to one that is increasingly owned equitably by the majority of South Africans (Rogerson, 2002b: 36).

The Tourism Scorecard

The Tourism Scorecard measures three core elements of BEE. The first of these is the direct empowerment of the previously neglected communities through ownership and control of enterprises and assets. The indicators for this on the Scorecard are ownership and strategic representation. Ownership alone, which is a percentage share of economic benefits as reflected through direct shareholding by black people, accounts for 15% for the first five years ending on 31 December 2009 and 20% for the second five years ending on 31 December 2014 (Department of Environmental Affairs and Tourism & Tourism Business Council of South Africa, 2005: 6).

The second core element of BEE indicated on the Scorecard is human resource development which is represented by employment equity and skills development indicators. Employment equity is weighted at 14% for the first five years ending on 31 December 2009 and 12% for the second five years ending on 31 December 2014. Skills development is weighted at 20% for the first five years ending on 31 December 2009 and 18% for the second five years ending on 31 December 2014 (Department of Environmental Affairs and Tourism & Tourism Business Council of South Africa, 2005: 7).

The last core element is indirect empowerment through preferential procurement and enterprise development. This core element is represented on the Scorecard

by preferential procurement which accounts for 15% for the first five years ending on 31 December 2009 and 18% for the second five years ending on 31 December 2014; enterprise development has been weighted at 14% for the first five years ending on 31 December 2009 and 10% for the second five years ending on 31 December 2014. Social development has been weighted at 8% for the first five years ending on 31 December 2009 and 10% for the second five years ending on 31 December 2014 (Department of Environmental Affairs and Tourism & Tourism Business Council of South Africa, 2005: 8).

There was an apparent sense of urgency to assess the first five years of the Scorecard six months before the start of the 2010 Soccer World Cup in South Africa, which is 31 December 2009. The assessment of the first five years of the Scorecard will concentrate on human factors as indicators for the transformation of South Africa's tourism industry and the empowerment of previously neglected individuals and communities. The human factors on the Scorecard are strategic representation, employment equity, skills development and enterprise development, which collectively add up to 62% of the Scorecard (Department of Environmental Affairs and Tourism & Tourism Business Council of South Africa, 2005: 5).

A start to transforming South Africa's tourism industry has been made through the launch of the Tourism BEE Charter and Scorecard. The challenge to the industry will undoubtedly be in the achievement of the various targets. This achievement is dependent not only on the apparent backing of the Tourism BEE Charter and Scorecard by stakeholders but by sincerely putting muscle to machine. To avoid the Tourism BEE Charter and Scorecard from ruining small tourism enterprises such as bed and breakfast establishments, enterprises with an annual turnover of less than R5 million have been exempt from the ownership

targets (Department of Environmental Affairs and Tourism & Tourism Business Council of South Africa, 2005: 6).

The Tourism BEE Charter has not proposed punitive measures but rather a system of rewards for tourism enterprises that achieve the targets. This smacks of blind faith. In a country like South Africa where white tourism entrepreneurs have amassed high levels of skills over the years, mentoring of emerging tourism entrepreneurs from disadvantaged backgrounds was expected to happen voluntarily. Unfortunately, to date this has not been the case.

A viable option would be the creation of a credible watchdog institution to coordinate the implementation of the principles of the Tourism BEE Charter and Scorecard. Without stiffer measures such as blacklisting of enterprises that repeatedly fail to achieve the targets and more persuasive measures than rewards, this noble idea may be turned into a farce by conservative, firmly established tourism entrepreneurs. It remains to be seen whether the Tourism Charter Council, which was announced by Minister van Schalkwyk on the occasion of the Fourth Annual National Tourism Conference at Sun City in North West Province on 6 October 2005, will adopt more persuasive measures for tourism enterprises to achieve these targets.

4.3   Areas identified by this study for accelerated transformation

4.3.1   Ownership and control of the South African tourism industry

The ownership patterns of the South African tourism industry still reflect the apartheid era and its orientations and values. Transformation is imperative in addressing the current image of this industry which is seen to be lily white in terms of the structure of ownership and style of orientation (Rogerson, 2002b:

36). Meaningful ownership and participation in the industry is overwhelmingly skewed towards white interests and perspectives (Zondi, 2000, cited in Jansen van Veuren, 2001: 137).

Transformation was the key word in post-apartheid South African policy formulation. It referred to the transformation of all aspects of South African life including sport, economy, politics, society, health, justice and education. Tourism is yet another economic sector where the apartheid ideology has caused fundamental structural problems. These problems are related to, *inter alia*, ownership and control of the tourism industry as well as the distribution of benefits.

In an interview with Marx (2003a: 16), Matlou says transformation in tourism means seeing a more representative group of South Africans running, owning and managing tourism enterprises. He says transformation means in addition that communities should benefit from the many tourist attractions which exist in their areas. Matlou appreciates that the tourism industry creates employment opportunities for the locals. He does, however, emphasise that local communities should also benefit from the procurement regime for the provision of services and products (Marx, 2003a: 16).

These hallmarks of transformation are currently rarely evident. That is, the level of meaningful ownership of tourism-related enterprises by local communities and individuals from previously disadvantaged backgrounds is still very low. In the geographic area of this study, the Panorama region, there are two tourism-related enterprises owned by communities and two owned by people from previously disadvantaged backgrounds. In fact, Chief Steven Mogane's community inherited the tourism-related enterprises, a guest house (Tembi) and a lodge (Sunbird), when they regained their land.

Generally and traditionally, the involvement of local communities in the tourism industry has been limited to the supply of labour and the sale of crafts at tourist sites and along the roadside. The mind-set of local communities also hampers their meaningful involvement as they do not think of tourism as an opportunity they could exploit to empower themselves economically. They are content merely to supply labour and to sell crafts to tourists. Of course, the researcher understands that the mind-set is the result of many decades of apartheid rule which deprived them of full information and knowledge of the possibilities offered by the tourism industry.

When the local communities in the Panorama region were asked to rank how they benefited from being close to a major national asset, the Kruger National Park, the highest number of respondents, 32, 4%, said that they benefited by selling their arts and crafts to the tourists. The least number of respondents, 14, 2%, felt that there was little benefit from being close to major tourist attractions such as the Kruger National Park and the Blyde River Canyon Nature Reserve (see Table 2).

	Items	Frequency	Percent	Valid %	Cumulative %
Valid	Tourists buy arts and crafts from us	66	32.0	32.4	32.4
	Provides employment at lodges and hotels	51	24.8	25.0	57.4
	Provides business opportunities	58	28.2	28.4	85.8
	There is little benefit	29	14.1	14.2	100.0
	Total	204	99.0	100.0	
Missing	System	2	1.0		
Total		**206**	**100.0**		

Table 2   How do attractions like the Kruger National Park benefit your community?

Source   Researcher's own statistics

The second highest number of respondents, 28, 2%, said that these tourist attractions provided them with business opportunities. However, when one looks at the number of local community members who own a tourism-related business in the Panorama region, one counts only two families and two communities. There is no meaningful ownership or linkage with the tourism industry and yet people seem content to sell crafts and work in lodges and hotels.

Selling crafts and working in lodges and hotels are low-paying economic activities which may never lead to economic empowerment. As Matlou remarks in an interview with Marx (2003a: 16), the involvement and benefit of local communities would make both them and the tourists appreciate South Africa's different cultures and that would contribute towards nation building.

Poor local communities cannot continue to have only peripheral and trivial linkages with the tourism industry. The Broad-Based Black Economic Empowerment Act[13] has, as one of its objectives, the empowerment of rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills (South Africa, 2003: 4).

It cannot be expected that black economic empowerment will be realised through street vending and labour supply. Ownership of tourism-related businesses, shareholding, outsourcing, affirmative procurement and social responsibility programmes by the industry, not low-paying menial jobs, have the potential to lead to meaningful economic empowerment. Unfortunately, the current slow pace of transformation in the industry hampers the meaningful involvement of local communities and is stalling all prospects of poor communities benefiting directly from the growth of South Africa's tourism industry.

4.3.2   The distribution of tourism growth benefits

With its current structural formations the tourism industry is not poised to make any meaningful impact in addressing the socio-economic imbalances of the past. Those who continue to benefit from the booming tourism industry are the

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[13] Broad-Based Black Economic Empowerment refers to the economic empowerment of all black people (African, Indian and Coloured South African citizens) including women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies that include: Increasing the number of black people who manage, own and control enterprises and productive assets; facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises; human resource and skills development; achieving equitable representation in all occupational categories and levels in the workforce; preferential procurement and investment in enterprises that are owned or managed by black people.

established hotel chains and transport companies which are based outside the tourist destination areas. The trickle down to the local communities remains negligible because of the continued marginalisation and high levels of leakage. The income generated by tourism in these areas goes to pay for goods and services that come from elsewhere (Killion, 2001: 171).

The continuing negative attitudes of local communities towards the national and private parks reflect their frustration at their continued marginalisation. It is possible to enhance local tolerance of tourist activities if opportunities are created for locals to become involved in tourism as entrepreneurs and not merely as employees in the hospitality sector (Department of Land Affairs, 1997: 40).

As Rogerson (2002a: 146) observes, the support structures for incorporating local communities into the tourism industry are virtually nonexistent. The prospects of using tourism development to stimulate LED will be enhanced when South Africa's tourism growth strategy moves beyond the traditional markets of national parks and protected areas into developing and marketing the cultural tourism which community-based tourism can provide.

Among many strategies that emerged at the Strategic Tourism Security Workshop held in November 1995, involving the local communities in the tourism industry for local economic development was the absolute imperative identified by participants. In South Africa, the involvement of local communities in tourism development, especially rural communities, is pitched at the level of selling crafts at the roadside and working in lodges and hotels owned by established white entrepreneurs. The involvement of local communities must be aimed at empowering them economically rather than making them perpetual suppliers of labour.

The tourism industry's stakeholders must play a proactive role in influencing the transformation of the industry. Some of these major stakeholders are THETA; the Federated Hospitality Association of South Africa (FEDHASA) which monitors amendments to existing legislation with a view to determining the impact; the community-based organisations (CBOs); the private sector; the Tourism Business Council of South Africa (TBCSA); and the Business Trust which concentrates on job creation and human capacity development.

The tourism industry cannot be left to determine its own direction indefinitely nor can poor local communities be expected to be competitive without strategic intervention by the public and private sectors. Strategic intervention is imperative if poor communities are to create niche markets and products. FEDHASA should campaign vigorously for community-based tourism development. Policy framework on community-based tourism development and the monitoring and evaluation of the impact of tourism policy may contribute towards sensitising the tourism industry to its social development responsibility.

4.3.3   Development of skills and entrepreneurship culture in local communities

The Tourism, Hospitality and Sport Education and Training Authority (THETA) was created to oversee the implementation of the tourism sector's skills development plan. THETA is funded by a private sector levy which is redeemable by the same private institution through the funding of a South African Qualifications Authority (SAQA) accredited training programme.
Kaplan (2004: 223) raises pertinent questions with regard to skills development in the tourism industry. She wonders whether the National Skills Development System is sufficiently geared towards skills development for this industry and whether there is coordination between national skills development programmes

and the skills needs of the tourism industry. These questions will be addressed below when the roles of the public and private sectors are discussed.

The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 9) identifies inadequate education, training and awareness of opportunities as perhaps the greatest deficiencies in the tourism industry. Kaplan (2004: 217) outlines the case for skills development and says that a lack of productive skills is identified as one factor that prevents access to the economy by the majority of South Africans. She says it leads to leakage of revenue as a result of the importation of skills.

Kaplan (2004: 222) adds that from a transformation point of view, there are severe problems in the demographic make-up of the current labour force in South Africa. The odd jobs of gardening, general cleaning, preparation of beds and food are done by black people, particularly women. The managerial positions are still occupied by white males. This flies in the face of transformation. Any approach to the fundamental transformation of the tourism industry must aim to open up black economic empowerment opportunities and develop new tourist products in the previously disadvantaged areas. This is the same point that has been emphasised above by Rogerson (2002b: 40) and the UNWTO (2002: 38).

Coltman (1989: 146) observes that one problem that often surfaces in tourism planning is that local residents are unaware of the economic benefits tourism development can bring to their community. He is corroborated by Rogerson (2002a: 161), who mentions, following his study on the Highlands Meander, that one of the reasons for the local black communities not being meaningfully involved in the booming tourism in the towns in their vicinity, besides supplying labour, is that they lack appreciation, knowledge as well as an understanding of

the tourism industry and of the industry's potential to stimulate their socio-economic development.

The tourism industry is multi-sectoral and multi-disciplinary. Formal education in the operation and dynamism of related industries is necessary as is formal education in, for example, sociology, ecology and geography. It cannot be said that the labour intensive nature of the tourism industry makes it suitable for any person regardless of their understanding of economics, consumer behaviour, marketing, (financial) management and international tourism trends. In order to put all the pieces together and formulate a strategy to operate a tourism-related enterprise successfully some education or training is required.

Financial management and marketing are specialised skills that require a particular level of education. If local communities are left to acquire these skills and enter the tourism industry on their own, their competitive level will remain low, as is currently the case. In an interview with Marx (2003a: 17), Matlou acknowledges the need for training. He says that with the provision of training and exposure, coupled with opportunities and mentoring, there is no reason why the South African tourism industry cannot be representative.

The need for training in the context of South Africa's community-based tourism development manifests itself in a number of ways. One way is training and education in responsible tourism which implies that the tourism industry should never ignore its responsibility to conserve and preserve the environment in its promotion and marketing of tourist destinations. Above all, responsible tourism means the involvement of local communities in the development of tourism in their areas in such a way that sustainability of cultural and environmental heritage is promoted. Another important element of responsible tourism is taking good care of tourists (South Africa, 1996: 19).

Simply put, responsible tourism encourages a win-win situation for all who are involved in tourism, namely government, the private sector, local communities, tourists, employers and employees. The effects of not adhering to the principles of responsible tourism include the harmful exploitation of local communities and their culture, environmental degradation and the loss of earnings by all who should benefit from eco-tourism, including both employer and employee, as the tourist product loses its appeal.

Training in hard business and marketing skills is also required (Jansen van Veuren, 2001:138). Tourism business management and practices are skills that the local communities do not possess. This is a historical factor which hampers efforts at creating tourism business opportunities for these communities. In this case, it would be prudent for those who benefit from tourism growth to begin to put their money where their mouths are, that is, in the local communities.

Another way to involve local communities is through general training in the hospitality sector of the tourism industry. In this case, the local communities are highly disadvantaged and the job of levelling the playing field and making things more equitable is paramount. There is a general requirement for community-wide tourism awareness programmes as well as an urgent need for a wide range of basic skills among persons who are the first line of contact with the customer. This kind of training, which is developmental, is a requirement of the South African labour law.

4.3.4   Access to resources by local communities

To stimulate and enable local communities to gain access to resources such as capital, skills and information, the public-private partnership must be redefined and strengthened. Below is a discussion of what the public and private sectors

have been able to do to transform the tourism industry. From the discussion below, it is clear that a lot of work remains to be done in transforming the South African tourism landscape.

4.3.4.1 The role of the public sector

The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 48) identifies the role of government in tourism development as one of facilitation and coordination. This could be effected through promoting tourism as a national priority sector and allocating appropriate financial resources for its development. The government is expected to establish and provide an appropriate climate for private sector investment in tourism and to put measures in place for the supply of the required skills and infrastructure.

The government has a further responsibility with regard to coordination, planning and policy making. Policy pronouncements on tourism development have been made. All the major annual gatherings of stakeholders in the tourism industry, such as the Tourism Indaba, may be credited to the proactive role of the government through the Department of Environmental Affairs and Tourism and South African Tourism.

Government has an obligation to regulate and monitor the tourism industry as well as to promote development by establishing mechanisms to monitor standards and services and to promote the involvement of local communities. Above all, government has provided a legislative framework for the growth of the industry, including promoting responsible tourism (South Africa, 1996: 49). The performance of the public sector in stimulating the continued growth of South Africa's tourism industry is briefly discussed below.

The public sector has taken steps to provide support for people who want to establish tourism-related businesses. During interactions with community members in the Panorama region, it became clear that they were unaware that they could get financial assistance from institutions other than the commercial banks. Even the 'enlightened' members of the community had never heard of Khula Enterprise Finance, Tourism Enterprise Programme, Poverty Relief Programme, Industrial Development Corporation, International Tourism Marketing Aid Scheme, or the Small Medium Enterprise Development Programme. A few knew about the Development Bank of Southern Africa although they did not know how it works. There is a general lack of information on services available to those wishing to establish tourism-related enterprises.

In 2004 the Department of Environmental Affairs and Tourism, in partnership with the TBCSA, the Tourism Enterprise Programme (TEP) and the Amalgamated Banks of South Africa (ABSA), released an information booklet entitled *How to Start and Grow your Tourism Business*. This booklet provides information on how to start a tourism business, including where to obtain funding. The department and its publishing partners intend making the booklet available in other languages. The booklet would be a useful contribution if the Department of Environmental Affairs and Tourism is able to deal with the logistics of its wide distribution.

