

# “Tourism Development Strategies and Poverty Elimination”

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## **Tourism Development Strategies and Poverty Elimination**

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### **Abstract**

Indeed, tourism is the key to the economic development for South Africa as one of the richest and economically most advanced countries on the African continent. For decades, however, the country's apartheid regime prevented it from achieving its potential, leaving widespread disparity and poverty in its legacy, and resulting in a high level of socio-economic inequality (World Travel and Tourism Council report, 2004: 26)

In 1994, at the end of the apartheid era, the South African Government announced an ambitious campaign to make tourism the country's number one industry in the creation of new jobs and generation of foreign earnings by the year 2000. However, ten years on – while it has grown substantially and is now poised to overtake mining in respect of contribution to the GDP – South Africa's tourism industry has not delivered the ambitious job creation and economic growth anticipated (World Travel and Tourism report, 2004: 27).

The study discusses the role of tourism development as a development strategy in poverty alleviation in South Africa.

**Key words:** poverty alleviation, tourism development, economic development.

**JEL classification:** O100, O150, O180.

### **Sustainability: A Prerequisite for Tourism Development**

The World Tourism Organisation defines sustainable tourism as “tourism which leads to management of all resources in such a way that economic, social and aesthetic needs can be filled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems (WTO Report, 2002: 7)

During the 1980s, it became apparent that major global environmental changes were occurring suddenly and silently and those scientists had not predicted these changes. The world also became more aware that there was an element of uncertainty and risk in relation to the effect of a range of human activities on global environments. To rectify these problems, fundamental changes were required in our style of living.

Tourism is most ideally suited to adopt sustainability as a guiding philosophy. There are many reasons for that:

- ◆ Apart from transport, tourism does not consume additional non-renewal resources.
- ◆ A community's resources, its culture, traditions, shops, leisure facilities, etc. represent the core resources base for tourism.
- ◆ Tourism use of resources, both natural and cultural, should be non consumptive, making them renewable.
- ◆ Tourism represents one of the few economic opportunities available to remote communities.
- ◆ Tourism provides real opportunities to reduce poverty, create employment for disadvantaged people and stimulate regional development.
- ◆ Tourism has proven to revitalise cultures and traditions.
- ◆ Tourism can provide an economic incentive to conserve natural and cultural assets.
- ◆ Tourism has been shown to foster greater understanding between