The owner and Managing Director of the well known Mthunzi Lodge in Hazyview, Sibuyi (Interview, 14 October 2005), says that the process of applying for financial assistance from institutions is very laborious and could discourage those who lack determination. He says, for example, that to put together an acceptable business plan usually requires expert assistance, which is costly.

The public sector needs to increase its spending on tourism businesses owned by previously disadvantaged people. This could be done by utilising their accommodation, conferencing, catering and travel facilities. Sibuyi confirms that his big bookings came from the provincial government of Mpumalanga. However, this was after he had approached them to plead for their support. His feeling is that government could do much more to support emerging black tourism entrepreneurs.

These sentiments are shared by Mdluli, General Manager of Phumulani Lodge (Interview, 17 October 2005), who feels that government has reservations about using community-based facilities owned by black people. It is not the policy of government to further marginalise the previously disadvantaged individuals, however. Again, government departments often have large groups and since Phumulani Lodge has only 17 chalets, they find it too small for their events. He feels that government officials lack knowledge of how to stimulate BEE because they continue to take business to established white-owned enterprises that have an adequate cash flow.

One of the service providers available in the public sector to assist in the development or expansion of tourism-related businesses is Khula Enterprise Finance. This is an initiative of the Department of Trade and Industry. It was established to facilitate access to finance by people who have not had the opportunity to accumulate sufficient wealth to provide collateral security when trying to obtain conventional loans. It provides a Credit Guarantee to participating banks on behalf of the applicant which then acts as collateral for 80% of the total amount. Those who qualify for the Khula Credit Guarantee scheme are assisted in drawing up their business plans and, once the business is established, they receive mentorship aftercare. The Credit Guarantee is available to both new and existing businesses wishing to expand (www.khula.org.za).

The Poverty Relief Programme is a government initiative to alleviate poverty. Some of the funds are set aside to support community-based tourism projects. The Poverty Relief Programme is aimed at creating jobs through the development of tourism and at developing new products in tourism, to provide training and capacity building and further to ensure that projects have long-term sustainability. Priority is given to certain areas and particular types of tourism projects. This is the programme that was used by the Mdluli community in building their four-star Phumulani Lodge (www.environment.gov.za)

The Small Medium Enterprise Development Programme (SMEDP) is an initiative of the Department of Trade and Industry. It offers cash grant incentives to tourism-related businesses, which may be either new or existing ones undergoing expansion. Businesses that qualify get a tax-free cash grant for two years based on the value of their qualifying investment. SMEDP further offers an additional cash grant to enterprises for the third year, provided the ratio of the payroll, expressed in terms of operational cost, is a minimum of 30%. SMEDP assists businesses mainly in accommodation and/or tourism transport and businesses that have private railways, aerial cableways, water transportation vehicles, or tour operators who solely serve tourists (www.capegateway.gov.za/eng).

4.3.4.2 The role of the private sector

The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 23) states that tourism development should be private sector driven. The UNWTO (2000: 13) also views the private sector as an important partner in helping to improve the attractiveness of a destination, marketing efficiency, productivity and the overall management of the tourism industry.

The state's resources are limited: the private sector must play a role in involving local communities in tourism development.

However, the role of the private sector in advancing community involvement must take place within a regulated environment and fixed parameters. The preoccupation of the private sector is not social development but rather profit making: a well regulated environment is essential as in the private sector's pursuit of its objectives, the environment may be sacrificed. The private sector, though, has specific competencies which are indispensable for the growth of the tourism industry. The creation of partnerships and capital investment in communities are just two of the private sector's competencies.

As indicated above (sub-section 4.3.4.1), local communities do not have information on accessing finance in order to take advantage of the business opportunities provided by the tourism industry. In his study on the Highlands Meander, Rogerson (2002a: 162) identified numerous critical issues that require urgent attention in order to involve the previously disadvantaged communities meaningfully in the tourism industry. One of these is capital.

The private sector is reluctant to invest in tourism development, especially in the historically black areas. According to Mahony and van Zyl (2002: 85), this reluctance may be attributed to:

> the complexities and uncertainties associated with land ownership,
> poor infrastructure support, limitations of the tourism market, and a
> largely risk-averse financial community.

Financial institutions regard tourism as a high-risk business (Du Toit, 2000: 77). They see it as a volatile industry which may be affected by factors beyond

anyone's direct control such as floods, crime, the outbreak of diseases, a bomb going off thousands of kilometres away, and even oil spillages. The reluctance of the private sector to invest in tourism is particularly obvious in the rural areas as these are perceived as being out of the way (Du Toit, 2000: 77).

Private investors may advance all the excuses they like for not assisting the local communities to enter the tourism industry. The public sector however, can make no such excuses as it has a mandate and an obligation to social development.

Small-scale tourism development is preferable to consortium-driven grand tourism development because of the negligible disruption to the environment. It also empowers local communities directly. This creates a sustainable tourist product as locals are often best placed to meet the demand for the tourist's search for idyllic places (Kamsma and Bras, 2000: 170).

Big commercial investors often lack compassion for local communities and an affinity for tourists which they make up for by investing heavily in luxurious and comfortable star-rated hotels which then overcharge guests. Massive private sector investment in the tourism industry perpetuates the *status quo* of leakages and few linkages with the local communities. For instance, the revenue generated from the local area will still be invested outside the area. This leads to low multiplier and minor spread effects outside the tourism enclaves.

The rich investors in tourism development get richer and the poor local communities get poorer. However, it is important to recognise that tourism's potential to contribute to local socio-economic development depends upon the extent to which the goods and services required by tourists can be provided locally (Kamsma and Bras, 2000: 171; Killion, 2001: 171). If these goods and

services continue to be sourced from outside, the current situation in local communities will not change much.

Although the involvement of the private sector in a tourism development project assures all stakeholders of quality and acceptable standards, particularly in situations where there is massive private sector investment, there are questionable standards for responsible tourism, especially with regard to meaningful participation and benefit for the local communities. As a result, it may be said that tourism should be seen as a local resource and that the desires of local communities should be the principal criterion for local tourism development (Kamsma and Bras, 2000: 171).

Commentators have already expressed doubt about the ability of the private sector to deal decisively with poverty in communities (Ashley, Roe and Goodwin, 2001: 12; Goudie, Khan and Kilian, 1999: 29). One of the factors cited by the White Paper on the Development and Promotion of Tourism in South Africa as inhibiting the meaningful involvement of previously disadvantaged communities in the tourism industry is a lack of incentives to reward private enterprises that develop local capacity and create job opportunities in these communities (South Africa, 1996: 28).

There are some services available from the private and state enterprise sectors to assist aspirant black entrepreneurs in tourism-related ventures. One of these is the Tourism Enterprise Programme (TEP). This is a joint venture by the Department of Environmental Affairs and Tourism and the Business Trust. The main objective of TEP, launched in 2000, is to encourage and facilitate the growth and expansion of small enterprises in response to an increased demand for tourism activity. The key objectives of the programme are job creation and human capacity for development in the tourism industry. TEP works

predominantly with SMMEs owned by previously disadvantaged individuals. It helps in training, marketing and creating business plans. It also assists in the preparation and submission of tenders and proposals to become a supplier, identification of service providers as well as certification and licensing. It does not provide start-up capital or the financing of assets although a training and technical assistance fund is used on a cost-sharing basis (www.tep.co.za).

The Development Bank of Southern Africa (DBSA) supports tourism initiatives by investing in infrastructure and facilitating the provision of infrastructural development, financing private and public sector sustainable developments, responding to development demands and acting as a catalyst for investments. The Bank further provides a package of support through equity, loans and grants. In addition, it lends assistance to project preparation (www.dbsa.org/projects/pages/default.aspx).

The Industrial Development Corporation (IDC) has a Tourism Business Unit which offers loans of more than R1 million with a repayment period of five to 15 years to institutions offering accommodation to *bona fide* tourists and other capital-intensive tourism projects with the potential to impact significantly on the growth of the tourism industry. The IDC requires minimum own equity of 40% which may be reduced to 20% for empowerment projects. It mainly provides loans of between five and 15 years (www.idc.co.za).

The Small Enterprise Development Agency (SEDA) was established in 2004. Its work is conducted in line with the Department of Trade and Industry's Integrated Small Enterprise Development Strategy. It is an amalgamation of Ntsika Enterprise Development Agency, the National Manufacturing Advisory Centre and the Community Public Private Partnerships. Its mandate is to design and implement development support programmes and to promote a service

delivery network that increases the contribution of small enterprises to the South African economy and promotes growth, job creation and equity. It is also expected to strengthen the capacity of service providers to support small enterprises and in turn to strengthen the capacity of the latter to enable them to compete successfully both domestically and internationally. SEDA further supports and promotes cooperative enterprises, particularly those located in the rural areas (South Africa, 2004: 4; www.seda.org.za/content.aspx).

The post-apartheid governments have created these institutions and structures to assist in the growth of the industry and to expand the level of involvement of previously disadvantaged individuals and communities in the tourism industry. However, despite these institutions and the funding available, South Africa's tourism industry still excludes the majority of previously disadvantaged individuals and communities in terms of benefits. This could be attributed to the fact that the market is averse to the *status quo*. Another contributory factor may be the absence of a vocal national pressure group campaigning for the transformation of the industry.

4.4   Summary

This chapter is based on the objective, mentioned in Chapter 1, sub-section 1.4, of providing a justification for the need to accelerate the transformation of South Africa's tourism industry. Transformation is important because the researcher has hypothesised that the involvement of local communities hinges on it. To reverse the damage done to the industry by apartheid legislation and its approach to tourism development, transformation of the industry is imperative.

The Global Competitiveness Project Report compiled by the Department of Environmental Affairs and Tourism and South African Tourism (2004) identifies

a lack of transformation in the tourism industry as one of the industry's main drawbacks. The Report states that the limited transformation is not assisted by the structural conditions of the tourism industry. Although ownership transformation was found to be underway in the large listed enterprises, the Report expresses doubt as to whether this is meaningful. In the private companies, which account for the vast majority of value within the tourism industry, there is an effort to maintain the *status quo*.

The study identifies three broad areas where transformation could be accelerated. These are the ownership and control of tourism-related businesses, the distribution of benefits following the current phenomenal growth in tourism and the development of skills and entrepreneurial culture in local communities. If these areas and their indicators are not addressed, the South African tourism industry will remain entangled in and harbouring racial prejudices. The sustainability of the tourism industry lies in the shifting of mind-sets by both black and white communities through an inclusive process that is particularly enabling for previously disadvantaged individuals and communities.

In this chapter, the researcher has provided a justification for the need to accelerate transformation in South Africa's tourism industry. This argument is intended to be compelling and to influence public debate and implementation of policy on the industry's transformation.

The role of the private sector in stimulating community involvement in tourism is particularly important. The private sector is singled out because of government policy which states that tourism development should be government controlled but private sector driven. The private sector has resources that may be mobilised not only to improve the attractiveness and

marketing of a tourist destination and the overall management of the tourism industry, but also to build thriving local communities.

The private sector's motives for becoming involved in tourism development programmes are not based on social development but rather on profit making. As a result, the private sector's role in advancing community involvement must take place within a regulated environment as responsible tourism may be sacrificed if the private sector is left to do as it pleases. Strong partnerships with local communities may help to create a win-win situation. Partnerships will only be strong, however, if local communities are empowered through management skills, information and knowledge of the tourism industry.

The post-apartheid governments have created institutions and provided them with resources specifically to advance tourism development in the previously disadvantaged communities. Unfortunately, through informal discussion with people from the geographic area of this study, it is clear that they do not know of the existence of these institutions. They do know that financial assistance for small business development is available from the commercial banks for those who qualify. This indicates that stakeholders in the tourism industry should popularise the various products available for tourism development.

CHAPTER 5

AN ANALYSIS OF WHETHER LOCAL BLACK COMMUNITIES IN THE PANORAMA REGION BENEFIT FROM TOURISM GROWTH

5.1   Introduction

Upon arrival in the Panorama region, one gets the impression that tourism is taken seriously by both local white communities and the provincial government of Mpumalanga. The roads are in a fairly good condition and are regularly maintained. There are clear signs indicating various attractions and facilities. The boundaries of the various tourism regions of Mpumalanga have not been demarcated according to municipal boundaries but are nevertheless clearly marked. For example, part of Panorama is in Thaba Chweu Municipality which stretches from Lydenburg to Graskop and includes Pilgrim's Rest and Sabie. The other part is in Mbombela Municipality which includes the Mpumalanga provincial capital, Nelspruit.

The 2006/2007 Strategic Plan for the Mpumalanga Provincial Department of Economic Development and Planning has identified three main goals for the development and promotion of tourism. The first of these is to stimulate sustainable economic growth and development. The action required to achieve this goal is the identification and development of sustainable high impact tourism enterprises that will help realise the creation of quality jobs and increase the number of both domestic and international tourists (Department of Economic Development and Planning, 2005: 18).
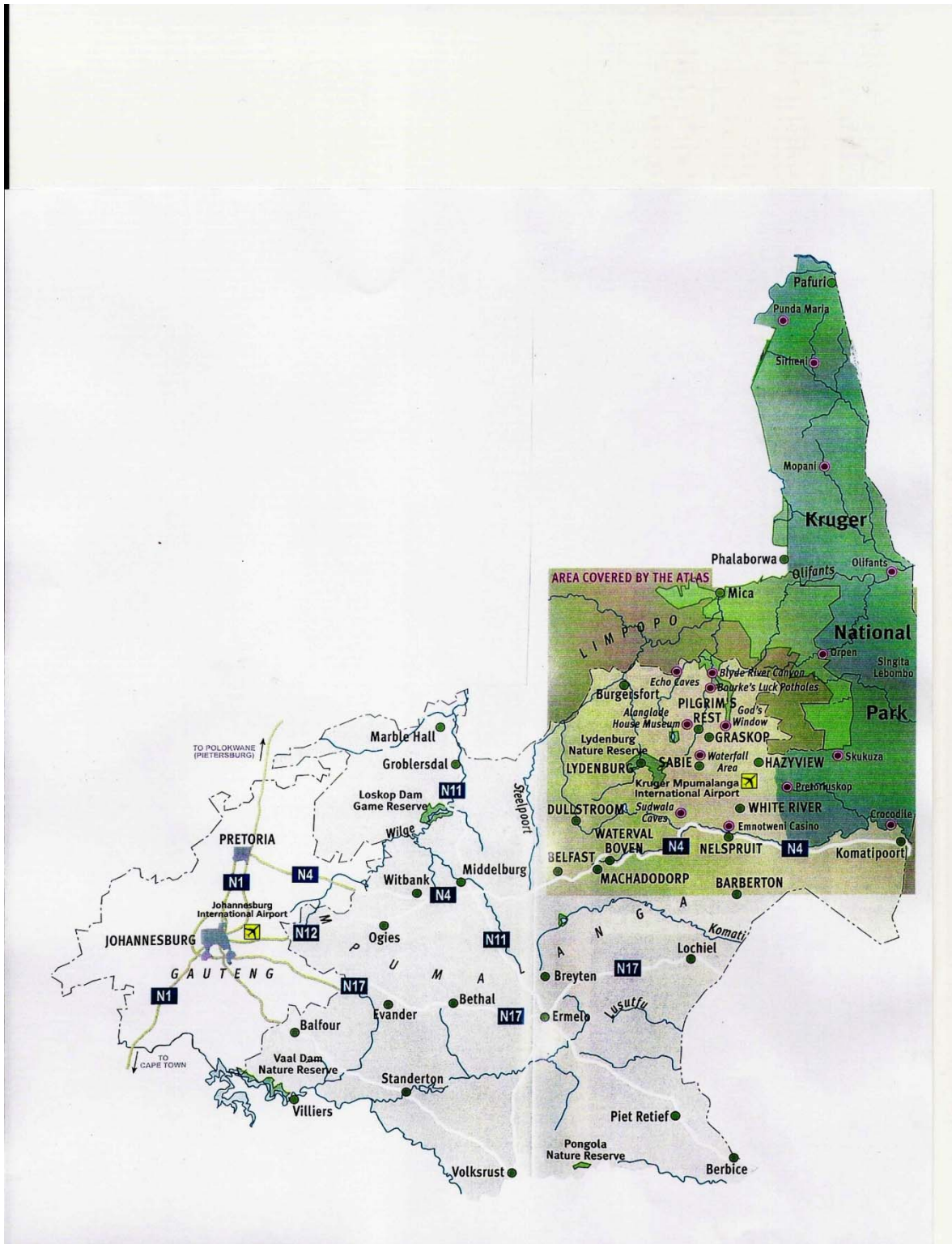
Map 2 Mpumalanga Province and the Panorama Region, including the Kruger National Park

Source Map Studio

With regard to the second goal, the department's objective is to reduce unemployment, poverty and inequality through the implementation of poverty relief projects and the Tourism Scorecard (Department of Economic Development and Planning, 2005: 18).

The last strategic goal is to facilitate human resource development by providing relevant skills and to promote an entrepreneurship culture by building the capacity of 200 SMMEs. The Tourism Directorate of the Department of Economic Development and Planning in Mpumalanga must implement these tourism strategic goals, but with a budget of only R11 million for the financial year 2006/2007 it is doubtful whether the directorate has a realistic chance of achieving them. Nevertheless, the strategic goals of the directorate could go some way to creating tourism-related opportunities for the local communities (Department of Economic Development and Planning, 2005: 18).

In the review of literature for this study, common problems that prevent local communities from becoming meaningfully involved in tourism soon became clear. These include a lack of information on financing institutions for tourism-related businesses; a lack of entrepreneurship culture; a lack of basic skills such as managerial and financial management; and a lack of knowledge about the tourism industry (South Africa, 1996; Bramwell and Sharman, 2000; Ashley and Roe, 2002; Binns and Nel, 2002; Rogerson, 2002a; 2002b; 2002c).

The issue of a lack of incentives with which to reward private entrepreneurs who develop local capacity is cited by the White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 7) as a point for consideration when stimulating local economic activity. It can now be confirmed that most of the problems highlighted in the tourism literature are indeed prevalent on the ground. Some are more severe than could be imagined whereas

others have been exaggerated in the literature. No efforts to stimulate the interest of local communities in tourism have failed since no such efforts have been made. Therefore, the point that local communities lack interest in tourism needs to be understood within its historical context of a lack of knowledge about the tourism industry and decades of exclusion.

During the fieldwork, local community members were asked why so few black people in South Africa were involved in tourism-related businesses. Lack of information obtained a higher mean score of 2, 7, closely followed by the problem of access to capital at 2, 6. Contrary to the popular opinion that black people lack an interest in tourism, the results obtained from the analysis of the questionnaire revealed that lack of information is only one of the factors that prevents them from playing a meaningful role in the tourism industry. This is followed closely by a lack of money (see Graph 2).

Why do you think few black people are involved in tourism in SA?

	Mean Rating
Information	
Interest	
Knowledge	
Money	
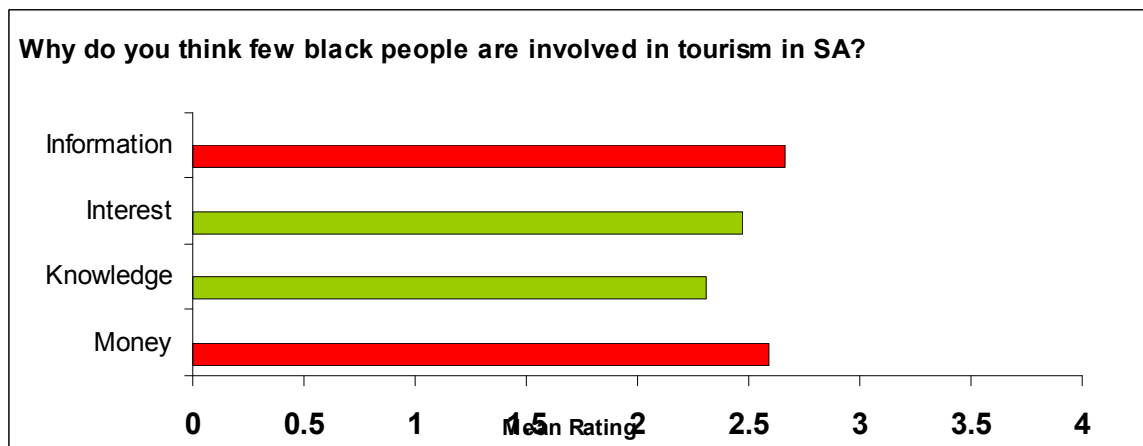
Graph 2   Why do you think few black people are involved in tourism in South Africa?

Source   Researcher's own statistics

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The local communities will have no interest in the tourism industry or in any other business if they do not know how to relate to it or if they are uncertain of their prospects of benefiting from it. This study found in fact that there were no mentorship programmes for the emerging local tourism entrepreneurs. Mentoring and partnerships with emerging tourism entrepreneurs may be seen as a liability to the established tourism entrepreneur. As a result, the researcher feels that there should be incentives for mentoring.

Mdluli, the Managing Director of Phumulani Lodge, has outsourced the game drives to a white business, Untamed Africa, which the community has allowed to set up its offices on communal land about two hundred metres from Phumulani Lodge. Untamed Africa takes Phumulani Lodge guests on game drives inside the Kruger National Park either during the day or at night. This kind of co-operation is what is needed to further stimulate the growth of South Africa's tourism industry.

Lack of marketing skills was found to be the 'make or break' for the emerging black tourism entrepreneurs. Clearly, they have not yet mastered the principles of marketing. Without affirmative procurement or government support through the utilisation of their conference and catering facilities, accommodation and transport, the emerging black entrepreneurs simply experience cash flow problems. Some of the problems experienced by Chief Mogane's community, such as the loss of revenue from the lodge and guesthouse that they inherited following their successful land reclaim, may be attributed to a lack of marketing skills, poor management and a general lack of knowledge about the tourism industry (Rogerson, 2004: 279).

The black tourism entrepreneurs who experience business success are those who successfully create networks to service the industry. For example, Phumulani

Lodge has an agreement with a shuttle service provider to bring tourists to the lodge. This is a business network and those who cannot penetrate it experience low demand for their services.

5.2 Are there direct benefits to local black communities in the Panorama region following the growth in tourism?

This is the fundamental question that the researcher sought to answer in undertaking this study. It will be answered mainly by following an outline which was used by Ashley, Roe and Goodwin (2001) when they assessed practical strategies for pro-poor tourism in a number of countries around the world. Mahony and van Zyl (2002) followed a similar outline when they assessed the impact of community tourism projects on development and policy in Umngazi, Makuleke and Manyeleti. The outline is suitable for this study because by contextualising the above question within its elements, one forms a clear picture of whether tourism growth benefits local communities or not.

The importance of tourism as a potential catalyst for the socio-economic development of communities has been discussed in Chapter 2, sub-section 2.7, and Chapter 3, sub-section 3.3. Some of the analysts who acknowledge the importance of tourism as a potential stimulant for local socio-economic development are Koch (1998), Jansen van Veuren (2001), Rogerson (2002a; 2002b) and Binns and Nel (2002).

Local economic development may be stimulated by tourism-related investment. This implies that the approach to tourism should be developmental in the sense that it should lead to the improvement of the socio-economic conditions of local communities, especially those who were marginalised by the apartheid system and the tourism industry in the past.

The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 23) states that tourism development in South Africa should be government led, private sector driven, community based and labour conscious. Above all, tourism growth and development should advance the socio-economic development objectives of the government just as the policies of the government should support tourism growth and development.

One such socio-economic development objective of the government that may be addressed through community-based tourism development is poverty reduction. This may be achieved through various interventions such as, *inter alia*, the creation of institutions and the promulgation of policies that support entrepreneurship. To determine the socio-economic benefits of South Africa's tourism growth on local communities, the researcher followed Ashley, Roe and Goodwin's (2001) outline which was also used by Mahony and van Zyl (2002).

In order to study the tourism industry, the researcher required an approach that could cover the various themes and sub-themes briefly discussed in the study. The outline below covers almost all the aspects and provides structure to the concluding discussion of the tourism industry's impact on local economic development, human development and on policy issues. The complete outline addresses:

5.3   Economic and financial benefits

5.3.1   Benefits regarding local employment

5.3.2   The influence of tourism growth on small business development

5.3.3   Collective economic benefits resulting from tourism growth

5.4   Benefits relating to human development

5.4.1   Tourism growth and capacity building

5.4.2   Involvement of local communities in decision making

5.4.3   Socio-cultural benefits

5.5   Contribution to key government policy imperatives

5.5.1   Advancement of land rights and land tenure reform

5.5.2   Benefits regarding tourism-related investment

5.5.3   Tourism growth's contribution to the transformation of the industry

5.3.   Economic and financial benefits

5.3.1   Benefits regarding local employment

As far as job creation is concerned, the growth of South Africa's tourism industry has had a positive impact on local communities. Jobs that have been created are mainly in the hospitality sector where local community members work as waiters or waitresses and cleaners. However, the industry should also empower the local communities and individual community members economically. Using the tourism industry to produce entrepreneurs and not just a working class should be the ideal goal. In fact, the objective of calling for meaningful involvement and meaningful ownership is precisely to produce entrepreneurs from the previously disadvantaged local communities, using tourism as a tool.

In his study on *An Integrated Tourism Management Framework for the Kruger National Park,* Mabunda (2004: 217), the then Head of the Kruger National Park, calls for the involvement of local communities in the Park. He asserts that this

involvement is important for the Park's future survival. He believes that local communities demand meaningful involvement and tangible benefits rather than simply jobs.

In the geographic area featured in this study it was found that meaningful involvement of these communities in this industry through ownership of tourism-related enterprises is very limited. The most common linkage between the industry and the local communities is the buying and selling of unskilled labour. Even before the merger of the Mpumalanga Tourism Authority and the Parks Board in April 2006, the Mpumalanga Parks Board had been making efforts to involve local black communities in the tourism industry and in its conservation efforts. In an interview (17 July 2007), Marinda Marais, Regional Social Ecologist at the Mpumalanga Tourism and Parks Agency (MTPA), outlined the efforts made and challenges faced by MTPA in its efforts to involve the local people in the tourism industry. The dynamics within the local communities presented many challenges which have been discussed below.

This study acknowledges the job creation capacity of the tourism industry nationally. Even in the Panorama region there are villagers who work in tourism-related businesses such as lodges and hotels. However, without the involvement of local communities in decision-making structures and in the provision of meaningful services such as accommodation, tour guide and other tourist products, tourism will continue to benefit the privileged minority who are already well established in this industry.

However, having said all this, it is clear that tourism may be used to achieve economic empowerment of the previously disadvantaged individuals and communities and to enlarge the black middle class, provided consultation and coordination of the multiple stakeholders is achieved (De Beer and Marais, 2005:

54). A growth in the black middle class has other socio-economic advantages such as expanding the market base and enhancing the marketability of South Africa as a high return investment country. Tourism has the capacity to empower individuals and local communities economically through the business opportunities it provides in transportation, accommodation, amusement activities and catering.

Emphasising tourism's ability to create employment for the poor community members at the expense of their economic empowerment is to set tourism up to produce merely a working class of black people. The provision of jobs hardly enhances the chances for economic empowerment of those who were previously marginalised: hence the emphasis in this study on ownership of meaningful tourism-related enterprises by the previously marginalised communities rather than on labour supply.

When the community members were asked in informal conversations during fieldwork what benefit they were receiving from the tourism industry, they said that the industry provided members of their communities with jobs. The results of the questionnaire highlight the fact that people are preoccupied with finding a job in the tourism industry rather than providing a meaningful service to this industry (see Table 3).

	Number	Minimum	Maximum	Mean Rating	Standard Deviation
Work at Hotel	204	1	4	2.75	1.043
Be Tour Guide	205	1	4	2.56	.935
Entertain Tourists	201	1	4	2.63	1.138
Provide Accommodation	200	1	4	2.08	1.223
Valid Number	196				

Table 3   How would you want to get involved in tourism?

Source   Researcher's own statistics

Table 3 reveals that the local communities rank working in a hotel higher than tour guiding or providing accommodation to tourists at guest houses or lodges. They would choose to interlink with the tourism industry by providing entertainment for tourists. This mind-set is the result of what they observe and what they know about the tourism industry. They know people who work in a tourism-related business who seem to live comfortably. They know of community members who sell arts and crafts and also perform cultural dances for the tourists. They do not have role models from their communities who own successful tourism-related businesses.

Their mind-set and preoccupation with striving to secure a job rather than thinking about major economic empowerment is not surprising and should be understood in the context of poverty and the legacy of apartheid.

5.3.2   The influence of tourism growth on small business development

One of the shortcomings in the Panorama region is the absence of Local Economic Development Agencies (LEDAs).   LEDA is a local economic development structure which has been recommended by the Department of Provincial and Local Government.   It is intended to bring together all the principal local stakeholders and may be used to provide technical assistance on issues pertaining to LED (Department of Provincial and Local Government, 2005: 26).

The Motlatse Forum which brought together the communities of Matibidi, Leroro and Moremela next to the Blyde River Canyon Nature Reserve is modelled along the lines of a LEDA although it concentrates primarily on tourism. It has set up a Trust Fund which was to be resourced by its flagship projects such as the Toding African Cuisine.   The other communities of Salubindza, Bhekiswako, Nyongane and Makoko which fall under Chief Mdluli have not established any structure other than their traditional one.   The same applies to the communities of Numbi, Mahushu, Sand River and Tshabalala which fall under Chief Mahaule.

Generally, the local communities in various parts of the Panorama region were found to be disorganised and unable to play a more meaningful role in LED or tourism development. They struggle to identify tourism business opportunities in their own areas. The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 54) states the role of local communities as that of identifying potential tourism resources and attractions within their areas and seeking partnerships with the established tourism private sector to exploit these opportunities.

The communities in the Panorama region do not also have information on what they could do to become involved in the tourism industry as entrepreneurs. Lack of information compounds their lack of access to resources for business development. Resources here refer to capital products, productive capacity and services. The knowledge and information on how to acquire these resources are themselves major resources (Bijs, 1984a: 8) which the local communities lack. Without this knowledge the local communities will remain marginalised in the tourism industry.

Information is particularly critical in granting local communities access to other resources they need to play a role in the tourism industry. Without information they will be unable to form partnerships with those who have the required resources. Even when such partnerships are established through the initiative of those with resources, local communities remain dependent junior partners (Bijs, 1984a: 10) and this is not only discomforting but also subtly perpetuates the *status quo* of disempowerment.

The Mpumalanga Parks Board used to be the owners of the lucrative forests and wilderness areas which form part of the Blyde River Canyon Nature Reserve. However, the entire Blyde River Canyon Nature Reserve has been successfully reclaimed by local communities under a structure called Pilgrim's Rest Development Trust (PDT). The transfer of land rights to these communities has been signed. What still remains is the formality of signing the Title Deed to the PDT. The Blyde River Canyon Nature Reserve has also been enlarged to incorporate the forest area along Acornhoek. As Ashley and Wolmer (2003: 4) observe, forests, wildlife and wilderness areas are not just subsistence resources for the communities who own them but are also commercial assets that may be used to maximise investment and expand business opportunities.

It must be acknowledged that the economic empowerment of local communities may be engendered not only by ownership but also through shareholding, outsourcing, affirmative procurement and the rolling out of social responsibility programmes (Rogerson, 2002b: 38). Except for ownership, the economic empowerment strategies mentioned above are predominantly beyond full realisation by local communities and are dependent on the benevolence of external parties. The procurement opportunities that go to historically disadvantaged communities are welcomed but may be too sporadic and unreliable to sustain a profitable tourism-related enterprise. That is why this study emphasises meaningful ownership of tourism-related enterprises.

It appears that communities in the Panorama region have not conceptualised a bigger picture when it comes to linking up with the tourism industry. It must be said that even political and traditional leadership structures believe that providing labour, selling of crafts and dancing for the tourists are benefits communities derive from the tourism industry (see Graph 3).
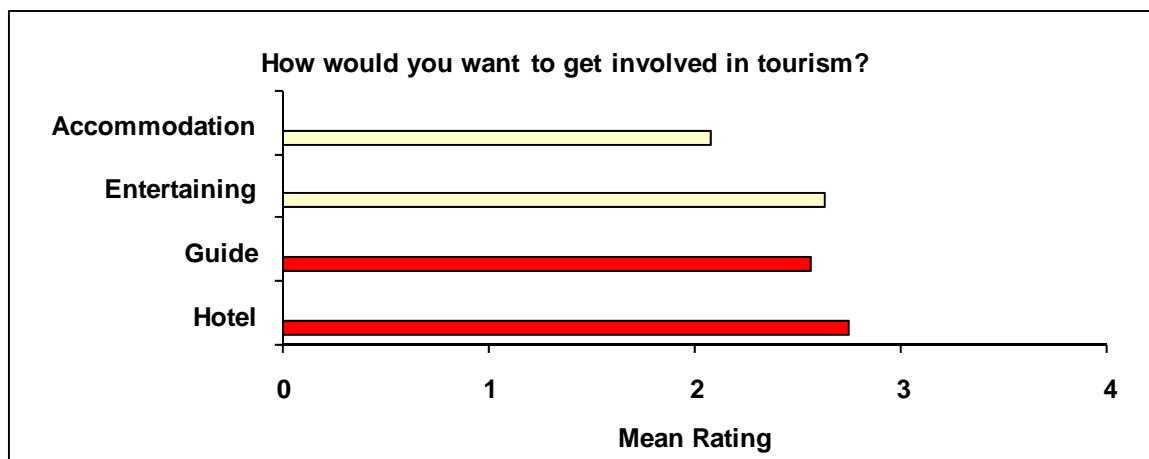
Graph 3   How would you want to get involved in tourism?

Source   Researcher's own statistics

Their response should be understood in the context of their socio-economic background. Instead of dismissing them as people who lack ambition, one should consider their mind-set against the background of their real world. They have little information on tourism and its benefits. This is compounded by an absence of role models from their communities, their low skills base and the fact that they are inadequately organised to link up with this highly competitive industry.

One example of a local community's linkage with the tourism industry that was found to be close to the theme of meaningful ownership and involvement in the industry in the vicinity of the Blyde River Canyon Nature Reserve is the renting of a kiosk at Bourke's Luck potholes from the Mpumalanga Parks Board by what was intended to be one of Motlatse Forum's flagship projects, namely, the Toding African Cuisine. Unfortunately, the project has evolved beyond its original concept and has consequently lost its sponsor. It is more privately owned and run now than when it started.

Other projects that have also failed include the Internet Cafe at Bourke's Luck Potholes which was also funded externally and the 'home stay' project where tourists stayed over with families in the communities. When the idea of the 'home stay' was conceived, tourists were expected to use the facilities available in the household. Unfortunately, some tourists demanded specific minimum facilities such as running water which these households lacked. The result was the collapse of the project.

Linkages with local communities are naturally multi-dimensional and interdependent. There was a promising fresh produce project that interlinked the local community of Matibidi with the tourism industry. The Matibidi community, situated just across the main road from Aventura Blydepoort Resort,

made an agreement to provide fresh produce to the Resort. This important linkage between the community and the tourism industry has since collapsed. This was triggered by lack of drinking water, let alone irrigation, in the local communities.

In the case of the Matibidi community's supply of fresh produce to the Aventura Blydepoort Resort, joint planning and local training were not implemented. Investment in training strengthens trust between the business and the community and leads to community empowerment. Unfortunately this was not the case in Matibidi community's agreement with Aventura Blydepoort. If joint planning is neglected, the local community will struggle both financially and technically when attempting to create the market, develop and promote the product.

In creating lasting linkages between the communities and the tourism industry, partnerships and joint ventures may need to be based on mentorship until the community is confident that it has mastered the skills required to continue to supply the product independently. In some instances, joint decision making and partnerships may assist local communities in producing a high quality product, understanding the tourism industry better and opening opportunities for access to markets.

If Aventura Blydepoort had considered that, for the local community to supply it with fresh produce in a consistent and sustainable way, technical support such as an investment in irrigation and in small scale farming was necessary, the project may not have collapsed for the reasons cited above, although probably for others. For linkages with local communities to be sustainable and mutually beneficial, joint planning and decision making may become critical success factors. When

the community's opportunities to run a profitable enterprise are firmly in place and the market clearly defined, the buyer is assured of consistent service supply.

5.3.3   Collective economic benefits resulting from tourism growth

Tourism has the potential to stimulate local economic activity. The provision of tourism infrastructure partly contributes towards the involvement of local communities in the tourism industry. During the course of this study, tourism was found to have the potential to redress the economic marginalisation of local communities. This could be achieved through skills development, partnerships with the private sector and through community involvement when decisions are made on the management of resources on communal land.

The absence of these aspects signals that the tourism industry in the Panorama region has not redistributed tourism benefits equitably among all its people. The industry has had an insignificant impact on the local black communities while, by comparison, the white tourism entrepreneurs continue to benefit, a result of a combination of reasons including many years of exposure to the industry.

As Marais (Interview, 17 July 2007) points out, development in the true sense of the word cannot be categorically confined to predetermined time-frames because of the dynamics that characterise it. Just by looking at the latest developments with regard to the successful reclaim of the Blyde River Canyon Nature Reserve by the PDT, it may be said that there are promising prospects for the economic empowerment of local communities. Unfortunately, the unhealthy dynamics within the PDT communities are already exerting an influence.

All those who appreciate the scenic beauty of the Panorama region, and especially the Blyde River Canyon Nature Reserve, will hope fervently that the

area's beauty can be preserved as per the applicable legislation. One of the pieces of legislation which is relevant in this regard is the National Environmental Management: Protected Areas Act No 57 of 2003 which outlines, *inter alia,* how protected forest areas, forest nature reserves and forest wilderness areas should be managed (South Africa, 2003: 12).

The National Environmental Management: Protected Areas Act (2003) provides for the promotion of sustainable utilisation of protected areas for the benefit of the people in a manner that will preserve the protected area's ecological character. It further provides for the promotion of the participation of local communities in the management of protected areas (where appropriate). The State, through the organs of state implementing legislation applicable to protected areas, must act as the trustee of protected areas in the Republic (South Africa, 2003: 12).

The Panorama region has a fairly good infrastructure. The three villages of Matibidi, Leroro and Moremela have a hospital and a police station. They are all well supplied with electricity, telephone and mobile telephone facilities. Although water is in short supply, all three villages have a water reticulation system. Across the main road from these villages lie the world-famous natural wonders of the Blyde River Canyon, Three Rondavels, Bourke's Luck potholes, the magnificent God's Window, the Pinnacle and the Echo caves. With basic infrastructure and world-renowned attractions, one would imagine that the local communities would be reaping huge benefits through meaningful involvement. Unfortunately, however, by the time this thesis was submitted for examination, this was not yet the case.

In the communities of Chiefs Mdluli and Mahaule, which are adjacent to the Kruger National Park, involvement in the tourism industry was also found to be

limited. In theory, the prospects of using tourism to stimulate local economic development in the poor communities of Panorama region are good. In practice, however, these communities have not taken any initiative and are uncertain about who should lead in tourism development and investment in their own areas (see Graph 4).
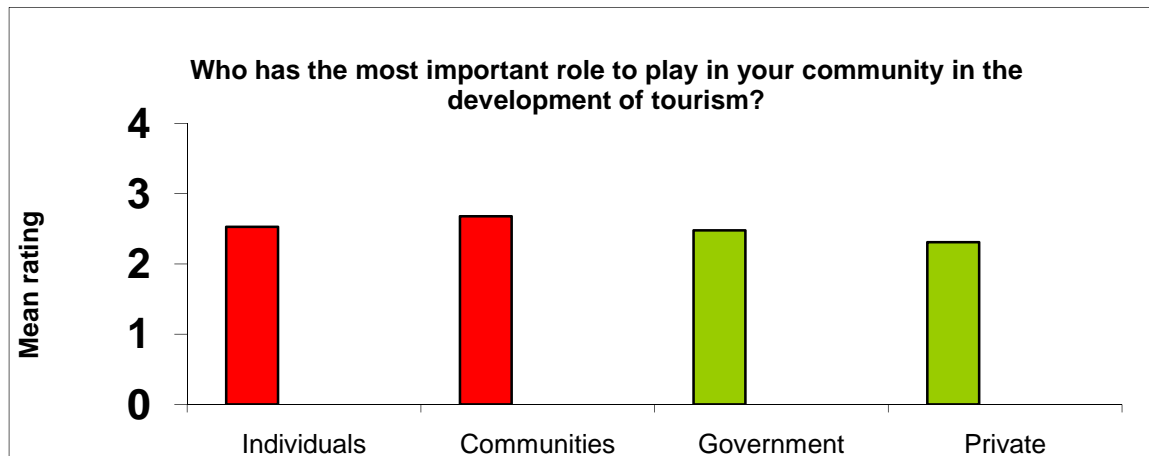
Who has the most important role to play in your community in the development of tourism?

Mean rating		

Individuals Communities Government Private

Graph 4   Who has the most important role to play in your community in the development of tourism?

Source   Researcher's own statistics

No structures exist in the Panorama region to support SMME development in local communities. Such structures ought to be created, resourced and managed by the local authority. The region has only four black-owned tourist accommodation facilities, while there are more than thirty white-owned lodges, guest houses and hotels. One of the black-owned businesses is a self catering guest village in the town of Graskop. It is still under construction and currently has only six beds. The other is Mthunzi Lodge in Hazyview and the third is the well known four-star, 17-chalet Phumulani Lodge next to the Kruger National Park's Numbi Gate. Tembi and Sunbird in Hazyview are owned by Chief Steven Mogane's community following their successful land reclaim. Phumulani Lodge

is owned by the community of Chief Mdluli. This is a classic example of meaningful ownership of a tourism-related business by the community.

In community development, the general tendency is for projects such as the Mdluli Cultural Centre, which incorporates Phumulani Lodge, to be initiated by outsiders who act as development agents. This is necessary because poor people seldom have the capacity or resources to organise and extricate themselves from poverty (Bijs, 1984c: 76). They are more inclined to fighting for their own survival and that of their families. They regard working for the benefit of others or the community as additional labour with few direct rewards for them (van Vroonhoven, 1984: 294).

The establishment of Mdluli Cultural Centre is a good example of development driven by an outsider. The Cultural Centre itself is the brainchild of the late Chief MZ Mdluli and is owned solely by the Mdluli Trust on behalf of the Mdluli community. A development agent assisted the Mdluli community in implementing the project (Mdluli Interview, 17 October 2005).

Development agents work either for themselves or for a development agency. They help the newly established enterprise to function. They also advise and steer the achievement of goals (Bijs, 1984a: 14). The Mdluli Cultural Centre was built through a partnership between African Heritage Enterprises and the Mdluli community, using grant funds from the Department of Environmental Affairs and Tourism's Poverty Relief Programme (Mdluli Interview, 17 October 2005).

Although a development agent is useful he or she is often not without self-serving motives. But in cases where there is no development agent to champion the establishment of a community project, lack of expertise often leads to uncertainty about implementation and operationalisation of the project. In 2000

Chief MM Mogane, (Interview, 20 October 2005) half-brother to Chief Steven Mogane, was approached by potential private investors and developers who wanted to build a lodge on communal land. The concept of the entire project, including a small soccer stadium, was drawn up. It was unveiled to the community with great fanfare. Unfortunately, the potential investor and developers left and were never seen again in that community.

Development agents may either stem or fan the unhealthy power relations within the community which often paralyse development efforts. For example, in a study commissioned by the North West Parks and Tourism Board on constraints to community involvement in tourism titled *Community Based Tourism Strategy for the North West Parks* (North West Parks and Tourism Board, 2002: 7), it was found that a public or private agent assists communities with problems of institutional capacity and the acquisition of funding. The Mdluli community was itself assisted by an agent in sourcing funds from the Department of Environmental Affairs and Tourism. The same agent supervised the design, construction, marketing and management of Phumulani Lodge (Mdluli Interview, 17 October 2005).

Events which transpired later at Mdluli Cultural Centre could be seen as the result of the negative role that development agents sometimes play. The Mdluli Cultural Centre experienced cash flow problems in its first year of operation. These may not be attributable only to mismanagement but also to contractual disputes between the Mdluli community and African Heritage Enterprises. According to Mdluli (Interview, 17 October 2005), there were contractual difficulties with African Heritage Enterprises, the company that was running the lodge on behalf of the community. Mdluli (Interview, 17 October 2005) says there was a clause in the contract that gave African Heritage Enterprises the right

to buy the lodge should it experience financial problems that required its liquidation.

The community and the trustees had no experience of running a lodge. They relied heavily on African Heritage Enterprises. Mdluli (Interview, 17 October 2005) feels that the trustees' poor knowledge of the tourism industry, their lack of skill and their low level of education contributed to the poor performance of the lodge. The trustees came from chief Mdluli's four villages (Salubindza, Makoko, Bhekiswako and Nyongane), each village nominating one trustee. The remaining two trustees were appointed from outside the community.

Mdluli (Interview, 17 October 2005) relates how soon divisions developed within the Mdluli community following the agent's alleged mismanagement of the Lodge. The members of the Board of Trustees of Mdluli Cultural Centre were seen to be siding with the agent against the community. Power relations within the community became more acrimonious as a result of what was perceived as the agent's tactic of playing off one group of community members against the other. In this case, the presence of the agent ended up fanning unhealthy power relations within the community.

What happened in the Mdluli community amounts to community conflict, usually a feature of dynamic relations within a community. Edwards and Jones (1976: 191) define community conflict as a process of interaction in which two or more groups fight each other and, while doing so, their opposition seizes the opportunity to assert itself throughout the community. The fighting within the Mdluli community served to advance the business interests of the agent.

Despite what happened within the Mdluli community, the Mdluli Cultural Centre remains a beacon of hope for those communities adjacent to protected

areas. With the requisite skills, guidance and cooperation, the communities that belong to the PDT may be catapulted into the tourism industry as their successfully reclaimed land features natural wonders and other tourism-related developments.

If what happened with the Makuleke[14] community in Limpopo Province could be replicated a few times nationally, it might create role model communities. It might also be said that the South African tourism industry is on the transformation path; tourism is being given a more developmental role and is also contributing towards the economic empowerment of local communities.

A positive aspect of this type of socio-economic empowerment of communities is that it is multi-dimensional. Communities fight poverty, play a role in nature conservation, protect the tourists and relieve government of some of its obligations, such as building schools and clinics. The major benefit is that the standard of living improves and a foundation for productive future generations is laid.

5.4   Benefits relating to human development

5.4.1   Tourism growth and capacity building

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[14] The Makuleke community successfully reclaimed their land which is inside the Kruger National Park. They tendered for the building of game lodges on their land. Four lodges have been built with the partnership of Wilderness Safaris. The community has recently trained its own environmental officers. From the Makuleke example, one sees that the involvement of local communities in tourism contributes to socio-economic empowerment. Environmental conservation efforts also become inclusive, sustainable and less costly.

Fundamental skills are required to successfully operate a tourism-related business. These include managerial, financial and marketing skills. These are glaringly absent in most local communities. Training and information dissemination are indispensable if the local communities are to play a meaningful role in tourism. This gap has been noticed by the Mpumalanga Provincial Department of Economic Development and Planning which has decided, as its strategic goal for 2006/2007, to contribute towards relevant education and training programmes to meet present and future economic skills needs and to assist SMMEs in building their capacity (Department of Economic Development and Planning, 2005: 18).

The public sector alone will not achieve much in the short term. The private sector must invest in human resource development, especially in previously marginalised communities. In 2005, Aventura Blydepoort Resort launched a Skills Training Academy to train local community members in various skills required by the tourism industry. This project taught elementary tourism and hospitality skills and was not aimed at producing financial management or marketing specialists. What this means in effect is that the Aventura Blydepoort Skills Training Academy will never be able to close the professional skills gap in the local communities.

Since 2005, another skills training project has been running at Bourke's Luck potholes, initiated by the Tourism, Hospitality and Sport Education and Training Authority (THETA). This project teaches elementary skills in catering, tour guide, field ranging and environmental education. These are low skills that require a highly absorptive market. Unfortunately, Mpumalanga Province and the Panorama region is in desperate need of tourism-related skills in financial and tourism-related business management, rather than the ones mentioned

above. Professional skills may be acquired through formal education and mentoring.

The local secondary schools within the geographic area of this study teach Travel and Tourism as a subject. In the long term, these learners will be better equipped than the current workforce in the tourism industry in Mpumalanga Province. These learners will, however, still need to perfect their knowledge of the tourism industry and the required skills at tertiary institutions. Over and above formal education, they will also require mentorship for a few years in a tourism-related enterprise before they are able to operate efficiently and independently.

5.4.2   Involvement of local communities in decision making

In many cases, poor people are less organised and lack the power to influence allocative decisions in their favour (Chambers, 1983 and Hughes, 1987, cited in Monaheng, 2000: 133). The objective of community development is to alleviate poverty and empower communities. Access to the decision-making structures is empowering and in addition makes the development process democratic. It allows for poor people to be represented in these decision-making structures through their truly elected representatives (Makumbe, 1996: 15).

The involvement of local communities in the tourism industry, even if it is through their recognised structures, is important. Monaheng (2000: 130) says that the failure of stakeholders to decentralise decision making is one of the causes of unsuccessful community development projects and programmes. He observes that, although community development projects and programmes are implemented in local communities, operational decisions and design of the projects are usually effected by outsiders. This is a breach of the fundamental

community development principle of involving the intended beneficiaries in development planning and management.

Local communities around the Blyde River Canyon Nature Reserve are represented in decision-making structures by two different structures, the Pilgrim's Rest Development Trust (PDT) and the Motlatse Forum. The PDT concentrates primarily on land restitution. Now that they have their land back, the community will have to decide how they make it productive. Legislation, the National Environmental Management: Protected Areas Act No. 57 of 2003, exists which outlines how land within a protected area which has been successfully reclaimed should be managed.

The Motlatse Forum was created, with the help of the Mpumalanga Parks Board, as a forum to exchange views on tourism development and community participation. With the recent success of the PDT regarding land restitution, the Motlatse Forum's role has been rendered almost obsolete because it cannot take decisions on land which is under Trust. With regard to land outside the Trust, the Forum clashes with the local political structures (Marais Interview, 17 July 2007). The involvement of local communities in the Panorama region on issues regarding tourism development could still be enhanced.

This underlines the fact that community-based tourism development and the meaningful involvement of local communities in the tourism industry have a role to play in stimulating the growth of South Africa's tourism industry. The tourists who visited South Africa in 2002 were impressed most by culture, history and heritage[15], scenic beauty and wildlife, in that order (South African

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[15] Zibane (2002) completed a study at the University of Zululand on *Zulu Cultural Traditions as Draw Card for Tourism in KwaZulu-Natal.*

Tourism, 2002: 1). This underlines the importance of involving the local people in decision making in order to enhance the appeal of the tourist product.

The inefficient representation or involvement of local communities in decision-making and consultation processes has the potential to lead to wastage, as exemplified by the 'white elephant' Cultural Centre which was built in 2003 by the Mpumalanga Provincial government within the community of Chieftain Mohlala. It was envisaged as a Cultural Centre to showcase the region's culture to tourists. Unfortunately, the centre has been standing idle since it was completed. It is clear that the idea of a cultural centre was neither discussed with the community nor researched for its viability. Tourists did not visit it because it was never properly marketed. (Marketing a community-based tourism project is discussed in sub-section 5.6 below.) The tour guides were not aware of it and consequently did not schedule any stop-overs there. This is a prime example of bad development planning characterised by lack of consultation.

Chieftain Mohlala's community does not appear to have endorsed the idea of a cultural centre nor the means pursued to bring it to full operation. The ideal way would have been to involve the community from the outset. It would then have elected a group that was passionate about the development of the community to work with the funder of the project. The community group would have been charged with the responsibility of championing the establishment and promoting the project.

The researcher found that the influence of the traditional ruling structures in local communities is still predominant and communities still owe their allegiance

Nzimande (2003) has also completed a study on *Cultural and Historical Tourism as a Core for LED at Endondakusuka Municipality* at the University of Zululand.

to these structures. If the chiefs are involved, the development process becomes legitimised. With traditional structures already in place and the communities willing to get involved in tourism, the creation of a tourist product and the acquisition of tourism related skills become necessary.

5.4.3   Socio-cultural benefits

In the main, the people in the Panorama region acknowledge that tourism is a major contributor to their livelihood. They say it creates jobs and provides many others with the opportunity to sell crafts and other collectables to tourists. The thinking of both black and white communities in this region is similar when it comes to the importance of tourism. However, only white communities have been able to take advantage of the opportunities presented by tourism by empowering themselves economically. They own guest houses, chalets and lodges and provide various products to the tourists such as trout fishing, wine tasting, quad biking, horse trails, river rafting, hot air ballooning, abseiling, night safaris and many more.

The black local communities in the Panorama region should work together to take advantage of the opportunities the tourism industry offers. This would be in line with the researcher's preference for community rather than individual empowerment. Of course, community participation in tourism development presents its own challenges in the form of irreconcilable differences and power relations. Nevertheless, the community is better placed than the individual to pool ideas and reap collective benefits. It is more costly to exclude than to involve the local communities. Moreover, decisions taken collectively are more likely to be accepted and are easier to enforce (Meintsma, 2001: 37).

The Panorama region boasts diverse culture and abundant scenic beauty. However, culture has yet to be packaged in a consumable way. The region's scenic beauty is world renowned and is a major tourist draw card for South Africa. The beautifully restored old mining town of Pilgrim's Rest, which has been declared a national monument, is just one of these draw cards.

There is one very well known cultural village in the Panorama region, the Shangana Cultural Village. Nevertheless, the researcher is not a great advocate of cultural villages because their creation is motivated by the desire to make a profit and not to preserve the culture. It has been emphasised in this study that tourism growth has its downside as in the exploitation of local cultures, particularly in powerless local communities. For the researcher, the creation of cultural villages often leads to resentment arising from the exploitative manner in which the cultures are packaged. Local cultures are commodified with a profit rather than a preservation motive (Goudie, Khan and Kilian 1999: 25).

Urry (1990, cited in Goudie, Khan and Kilian, 1999: 25) believes that the process of creating a consumable product from local cultures means that market viability of the product must constantly be weighed against authentic representation of the culture. The final product is always packaged for consumption and not necessarily to reflect past or present realities of the culture. This same misrepresentation can be seen in the way histories of indigenous peoples around the world are distorted.

Until recently, the black people's cultures in South Africa have been repressed and trivialised and their history misrepresented. Above all, the researcher does not believe that it is only the black section of South Africa's population that has a culture that can be packaged in a consumable way.

5.5   Contribution to key government policy imperatives

5.5.1   Advancement of land rights and land tenure reform

In her study on the South African SDIs and community-public-private partnership programmes at the Makuleke community and Manyeleti Game Reserve in Limpopo Province, Ashley (2001) found that, with secure land rights, economic community empowerment was possible. In this study's geographic area, the land on which the Blyde River Canyon Nature Reserve and some of its attractions are found, including the Three Rondavels, Bourke's Luck Potholes and God's Window, has been successfully reclaimed by local communities through their structure known as the Pilgrim's Rest Development Trust (PDT).

Once the Title Deed is issued, the land will be owned by the local communities with the state as the trustee. The relevant Minister or Member of the Executive Council (MEC) will assign, in writing, the management of a protected area to a suitable person, organisation or organ of state who must manage the area exclusively for the purpose for which it was declared in accordance with the management plan of the area and all applicable legislation (South Africa, 2003: 30).

Unlike SANParks, which has granted concessionaires to black economic empowerment bids to use certain areas of the Kruger National Park to build and operate tourism enterprises over a specific period, in the geographic area of this study it was found that the Mpumalanga Tourism and Parks Agency offered no such concessionaires.   The applicants for the Kruger National Park concessionaires have to show during the tender process how they plan to promote black economic empowerment and provide business opportunities, especially to communities in the vicinity of the Kruger National Park.   The

Mdluli community owns 1 600 hectares inside the Kruger National Park. The community's current plan is to increase the number of hectares in order to create viable opportunities for traversing rights (Mdluli, Interview, 17 October 2005).

The most potentially empowered community in the Panorama region is that of Chief Steven Mogane. In 2003, Chief Mogane's people won their land back after a successful land restitution process. The land included a four-star lodge called Sunbird, a guest house, Tembi, the well known Shangana Cultural Village and a variety of agricultural products such as mango and coffee plantations. In 2003, Sunbird Lodge had a projected annual turnover of R1, 8 million while the Shangana Cultural Village had an annual turnover of almost R1 million (Schmidt, 2003: 9).

Unfortunately, both Chief Mogane's inherited tourism enterprises currently show signs of neglect and poor management. Besides the Shangana Cultural village which naturally must show signs of neglect to appeal, Sunbird Lodge and Tembi Guest House are becoming run down because of cash flow problems arising from underutilisation. The reasons for a four-star lodge losing its appeal in less than two years have to do with poor skills in general management, financial management, marketing and an inadequate knowledge of the tourism industry.

Chief Mogane's tribe overlooked the importance of establishing partnerships with those who have the required skills. The failure of the community-based tourism-related projects in the communities of both Chief MM Mogane and Chieftain Mohlala might not have happened had there been a strong policy framework on the development of such projects and programmes. Such a policy framework would necessarily have addressed issues of management skills, mentorship, marketing, client needs and satisfaction and value for money.

On the point of access to land as an indicator for community involvement in tourism, it was found that this alone was not a guarantee of successful involvement in tourism. This point has been clearly demonstrated by the problems experienced by Chief Steven Mogane's community. In the case of Chieftain Mohlala's failed cultural centre, the land was available but the project still failed to start operating. It could be concluded that access to land empowers the community only if it knows what to do with it.

5.5.2   Benefits regarding tourism-related investment

There are possibilities for tourism-related investment within the Panorama region. With the recent successful reclaim of the Blyde River Canyon Nature Reserve by the PDT, the possibility of local communities benefiting from the tourism industry has been substantially enhanced. The newly acquired land, which is inside a protected area, will give them opportunities for tourism-related investment.

The kind of investment that would be preferred by the researcher would be that which advances LED. This is because, despite the growth and popularity of LED studies in South Africa, tourism-driven LED remains markedly underrepresented and seldom discussed (Rogerson, 2002a:143). Rogerson advances a number of reasons why poor local communities have not benefited from the growth in tourism. One of these is a lack of appreciation of the tourism industry's capacity to stimulate development in local communities.

These communities require the services of a consultant who will assist them in training and the mobilisation of more resources for the implementation of the envisaged community-based tourism projects. Consultancy is very costly and

since these communities are poor, the provincial government has a major role to play in assisting them in accessing the required resources.

The shortage of basic financial management and other critical skills in the local communities is glaring. It is not advisable to give communities large sums of money for development without first ascertaining that the capacity to absorb, manage and disburse them as the project develops exists.

The communities of Matibidi, under Chieftain Mohlala, Leroro under Chief Mashilane and Moremela under Chief Mogane have all indicated that they have sites that could be developed as products for the tourism industry. For example, the community of Chieftain Mohlala has two undeveloped caves which they feel could catapult them into the tourism industry. They need assistance in developing them for commercialisation (Mohlala Interview, 8 October 2005).

However, it would be naïve to believe that small tourism establishments in local communities will perform well simply because they are in the previously disadvantaged areas or are black owned. The collapse of Chieftain Mohlala's community-based Cultural Centre project is evidence that the community and the project funder neglected to look into other facets of project development, including determining the source market. If the envisaged source market is not fully mobilised to support a project, its viability will be precarious. One option is to market the community-based tourism projects on the websites of the Mpumalanga Tourism and Parks Agency (MTPA) and also of event organisers when there are major events hosted in the area.

The Mpumalanga Parks Board created the Motlatse Forum in 1999. This Forum was a communication vehicle between the local communities of Moremela, Leroro and Matibidi and the Mpumalanga Parks Board. Marais (Interview, 17

July 2007) notes that the Forum achieved success in the conservation of the environment such as reducing the volume of cattle along the road, controlling veld fires and alien plants and limiting the unauthorised plunder of natural resources. However, with regard to economic empowerment of local communities through tourism, the Forum and MTPA achieved limited success.

Several projects were initiated but soon became riddled with infighting and petty jealousies. Marais (Interview, 17 July 2007) mentions two of the projects namely, the Toding African Cuisine and the Badirammogo Art and Craft Project, which were funded but following disputes with the Mpumalanga Parks Board and infighting within the local communities, funding which was sought by Mpumalanga Parks Board (the predecessor to the MTPA) was suspended.

According to Marais (Interview, 17 July 2007), Toding African Cuisine was sponsored by South Africa's power utility, Eskom. It was originally a modest project run from a trailer. As the project grew, more space became necessary. The then Mpumalanga Parks Board leased the kiosk at Bourke's Luck Potholes to the Motlatse Forum from which it operated its flagship project, the Toding African Cuisine. The project was funded because it served African food to the tourists but when it started deviating from the original idea and wanted to sell sandwiches as well, funding was suspended.

The Badirammogo Art and Craft project collapsed because it did not have permanent premises from which the craftsmen could work. It was temporarily accommodated at the former Army Dog School just a stone's throw from Bourke's Luck Potholes. Marais (Interview, 17 July 2007) notes that negotiations to have the property officially transferred to the local authority are at an advanced stage. The principal funder of this project has been the Development Bank of Southern Africa (DBSA). In this example of tourism-related investment,

the stakeholders made efforts to invest in simple community projects but achieved limited success as a result of the dynamics and power relations within the communities.

5.5.3   Tourism growth's contribution to the transformation of the industry

Transformation is a major policy imperative and the central theme of the White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996). This study has hypothesised that the tourism industry has not transformed in a way that enables it to benefit those who were previously excluded from meaningful involvement. Transformation of the tourism industry is so important that it was discussed separately in Chapter 4. Transformation is a major policy imperative in South Africa. The discussion in Chapter 4 reviews progress in institutional transformation and the restructuring of the tourism industry. It discusses the implications of the legislative imperatives of black economic empowerment and the transformation of the regulatory framework in tourism.

5.6   Marketing a community-based tourist product

This sub-section was included as a result of the obvious difficulties in marketing experienced by emerging owners of tourism-related businesses. Kotler (1984, cited in Middleton, 1988: 15) defines marketing as determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors. Bhatia (1991: 140) identifies the common features of marketing as the identification of customer needs, the prediction of customer behaviour, converting customer needs and motivations into effective demand and moving the product to the final consumer or user so as to achieve

the set objectives. Marketing is particularly important in tourism because the customer has immense variety of choice.

The desire to see different sights and meet people from different cultures is generally inherent in human beings. As a result, it can be presumed that marketing in the tourism industry is greatly simplified since part of the process is already complemented by people's desire to travel. Unfortunately, there are other factors that determine the marketing concept of a tourist destination. These include the provision of tourism infrastructure such as airports, roads, utilities, sewerage and many other services (Bhatia, 1991: 141; Jefferson 1991: 9).

Financing and marketing are major hurdles for emerging tourism entrepreneurs who wish to become meaningfully involved in the industry. From the researcher's personal observations and interactions with aspirant black tourism entrepreneurs in local communities, marketing is one of the crucial skills most lacking. In a survey of 44 bed and breakfast establishments, marketing was mentioned by the entrepreneurs as a major requirement (Rogerson, 2004: 279). Consequently, the researcher decided to give attention to it in the last part of this chapter.

There is no point in creating a tourist product unless one is certain of the market, either existing or to be created. This is a basic principle of marketing. If the product is not marketed or the market not created, the seller and the buyer will remain on polar sides. In the case of Matibidi Cultural Centre, there was no marketing and, above all, no proper consultation with the community. When the structure was completed, it suddenly became clear to everyone that there was no market. To date, the Matibidi Cultural Centre has not serviced one tourist as it was meant to.

Marketing is crucial in any business venture. A tourist product must be effectively marketed in order to attract enough tourists to it and, in turn, sustain its tourism business activities. The success of marketing a tourist destination is dependent on the availability of a well-packaged, consumable tourist product. Such a product should offer a variety of attractions and facilities and should be accessible.

The multi-sectoral nature of the tourist product, including as it does transport, lodging and entertainment, makes tourism marketing complex but essential. The complexity of tourism marketing is further worsened by the vast numbers of people from all corners of the globe at whom it is directed (Bhatia, 1991: 143). The identification of a segment of the total market (market segmentation) may help tourism entrepreneurs to achieve maximum impact with minimum marketing resources. It is more practical to target and sell products to a segment of the market which has known needs and tastes than to sell products to a heterogeneous group (Department of Environmental Affairs and Tourism, 2004a: 9).

Only four provinces have been able to capitalise on the increased volume of tourists to South Africa in the past decade. These are Gauteng, Western Cape, KwaZulu-Natal and Mpumalanga Provinces. These provinces have not claimed the largest numbers of tourists due to their marketing strategies alone but also because of historical reasons, including the presence of traditional markets and infrastructure. As the fastest growing industry, competition for the tourism market is very high. A number of destinations compete to corner a bigger share of the market (Bhatia, 1991: 137).

In order for local communities offering tourist products to claim a portion of the tourism market, innovative marketing strategies and proactive provincial

tourism authorities are essential. The tourism marketing strategy must skilfully balance conservation with the quality of the tourist experience. In the Panorama region, many tourism entrepreneurs have invested their marketing resources in brochures which, in the researcher's opinion, have limited circulation especially if the target market is foreign.

In order to package a tourist product in a way that will have the edge on competitors, knowledge of the market is critical. Consequently, those individuals and communities that do research before choosing a marketing strategy will have more information on the nature of the market. Market analysis and a realistic assessment of market potential are key components of the development plan. Market analysis determines the tourist product's total market size and possible share that it can capture. Competition must always be the point of reference at this stage, for example, the kinds of products others sell, their location, market share, competitive advantages, sales and market percentage, their competition strategies and growth potential   (Blakely, 1989: 227; Jefferson, 1991: 45).

Market research is concerned primarily with the study of the location, size and other characteristics of current and potential markets. It is applied to determine the type of attractions available in a community, in what markets and to what type of client. In the case of tourism, the marketer should determine whether the market will be predominantly domestic or foreign tourists. The market depends on whom the community is trying to target as its client base (Blakely, 1989: 209).

Conducting market research further helps tourism entrepreneurs to benchmark their tourist product against those of their competitors and to determine strengths and weaknesses on their own product.   An area of research closely linked to market research is product formulation and development. Research in

this area may entail having to compile a profile of an area's attractions which should include the area's unique and most marketable, tangible products such as facilities and attractions as well as intangible products such as quality of service and popularity. These details will allow the tourism entrepreneur to determine the competitive strengths and weaknesses of their own product (Coltman 1989: 51; Bhatia 1991: 147).

Distribution of a tourist product is challenging as it is shaped by a number of sectors such as transportation, hospitality, entertainment, and travel agencies. As a result of its multi-sectoral nature, the distribution of the product requires careful coordination. When conducting consumer research, the entrepreneur should have knowledge of types of consumers along with their attitudes, preferences, possible reactions and travel patterns. Once detailed research on customers (previous and potential) has been undertaken, customer profiles can be developed to identify existing markets and travel patterns that are important in order to develop a marketing plan (Coltman 1989: 51; Bhatia 1991: 147).

Yet another area of consideration is trend research. This entails evaluating factors (social, economic and political) that have the potential to impact on future demand for a tourist product. Trend research involves strategic planning and management in the sense that it looks ahead at possible threats that may harm the prospects of tourism growth. The difficulty with basing marketing strategy on trend research is that, regardless of how scientific the study may be, future customer preferences may be difficult to predict (Coltman 1989: 51; Bhatia 1991: 147).

It has been emphasised in this study that tourism development and growth are interdependent. Tourism marketing is also affected by the performance of other sectors such as agriculture, transport, the banking system, health, entertainment,

accommodation and services. Knowledge of the performance of these sectors would further empower the owner of a tourism-related business in planning a marketing strategy.

In terms of marketing strategies themselves, an important one is market segmentation. Market segmentation breaks down the tourism market into groups with similar tastes and lifestyles. This is useful as the tourism market is not homogenous but made up of many segments and sub-segments. The common thread in tourism markets is their desire to satisfy the purpose for travelling. As to the reasons tourists have for travelling, their attitudes, tastes and personality traits, it is the marketing officer's task to determine their diverse motivations and then to package the product in a way that is attractive and pleasing to these tourists (Bhatia, 1991: 152).

Market segmentation allows tourism marketing to appeal to the specific preferences of a market segment. An advantage of market segmentation is that it is cost-effective and enables marketers to develop products that closely match the requirements of a particular segment of the market (Department of Environmental Affairs and Tourism, 2004a: 9).

Once the segments are known, the tourist product is then packaged to satisfy the tourist. This is known as a product-oriented approach. Its critics say that it fails to consider the desires or needs of potential tourists as it comes in the form of a package for the known segment. The product-oriented approach would be suitable if the supply was always more than the demand but unfortunately this is not always the case (Coltman, 1989: 9).

In contrast to the product-oriented approach there is the customer-oriented approach. This approach places emphasis during marketing on the needs and

aspirations of potential tourists. The disadvantage of this approach is that if tourists are given what they desire or if they are left to enjoy the product as they please, some aspects of responsible tourism, such as over-exploitation of the tourist product, may be infringed, which immediately brings issues of sustainability to the fore (Coltman, 1989: 10).

The societal approach is recommended in this study because it combines the best practices of both the product-oriented and the customer-oriented approaches. The societal approach considers the needs of tourists but does not ignore the long-term economic, environmental, social and cultural interests of the local population (Coltman, 1989: 10).

In packaging the tourist product, the tourism entrepreneur or authority must bear in mind that the product is bought unseen since it is located a long way from the customer, sometimes overseas. Even if the tourists do not enjoy the product, they cannot return it for a refund. This means that the tourist product is bought in good faith and it is therefore important that it lives up to the expectations of the tourist or even exceeds them. The temptation to use rhetoric and to exaggerate the uniqueness and exceptional qualities of the product during sales promotion is always lurking (Holloway and Plant, 1992: 8). If this is not guarded against, there may be very negative implications for the country's image, let alone the image of the marketed destination.

A consideration always to be kept in mind is that the product is generally intangible and cannot be overstretched to satisfy the demand. For example, a hotel has only a particular number of rooms, just as an aircraft has a fixed number of seats. Marketing is not only about selling more but may also be about regulating demand, especially where the supply of a product is finite. Above all, it must be kept in mind that consumers of tourist products have little

or no brand loyalty. This may create instability of demand and even lead to vigorous competition (Coltman, 1989: 6; Holloway and Plant, 1992: 8).

In the final analysis, the success of a tourist destination depends on the constant arrival of sufficient numbers of tourists. Their activities while they stay at their destination are also important because they influence how much they spend, which is the objective of getting them to travel in the first place (Laws, 1995: 7). This presents a major challenge to local communities aspiring to become involved in the tourism industry as it requires that their area should have a variety of attractions and amusements and facilities such as restaurants to trap the tourist cash.

According to the General Manager of Phumulani Lodge, Amos Mdluli (Interview, 17 October 2005), the best way to market a tourist product such as a lodge is to partner with tour operators and tour guides. If one is in the transport business, one needs to know where one can take tourists, even at short notice. Tour operators ultimately make most of the decisions on where tourists (especially foreigners) stay and what they do.

When Mdluli took over the management of the then 3-star Phumulani Lodge in 2003, there were severe cash flow problems and the morale of the workers was very low. In 2004 the lodge was upgraded to four stars. It was nominated Best Emerging Provincial Enterprise. In 2005 it was certified Fair Trade in terms of customer relations and guest service. It was also a finalist in the accommodation category of the annual tourism awards.

By October 2005 the lodge had regained a healthy cash flow as a result of Mdluli's marketing strategies. He has established joint marketing strategies with local and overseas travel agents who bring tourists to the lodge. The lodge has

an agreement with a local company, namely Untamed Africa, to take Phumulani Lodge's guests on day and night game drives in the Kruger National Park which is less than a kilometre from the lodge.

Mdluli (Interview, 17 October 2005) believes that successful marketing of a tourism enterprise requires managing directors and marketers with commitment and passion for what they do. They must seek out information and visit other enterprises to compare notes. He emphasises that networking and information sharing are more helpful than anyone could imagine.

5.7   Summary

The first objective of this study, as mentioned in Chapter 1, is to determine the direct benefits of tourism growth for the communities in the vicinity of tourist attractions and protected areas. This chapter presents a verdict on this objective. It was found that meaningful involvement of local communities in the tourism industry through ownership of tourism-related enterprises is almost non-existent. There is no meaningful linkage between the industry and the local communities other than the buying and selling of unskilled labour.

This means that there are no programmes aimed at using tourism and tourism development for the economic empowerment of local communities. This study acknowledges that the economic empowerment of local communities will not necessarily be achieved through the ownership of tourism-related enterprises only, but could include shareholding, outsourcing, affirmative procurement and social responsibility programmes.

Unfortunately, there is no strategic plan in the Panorama region, such as small business development, to assist with the meaningful involvement of local

communities in tourism. This absence of deliberate and specific measures by local authorities means that the *status quo* of exclusion in the tourism industry is not destined to change any time soon.

The industry's impact on collective economic benefits is non-existent. There are no specific programmes to enhance the capacity of local communities to allow them to play a more meaningful role in the industry, except for the introduction of Travel and Tourism as a school subject. There is only one formal training programme, run by Aventura Blydepoort Resort, and this programme's content is very elementary. Learners are taught general hospitality but not managerial, marketing or financial management skills.

Local communities are not involved in decision making on tourism development in their own areas. The study could not find meaningful linkages between local communities and the tourism industry other than those already described above.

The acquisition of land by Chief Steven Mogane's community makes it potentially the richest community in the Panorama region. Their land has a lodge, a guest house, an incomplete hotel and other agricultural products including plantations, and the Shangana Cultural village. What is conspicuous, though, is the absence of managerial skills. The plantations were gutted by fire in 2005 and the mango farm not harvested. The previous owner exported the mangoes to overseas markets. Since the community took over, they have yet to sell their mangoes or wood to big markets.

Besides Chiefs Steven Mogane and Mdluli's communities, other chiefs do not have access to profitable land which could be used as collateral. This makes them unattractive to private investment because they bring nothing to the negotiation table. The researcher feels confident in declaring that there has been

no meaningful benefit to local communities in the Panorama region following the growth in tourism.

With regard to marketing a tourist product and service, the researcher's personal observation is that this is done mainly through the distribution of brochures or leaflets. In the Panorama region, these are found in restaurants and public places. Private marketers erect stands that display an assortment of brochures and leaflets and charge to distribute them.

Occasionally, the tourism entrepreneur will be lucky and have researchers and journalists writing about their establishment. This depends on chance and is not a marketing strategy. A marketing strategy is researched, designed and scientifically launched. On the other hand, the established tourism entrepreneurs have linked their websites with that of the Mpumalanga Tourism Authority and have further established marketing networks that reach overseas.

CHAPTER 6

RECOMMENDATIONS AND CONCLUSION

6.1   Introduction

In Chapter 1 the research problem was outlined against the backdrop of impressive statistics on the growth of the South African tourism industry. These statistics show that South Africa's tourism industry has grown phenomenally since 1994 (South African Tourism, 2004a: 10). Its growth in foreign arrivals reached 6, 677 839 million in 2004, generating R53, 9 billion in total foreign direct spend. This growth defied global problems such as the terrorist attack on the USA and the subsequent war on terror.

At the end of 2005, South Africa recorded 7, 368, 742 foreign tourist arrivals, a 10, 3% rise from the 2004 figure. This 10, 3% rise was above the global average of 6, 1%. South Africa remained ranked as 32nd top tourist destination in the world. In 2006 South Africa exceeded 8, 4 million foreign tourist arrivals which represented a 13, 9% increase on the 2005 figure. Again, South Africa was well above the global average of 4, 5%. It also made the compound average growth rate of arrivals to South Africa between 2001 and 2006 7, 7%   (South African Tourism, 2002: 8; South African Tourism, 2005: 5; South African Tourism, 2007: 5; 11).

The researcher wondered how this phenomenal growth of the tourism industry was impacting on poor communities, especially those in the vicinity of protected areas. The study's hypothesis was that it would not benefit them directly because of the industry's unsatisfactory progress in transformation.   Many scholars and high profile government officials have lamented the lily-white

nature of the South African tourism industry (Zondi, 2000, cited in Jansen van Veuren, 2001:137; Rogerson, 2002b: 36; Marx, 2003a: 16).

For the researcher, the keywords are meaningful involvement and meaningful ownership of tourism-related enterprises. Instead of calling for any form of involvement in and ownership of tourism-related enterprises by local communities, *meaningful involvement* should be the benchmark. Meaningful involvement is qualified by certain indicators including representation in decision-making structures of the industry, and (meaningful) service provision through affirmative procurement and partnerships. Meaningful involvement must lead to community empowerment (Swanepoel, 1997: 6; De Beer, 2000: 271). The indicators for meaningful ownership are the visible proprietorship of tourism-related businesses in the areas of accommodation, transportation, catering, and any opportunity that strengthens linkages and empowers communities.

The findings presented in Chapter 5 confirm the hypothesis that the South African tourism industry has not transformed sufficiently to directly benefit previously disadvantaged communities. Opportunities that have been created for communities in the geographic area of this study to play a meaningful role in the tourism industry have not borne fruit, except for the lessons learnt. National structures and institutions that support the involvement of previously disadvantaged individuals and communities exist but these should be used more efficiently in order to benefit previously disadvantaged communities.

In order for these institutions to benefit previously disadvantaged communities, they must be provided with more information about the tourism industry. Their knowledge of the industry must be improved and they must have information on where to get financial and capacity support. Access to land has also proved

crucial in developing community-based tourism. As a result, there is need to accelerate the land reform programme. These issues have been discussed in Chapter 3.

6.2   Aligning the findings of the study with its objectives

The study had three objectives which were outlined in Chapter 1. One of these was to determine the extent of involvement in tourism of local communities in the vicinity of protected areas and tourist attractions. The information that was used to achieve this objective was collected through observation, formal and informal discussions, interviews and a literature review. The researcher concentrated on the economic and financial benefits of tourism growth on local communities, human development and its contribution to key government policies.

The findings were discussed in Chapter 5 and they revealed that tourism has benefited the local communities chiefly through the creation of job opportunities. As far as contributing to economic empowerment through their meaningful ownership of tourism-related enterprises, much still needs to be done.

The second objective was to provide a justification for the need to accelerate the transformation of South Africa's tourism industry. This was done in Chapter 4. It was necessary to provide this justification in order to prove the variable of the hypothesis that the slow pace of transformation hampers aspirant black tourism entrepreneurs from becoming meaningfully involved in the industry.

The third objective was to identify and analyse strategies to harness the great potential of tourism in stimulating socio-economic development at local level. In this regard, LED was identified and discussed in Chapters 2 and 3 as the most

suitable local development strategy. The emphasis in the discussion was on tourism-driven LED. It was important to identify and analyse practical strategies that could deliver socio-economic benefits to local communities.

The discussion of LED as a development strategy revealed that there are various approaches that could be applied to stimulate it. These include supporting local initiatives, using local resources, skills and leadership and fostering the creation of local partnerships. Chapter 5 goes on to show that local initiatives are not supported in the Panorama region, and neither is the use of local resources.

LED emerges as the most popular local development strategy, particularly because the government also gives it prominence in its strategic planning and development frameworks: these include the *Reconstruction and Development Programme (1994); Rural Development Framework* (1997)*; White Paper on Local Government* (1998)*; Growth, Employment and Redistribution* (1996)*; Local Economic Development Programme* (2003)*; Integrated Sustainable Rural Development Strategy* (2004)*;* and *Accelerated and Shared Growth Initiative of South Africa* (2006)*.*

The researcher's approach to LED was not to study it but to investigate how tourism relates to it and how tourism could be used to advance it. The key features of LED are tapping into the pool of local knowledge and identifying and using local resources to create opportunities for economic growth and employment. LED further seeks to encourage social development through economic growth in a particular area and to diversify the local economic base into sectors other than those that have traditionally existed (Nel and Binns, 2002: 185).

The findings of the study were that there are institutions and policy frameworks that seek to involve previously marginalised individuals and communities in the

tourism industry. As a result, when this study is juxtaposed against its objectives, it is clear that the objectives informed and formed its basis. If the reader is able to answer the questions below, it can safely be said that the objectives set out in this study have been achieved. These questions appear in Chapter 1 and were intended to support the research objectives and clarify the research problem.

1. What are the prospects for community involvement in tourism in the Panorama region? (Chapter 2, sub-section 2.7)

2. What role are the local communities playing in the tourism industry in the Panorama region, besides providing labour? (Chapter 5)

3. How has the tourism industry managed its own transformation in order to serve the needs and expectations of the new South Africa? (Chapter 4)

4. How can the volume of foreign tourists to the facilities owned by local communities be increased in South Africa? (Chapter 3, sub-section 3.5)

5. How can community-based tourism development be used to stimulate social and local economic development in South Africa? (Chapter 3)

6.3 Unrealised potential of South Africa's tourism industry

That the South African tourism industry has not grown to its full potential is indicated by the fact that the majority of South Africans are still excluded from its benefits. Throughout this study, many authors have commented on the importance of tourism as a catalyst for socio-economic development. They have further confirmed that tourism's potential as a stimulant for socio-economic

development when exploited and managed in a sustainable way has not been fully appreciated (UNWTO, 2005a).

Tourism has tangible economic benefits such as: wealth creation and earning foreign exchange; creating employment; conserving traditions, crafts and heritage (Jefferson, 1991: 3). However, in South Africa its potential has not been harnessed successfully to impact positively on the livelihoods of poor communities, especially those close to protected areas. The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 4) regards the failure to use tourism effectively as a tool for local socio-economic development as a missed opportunity. Its potential to create opportunities for the economic empowerment of local communities through the development of SMMEs and to bridge the racial divide between South Africans has not been realised.

The study did not attempt to present a one-sided argument of the positive potential of tourism but has addressed its downside as well, inasmuch as it has noted that tourism may sometimes bring with it the destruction of the environment and the exploitation, erosion and trivialising of local cultures, as evidenced by what often happens in cultural villages. It was said that these negative elements of the industry may be minimised if local communities are involved and consulted.

6.4 Tourism growth and the development of public policy on local socio-economic development

The post-apartheid governments have published numerous community development strategic and policy frameworks. Some of these frameworks have been aimed at transforming the tourism industry. The Tourism BEE Charter and

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Scorecard are two of the recent efforts intended to transform the industry. Through the Tourism BEE Charter and Scorecard, South Africa has begun to monitor and evaluate its tourism policies. However, policy application and monitoring requires buy-in by all stakeholders. Legislation alone may not achieve such commitment. The researcher believes that certain objectives, such as mentoring, should be encouraged through incentives.

By the beginning of 2006 the Department of Environmental Affairs and Tourism was still inviting tenders for researchers to study the extent of transformation in the tourism industry. The monitoring and evaluation of public policy is important. When one considers the economic importance and extraordinary growth of the tourism industry in South Africa, it becomes clear that it is essential that monitoring and evaluation mechanisms be improved. The assessment of the effectiveness of monitoring and evaluation of applicable policies, particularly with regard to tourism's impact on the economic empowerment of communities in the vicinity of protected areas and tourist attractions, should be an ongoing exercise.

Since there is general consensus that South Africa has fairly appropriate institutions and tourism development policy frameworks in place, visible government action must correct the imbalances of the past in this industry. It will only be possible to say that government's policies and programmes in tourism have yielded the desired outcome of socio-economic development when the impact of tourism on local communities is evaluated and found to be socially and economically empowering.

The idea of enabling communities to empower themselves is commendable. It is surprising that, to date, only a few meaningful linkages have been created with the local communities with a view to helping them to empower themselves. The

importance of public policy has been emphasised in previous chapters. The obstacle is that, without a clear policy on the involvement of local communities, established tourism entrepreneurs who already benefit will be unwilling to change the *status quo*.

The researcher abhors the tourism industry's indifference with the limited involvement of previously disadvantaged communities. The decision makers are unaffected by the fact that local community members constantly endure the harsh conditions of the elements just to sell a few crafts to tourists. This apparent complacency is also discernible when it is claimed loudly that the tourism industry provides the local people with employment as guards and cleaners in the lodges and hotels.

The researcher does not believe that making beds, serving food, selling crafts at tourist points or dancing for tourists should be exclusive to black community members, just as owning other meaningful tourism-related businesses should not be exclusive to one section of the population. Other population groups in South Africa are also able to dance but one never sees them doing it for a few coins from tourists! Neither do they sell their crafts in the open, but instead from proper structures. Nevertheless, through policy formulation and application the tourism industry can transform and benefit all South Africans equally.

6.5   Recommendations

The study makes the recommendations below to ensure that tourism growth, planning and development benefits poor local communities. The researcher believes that the implementation of these recommendations will spread benefits to local communities. If people remain passive objects of gaze, tourism will never benefit them. They must be active and meaningful participants who

exploit the opportunities offered by the industry for their own socio-economic development.

One of the difficulties experienced by the black communities in the Panorama region is that they are uncertain about who should take the lead in the development of tourism in their own areas (see Table 4).

Options	Number	Minimum	Maximum	Mean Rating	Standard Deviation
Individuals	205	1	4	2.53	1.003
Communities	202	1	4	2.68	.993
Government	202	1	4	2.48	1.116
Private Sector	201	1	4	2.31	1.306

Table 4   Who has the most important role to play in the development of tourism in your area?

Source   Researcher's own statistics

Whenever the 'purist' approach to conservation is applied anywhere in the world, as was the case in South Africa under the apartheid regimes, it leads to the forceful removal of people from their land. During the apartheid era this was done without consultation or compensation. Electrified fences, fines and even shooting on sight were some of the dastardly tactics applied in protected areas. However, poaching and resentment of the conservation efforts of such governments usually characterise local people's attitudes, particularly when they do not share in the benefits from the national parks. The South African tourism

industry has shown phenomenal growth since the end of apartheid, and there is enough for all to have a share. What is required now is to give effect to the White Paper on the Development and Promotion of Tourism in South Africa (1996) and all the relevant policy frameworks.

6.5.1 Integrate tourism development into national, provincial and local development programmes and poverty reduction strategies.

There is an acknowledgement among scholars and UNWTO that tourism's potential as a catalyst for generating socio-economic and environmental benefits has not yet been sufficiently appreciated by most governments. Researchers associated with the Overseas Development Institute and the Department for International Development such as Ashley, Roe and Goodwin (2001), Ashley and Roe, (2002), Ashley and Elliott (2003), Ashley and Wolmer (2003), have called for developmental tourism. This requires that tourism development be integrated into the development programmes and poverty reduction strategies at all levels of government. In the developing countries where the private sector is small, it is imperative that government becomes proactive in encouraging the growth in tourism.

The post-apartheid governments have passed appropriate legislation and policy frameworks to ensure that policy formulation and planning for community development are integrated and favourably disposed towards aiding poverty reduction strategies. LED, specifically tourism-driven LED, has been identified in this study as one of the strategies that could impact on the socio-economic development of local communities.

6.5.2   Eliminate leakages and strengthen linkages

Developmental tourism requires the involvement of the public and private sectors as well as the local communities. Strong linkages with local communities are of paramount importance for the sustainability of the industry. If these are missing, tourism development efforts, whether they are public or private sector-driven, will be undermined.

The UNWTO has observed the high leakages in tourism resulting from the importation of inputs and remittances and recommends that governments establish linkages with other economic activities such as agriculture, construction and the manufacturing industries. Another method of establishing such linkages that might be considered is the utilisation of local resources in the delivery of quality services in the tourism value chain (UNWTO, 2005a).

Efforts should be increased to ensure that women are involved in all tourism development efforts. Any rural development effort that excludes women is likely to have limited success. As a result of the migrant worker system, the majority of inhabitants of rural areas are women. Their involvement will contribute towards strengthening linkages.

6.5.3   Build tourism capacity within local government authorities

Among the greatest handicaps to successful implementation of poverty eradication strategies in local government areas are poor planning and lack of capacity at local government level. According to Section 153 of the Constitution of South Africa, a municipality must structure and manage its administration, budgeting and planning processes to give priority to the needs of the

community, and to promote the social and economic development of that community.

Whereas the Department of Provincial and Local Government has a responsibility to support local government authorities in discharging their constitutional mandate, the local government authorities must at the same time improve their competence. The public sector needs to invest in the skills development of the local authority managers. On the other hand, THETA should also improve on the delivery of its mandate which is skills development and training in the tourism sector.

6.5.4   Establish Local Tourism Coordination Centres

Most information centres in the Panorama region employ only one staff member who merely hands out brochures. Undoubtedly, there is a need for the decentralisation of the Tourism, Hospitality and Sport Education Training Authority (THETA) offices and the creation of Local Tourism Coordination Centres. These should have adequate human and financial resources to conduct more specialised activities such as advising prospective tourism entrepreneurs and providing advice on required tourism infrastructural improvements. They could also assist in skills development for prospective tourism entrepreneurs and retraining for established ones. They should identify and advance tourism opportunities in the area and mobilise resources and market local attractions and facilities.

THETA is supposed to be providing skills development but the researcher has doubts about this Sector Education and Training Authority's (SETA) reach. They are located a long way away and little is known about them or their performance track record.

6.5.5   Demonstrate benefits for local communities to win their support

It is the researcher's belief that buy-in and interest of local communities in tourism should be preceded by a plan which will allow them to share its benefits. Before they even begin to enjoy the tangible material benefits, local communities should feel that they are part of the tourism industry. When they feel they are meaningful stakeholders, they will want to become meaningful beneficiaries. Appealing for their participation in the industry solely by invoking their sentiments will have minimal success.

6.5.6   Invigorate Local Economic Development Agencies

The effective implementation of tourism-driven LED is dependent upon a favourable environment. The communities, the private sector and NGOs should be mobilised and plan together for local socio-economic development.   The concept of developmental local government is most appropriate because it persuades local authorities to focus on socio-economic development as their core business. In order to make progress in poverty reduction, LED Agencies must be established, or invigorated where they exist. All local stakeholders, namely the local councillors, the private sector and the communities, should be brought together. Currently, it is advisable but not mandatory to establish LED Agencies. These LED Agencies are in a position to create conditions conducive to the implementation of initiatives such as coordination, resource mobilisation and leadership.

6.5.7   Develop tourism entrepreneurship skills

The government established THETA, the education and training authority in the tourism, hospitality and sport sector, to oversee the implementation of the skills

development plan. The culture of tourism entrepreneurship must be invigorated in the local black communities. The SETAs should be evaluated for delivery on their mandates. The researcher believes that some, for instance THETA, could do much better than is currently the case.

Some institutions, such as the Umsombovu Youth Fund, offer programmes in entrepreneurship skills development. Local communities generally have only basic education. For this reason, entrepreneurship education should be project-based. Better still, entrepreneurship could be fast tracked through mentorship programmes. A mentorship policy framework would assist this. Such a framework should investigate the feasibility of incentives for businesses that have mentorship programmes. The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 7) proposes incentives for people who build tourism capacity in local communities. This makes sense and should be supported as much as possible.

6.5.8   Create tourism development synergy in all three spheres of government

The White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 48) sets out clear roles for the government. As the constitution mandates local government to promote the social and economic development of communities, the national government's role with regard to the development and promotion of tourism is facilitation, coordination and implementation. Although this White Paper states that the tourism industry will be private-sector driven, the public sector cannot afford a hands-off approach.

Legislation and frameworks for the tourism industry have been publicised and institutions established to fund tourism development. However, tourism

development planning and policy frameworks are still government's responsibility (South Africa, 1996: 49).

Government has been lagging behind on monitoring and evaluation. With the launch of the Tourism BEE Charter and Scorecard, and the Codes of Good Practice and Industry Charters, the government has begun to give attention to the monitoring and evaluation of transformation in the tourism industry. This monitoring tool as manifested in policy development and planning is the mandatory role of the government according to the White Paper on the Development and Promotion of Tourism in South Africa (South Africa, 1996: 49).

The indicators for broad-based black economic empowerment are ownership, management, employment equity, skills development, preferential procurement, enterprise development and corporate social investment. Ownership of assets in the tourism industry may come about through direct investment in local communities by the private sector or by the sale of shares from existing establishments (Department of Environmental Affairs and Tourism & Tourism Business Council of South Africa, 2005: 3).

It may not be practical to apply employment equity and effective control of economic activities (management) in the tourism industry since a business may be a family-owned small guest house. Those who compiled the Tourism BEE Charter and Scorecard maintain that these criteria apply to all privately owned enterprises in the tourism industry including all parts of the value chain, regardless of their size. It may again be impractical to test the ownership of assets unless the application of the Scorecard is preceded by private sector investment in local communities. The indicators that may be scored on existing privately owned tourism-related businesses are enterprise development, preferential procurement and skills development for the workers (Department of

Environmental Affairs and Tourism & Tourism Business Council of South Africa, 2005: 6).

The role of the private sector in tourism development is outlined primarily as investment in the tourism industry; continuous skills development; customer satisfaction through provision of quality products and services; involvement of local communities through partnerships, outsourcing and the purchase of goods and services from the community such as agricultural and poultry supply, entertainment and laundry services (South Africa, 1996: 49). Unfortunately, the linkage between the industry and the local communities is often discernible only through employment opportunities created in the industry.

6.5.9   Accelerate pace of land reform programme

Land reform is critical in South Africa. The loss of land by black communities is one of the most fundamental legacies of apartheid. The most fertile land, particularly in rural areas, is owned by white commercial farmers. The importance of land, not only as collateral but also as a productive asset, was discussed in Chapter 3.

Research shows that land has many productive roles. For example, with substantial hectares of land and farming knowledge, small scale farming may be a lucrative business venture. Local communities may supply fresh produce to hotels and restaurants in their area. When local communities are assured of the market and the market is assured of a reliable supply, socio-economic development in these communities will be stimulated. The current contemplation of government to revisit the willing seller, willing buyer principle shows that it has accepted that the land reform programme has not worked as

well as anticipated. It has been acknowledged that the process has been slow and that some of the sellers overpriced their land.

6.5.10 Stimulate the growth of the domestic tourism market

Domestic tourism is important not only because it increases the tourism market but also because it adds an element of sustainability to the industry. It provides significant value to the South African economy and creates the right atmosphere for the tourism industry to flourish.

The Department of Environmental Affairs and Tourism and South African Tourism jointly produced the *Domestic Tourism Growth Strategy, 2004-2007*, which shows that the South African domestic tourism market has untapped value and potential for growth and that this value and size is comparable to the international tourism market (Department of Environmental Affairs and Tourism & the South African Tourism, 2004: 4).

The *Domestic Tourism Growth Strategy, 2004-2007* indicates that the domestic tourism market contributes significantly to the national GDP. In 2003, 49, 3 million domestic trips were undertaken by South Africans compared with 6, 5 million foreign arrivals. The value of the domestic market in 2003 was R47 billion compared to R53, 9 billion in the international market over the same period (South African Tourism, 2004a: 4).

Although the domestic tourism market is comparable to the international market in terms of size and value, the worrying fact is that only a small proportion (16%) of South Africans took trips for holiday purposes in 2003. Two thirds of the 49, 3 million trips by South Africans in 2003 were visiting friends and relatives, 11% were for religious reasons, 6% for business and 2% for medical reasons.

Although the 37 million domestic trips in 2006 represented an increase of 2, 7% on the 2005 figure, the value of the trips declined. Of the 37 million trips, 29 million were taken for purposes of visiting friends and relatives; 2, 9 million for religious purposes; 2, 8 million for holidays; 1, 9 million for business and 400 thousand for medical reasons (Department of Environmental Affairs and Tourism, 2004a: 5; South African Tourism, 2007: 47).

The prospects for growing the domestic tourism market are good. What is required is visionary planning through which the industry may be granted tax relief to enable it to offer rebates to domestic tourists. SANParks is already successfully granting domestic tourists rebates of close to 90% on what foreign tourists pay. Some of the advantages of expanding the domestic tourism market are that this would lead to high occupancy levels of tourist facilities and could reduce the impact of seasonality on the industry.

The government's domestic tourism growth plan comprises six strategies[16] targeting seven segments[17] of tourists. However, the researcher believes that the emphasis should be on the emerging black middle class. This class will travel if successfully persuaded. The Shot Left campaign is a move in the right direction but without concrete offers of rebates, the cost at tourism facilities remains too high for the average middle class South African family. A start could be made

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[16]   The Strategies are: Greater promotion of the domestic tourism brand; Promote a set of experiences that relate to South African consumers; Distribute appropriate information in specific places; Facilitate the development of cooperative product packages; Develop marketing and distribution channels; and Promote repeat visitation.

[17] The segments are: The young and up-coming; Independent young couples and families; Striving families; Well-off homely couples; Home-based low-income couples; Basic needs older families; and Golden active couples.

through the purchasing of discounted coupons that would allow the bearer rebates at all tourism facilities. Bearers of such coupons would then receive a tax rebate. This is but one of the possibilities worth further exploration.

6.6   Areas for future research

i)   A study on progress in the application of policy directives embodied in the White Paper on the Development and Promotion of Tourism in South Africa may shed light on how much the South African tourism industry has transformed.

ii)   It would be useful to conduct a comparative study on the impact of tourism growth on communities adjacent to tourist attractions in South Africa and one or two African countries. These should be countries that have not experienced racial segregation or economic exclusion of certain sections of the population since their independence from colonialism. Their tourism should rely on protected nature reserves, game parks and ecotourism. Such a study would clarify how, if at all, these countries have used tourism for the socio-economic empowerment of their communities.

iii)   A critique of the White Paper on the Development and Promotion of Tourism in South Africa may shed light on success in the implementation of its policies. This may further identify challenges still facing the tourism industry.

iv)   A comparative study of black and white tourism entrepreneurs could be conducted to determine different approaches to tourism-related business development, similarities and information sharing on successful tourism business practices.

6.7   Conclusion

Since 1994 the South African tourism industry has performed comparatively well, especially if one considers that the industry has at no stage experienced a decline in foreign arrivals. This industry has outperformed all other sectors of the South African economy in terms of both job creation and contribution to the GDP. Currently, for every 12 international tourist arrivals, one direct job is created. This suggests that the industry is probably under-investing in human development (Departments of Environmental Affairs and Tourism & Trade and Industry, 2004a: 21).

The White Paper on the Development and Promotion of Tourism in South Africa (1996) proposes responsible tourism as the most appropriate approach for the development of South Africa's tourism industry.   Among many of its elements, responsible tourism calls for the involvement of previously neglected communities in the tourism industry. Naturally, tourism development in the provinces has to follow the national policy framework.

The involvement of local communities not only seeks to achieve socio-economic development but also to evoke a responsibility within them to protect the industry and all its aspects. The failure to practise responsible tourism will place the sustainability of the industry in question.   For example, the industry may face environmental degradation and the blatant disregard of the conservation and preservation of flora and fauna by the locals. The tourism industry will consequently face a loss of foreign earnings. This would be a detrimental situation for both the tourism industry and the local communities, and one that could be avoided by practising responsible tourism.

The prospect of using tourism for local socio-economic development remains unrealised. The employment opportunities are sparse and precarious because wages are low and uncertainty is engendered by the age-old tourism problems of seasonality, stressful working conditions and poor wages. There is still a long way to go before one may confidently talk of economic empowerment of poor communities through tourism.

It was stated in Chapter 1 that the study would identify and analyse strategies to harness the potential of tourism as a stimulant for socio-economic development at the local level. It was also emphasised that developmental tourism should be a strategy for socio-economic development of poor local communities. Tourism-driven LED is a strategy that also has the potential to stimulate socio-economic development at local level.

Challenges to meaningful involvement of the local communities in the tourism industry were identified. They include lack of knowledge and appreciation of the potential of the tourism industry; lack of resources including information and capital; limited access to land; inadequate skills base in management and financial management; and the slow transformation of the tourism industry.

The findings of the study presented no surprises. The hypothesis that the tourism industry has not made a direct, positive impact on the socio-economic conditions of the communities in the vicinity of the protected areas because it has not transformed itself was confirmed. Chapter 4 provides a justification for the need to accelerate the transformation of South Africa's tourism industry. It argues that more can still be done to change the current white image of the industry by making tourism developmental and representative of all South Africans.

The old conservation ways of forcefully separating people from parks by fences and fines has achieved limited success in ensuring the sustainability of ecotourism. When the people were still disenfranchised and unrepresented at all levels of government, the army and local rangers could shoot on sight anyone found inside a protected area. This militaristic conservation approach was counterproductive as it only evoked and heightened hostile emotions and sentiments towards protected areas. The marginalisation of the local communities has, unfortunately, not ended with the demise of apartheid in 1994.

Public diplomacy and genuine efforts towards meaningful involvement of the local communities is the only viable alternative. Animosity and dramatic confrontations between the local communities and the conservationists can be avoided by making local communities custodians of protected areas and allowing them to benefit materially from ecotourism sites and all tourist attractions in their neighbourhood.

Chapter 5 assessed the direct benefits of tourism growth on local communities by applying a format borrowed from Ashley, Roe and Goodwin (2001) and Mahony and van Zyl (2002). Eight of the nine indicators of whether the local communities were benefiting from the phenomenal growth in tourism proved the hypothesis. Only one indicator on job opportunities created by the tourism industry failed to prove the hypothesis.

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LIST OF ANNEXURES

1. Map   3   **Geographic Location of Mpumalanga Province**
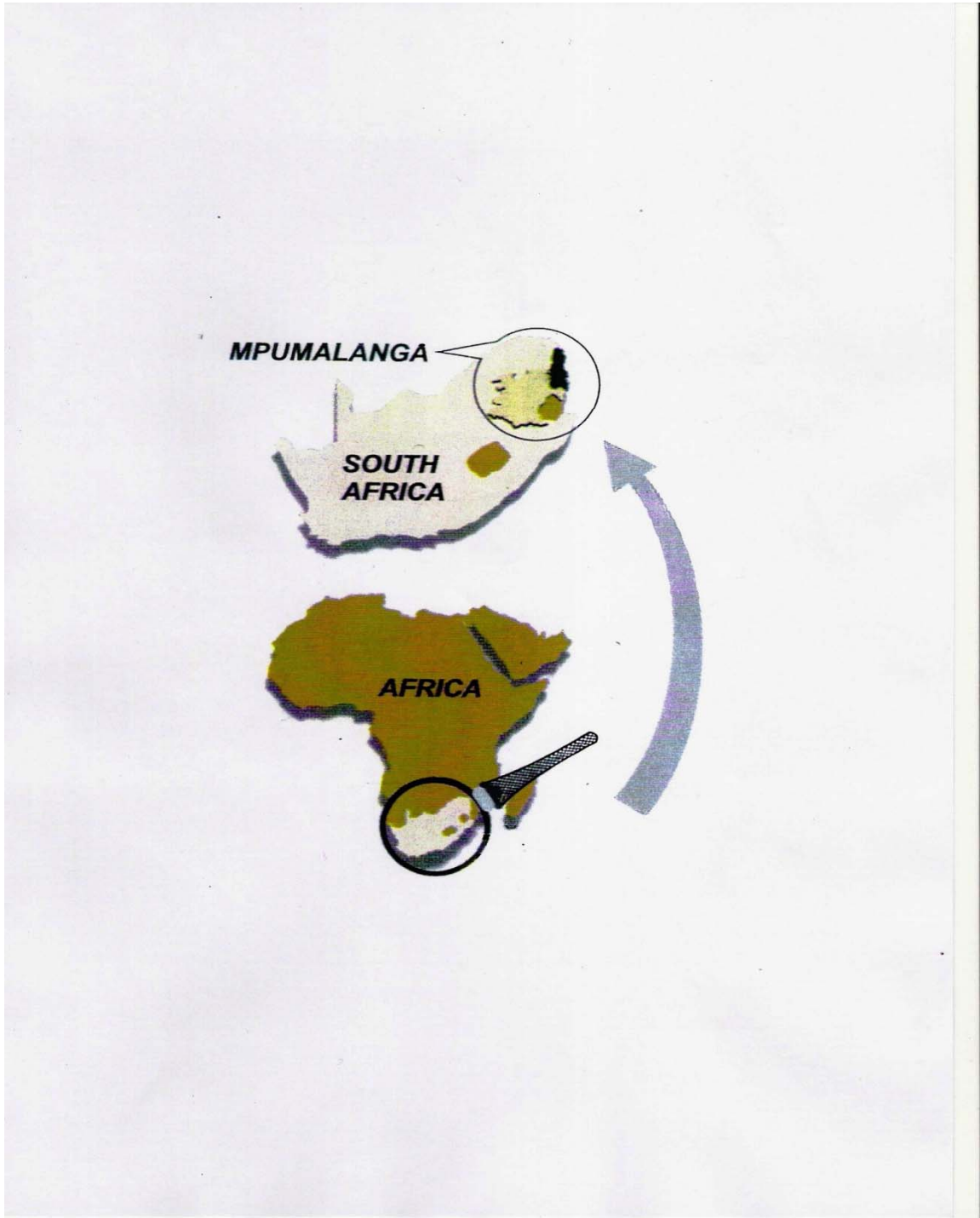
Map   3   Geographic Location of Mpumalanga Province

Source   Mpumalanga Tourism Authority

Mpumalanga Province was created from the old Eastern Transvaal and the former 'homelands' of KaNgwane, KwaNdebele and parts of Lebowa. It covers about 80 000 square kilometres or 6, 5% of South Africa's surface area. Tourism, timber, energy and the Maputo Corridor are the main contributors to the economy of Mpumalanga Province.

2. Map 4 Mpumalanga Province's Tourism Regions

The Panorama

The Panorama region boasts some of nature's most beautiful creations. These include the world's third largest and most extensive green canyon, the Blyde River Canyon. There is also God's Window from where one can see the sprawling villages of Bushbuckridge and surrounding areas. The beauty of the escarpment from God's Window is breathtaking. The beautiful Three Rondavels and the amazing creations of nature, Bourke's Luck Potholes, are found in the Panorama.

Some of the historical towns situated in the Panorama region include White River and Pilgrim's Rest, which boasts a museum dating back to the gold rush of the 19th century. Sabie, Graskop and Ohrigstad, the seat of the missionaries in the 19th century, as well as Hazyview are all found in the Panorama Region. The Panorama region really has unsurpassed natural wonders such as the Sudwala and Echo caves, the amazing rock formation called the Pinnacle and a number of waterfalls.

Highlands Meander

The Highlands Meander includes towns such as Dullstroom, Machadodorp and Waterval-Boven. Machadodorp and Waterval-Boven are built along the old Transvaal Republic's major railway line to Delagoa Bay (present day Maputo). Further down the escarpment is the small town of Waterval-Onder.
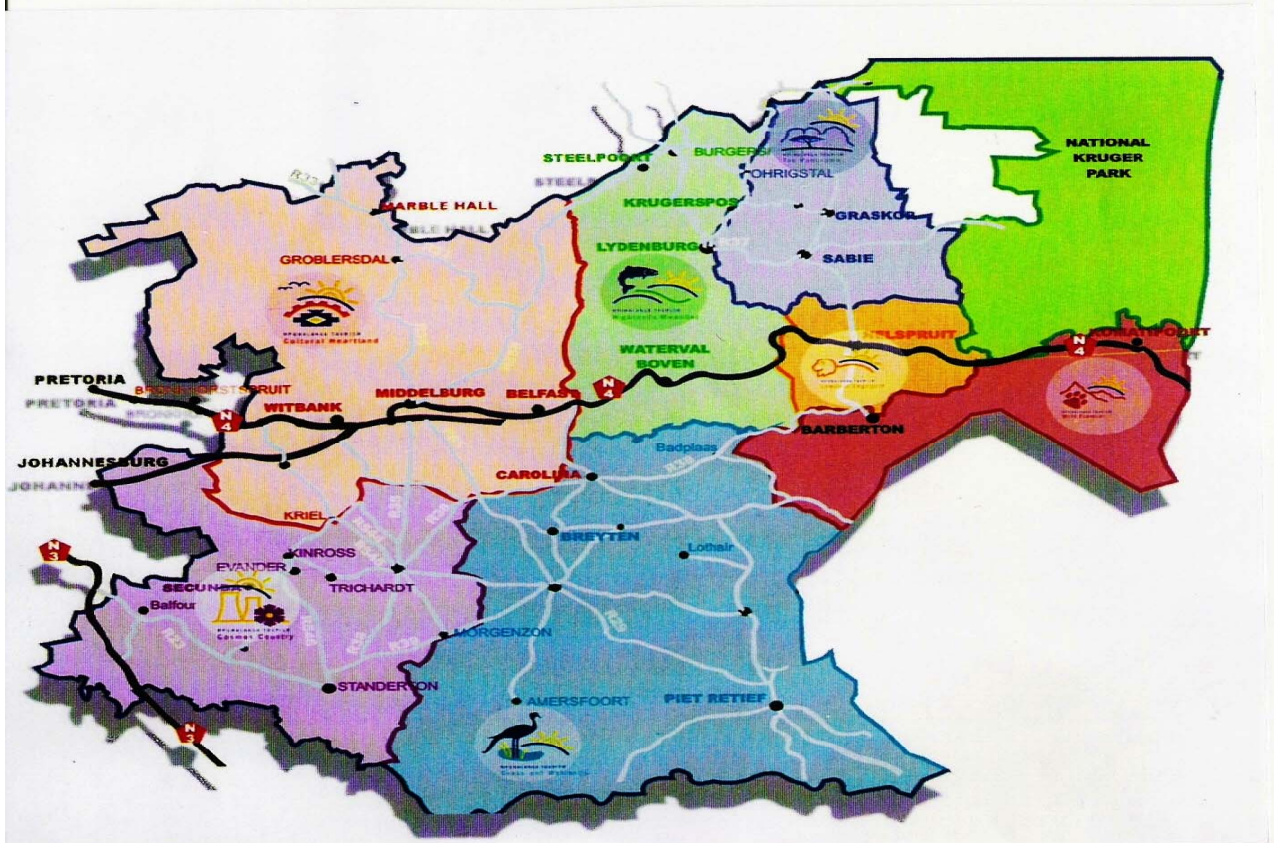
Cultural Heartland

As the name suggests, the Cultural Heartland offers some of the attractions of Mpumalanga Province, above all, the colourful Ndebele culture in Siyabuswa, Groblersdal and the surrounding villages. Culture lovers will find the Godwana Ndebele Village fascinating. The village portrays typical Ndebele life from over a century ago to date. Middleburg, Marble Hall, Tweefontein and the coal producing town of Witbank are all part of the Cultural Heartland.

Wild Frontier

This region borders both Mozambique and Swaziland. The most historic town of this region is Barberton where the first Stock Exchange on the African continent was founded in 1887. On the Mozambique side there is the small town of Komatipoort. The major attraction in this region is bird watching.

Grass and Wetlands

The small towns in this region are Volksrust, Hendrina, Ermelo, Carolina, Piet Retief and Morgenzon.

	Highlands Meander		Wild Frontier		Lowveld Legogote
	The Panorama		Grass and Wetlands		
	Cultural Heartland		Cosmos Country		

Map 4 Mpumalanga Province's Tourism Regions

Source Mpumalanga Tourism Authority

Cosmos Country

Cosmos Country's major attraction is the blooming of the cosmos flowers in late summer. This area is best known for the production of petrol from coal at Secunda. Other small towns are Bethal, Standerton and Delmas.

Lowveld Legogote

This is the region that hosts the administration of Mpumalanga Province. Nelspruit is the financial and industrial centre of Mpumalanga Province. Retreats in this region are perfect for people who need a weekend break from their hectic work schedules.

3. **Table 5   Poverty Table for South Africa (2000)**

Group	Provinces	Poverty Level	Actual Poverty Level
1	Gauteng	Below 20%	12%
	Western Cape		12%
	Mpumalanga		25%
	KwaZulu-Natal		26%

2	Northern Cape	Between 20-40%	35%
	Northwest		37%
	Limpopo		38%
3	Free State	Above 40%	48%
	Eastern Cape		48%

Table 5   **Poverty Table for South Africa**

Source   Statistics South Africa (2000)

4.   **Questionnaire and Questions for interviews**

4A.   **Questionnaire filled in by people from Panorama region**

		Yes **Cross** **Answer** **Below** Once Twice More	
1	In this study a tourist is defined as a person who travels elsewhere for one or more nights with the sole purpose of relaxation and/or amusement using at least one conventional service of the tourism industry such as a tourist site, transport, hotel, etc. Have you ever been a tourist? Choose either Yes or Never. If Yes, cross the number of		Never

	occasions you have been on holiday.		
2	Tourism brings billions of rand per year into SA. Where do you think most of this money goes? Choose A, B, C or D A. The government B. Ordinary people in the form of government services (roads, electricity, etc) C. Private tour operators D. None of the above	Write the letter that represents your answer here: ....
3	What would one need to start a tourism related business? Rank your answers according to their importance. 4 is for the most important requirement, followed by 3, 2 and 1, the least important. 1. Land 2. Capital (money) 3. Expertise (knowledge or skills) 4. Market and products	Which answer is rated: 4. .... 3. ….... 2. …… 1. ….....
4	Why do you think few black people are involved in tourism-related businesses in South Africa? Rank your answers according to their importance. 4 is for the most important reason, followed by 3, 2 and 1, the least important.	Which answer is rated:

	1. They don't have money to start a business 2. They don't have the required knowledge and skills such as managerial 3. They lack interest in the tourism industry 4. They lack information	4. .... 3. ...….. 2. …… 1. ….....
5	Who has the most important role to play in the development of tourism in your area? Rank your answers according to their importance. 4 is for the most important role player, followed by 3, 2 and 1, the least important. 1. Individuals 2. Communities 3. Government 4. Private sector	Which answer is rated: 4. .... 3. ...….. 2. …… 1. ….....

6	If you could, how would you want to get involved in tourism? Rank your answers according to their importance. 4 is for the most important thing you would do, followed by 3, 2 and 1, the least important.
	
	    1. Work at a hotel (lodge or bed-and-breakfast)
	    2. Become a tour guide
	    3. Be part of entertainment group for tourists
	    4. Provide accommodation for tourists
		Which answer is rated:
		
		4. ....
		3. …....
		2. ……
		1. ….....

7	The Panorama region and the Kruger National Park attract many tourists per year. How do these attractions and others in this region benefit you and your community? Choose the most relevant answer and write either A, B, C or D in the opposite block.
	
	    A. Tourists buy arts and crafts from us
	    B. Provides employment in lodges and hotels
	    C. Provides business opportunities (tour guides, transport, accommodation)
	    D. There is little benefit
		Write the alphabet that represents your answer here:
		
		……..

8	What do you think is the most important tourist need? Rank your answers according to their importance. 4 is for the most important need, followed by 3, 2 and 1, the	Which answer gets:

least important.	
1. Safety 2. Value for money 3. Entertainment 4. Unique experience	4. .... 3. …... 2. …… 1. …....

4B. **Questions for interviews with mayor of Thaba Chweu, headmen and tour operators from the local communities**

1. What are the challenges facing emerging tour operators from the previously disadvantaged communities?

2. What support structures exist to assist them in entering the tourism industry?

3. What business opportunities exist for previously neglected individuals and communities in the tourism industry in your area?

4. What is required for one to establish a viable tourism related-business?

5. What are the prospects for community-based tourism development in your area?

6. What community-based tourism development projects have been implemented in your community?

7. What local efforts do you know of which are aimed at involving the previously neglected communities in the tourism industry?

8. The South African tourism industry has been growing steadily since 1994. How has this growth impacted on the previously neglected communities in your area?

4C. Questions for interview with Mr Amos Mdluli, the General Manager of Phumulani Lodge

1. How did the idea of Mdluli Cultural Centre come about?
2. How difficult was it to achieve what you have at the Mdluli Cultural Centre?
3. What would you say are the challenges facing aspirant and emerging black tour operators?
4. Where does your business support come from and what kind of support do you get?
5. What is the current management structure of the Centre?
6. How has the project impacted on the Mdluli community?
7. How do you market the Centre and what are the challenges?
8. Have you outsourced any of the Centre's services to the community?

4D. Questions for interview with Mpumalanga Tourism and Parks Agency

1. Are there community-based tourism projects in local black communities, run by MTPA, in Panorama region?
2. In which ways are the local black communities benefitting economically from the booming tourism industry in Panorama region?
3. a)   Who created the Motlatse Forum?
   b)   What are its objectives?
   c)   How is it funded?
4. What happened to the African Cuisine project which was run from Bourke's Luck Potholes?
5. Is the former Army Dog School being used in any way by the community for tourism-related projects?
6. a)   Who runs the Kiosk at Bourke's Luck Potholes? Is it the

community or MTPA?

b)   What is its annual turnover?

c)   How much rental, if any, is payable by those who run it?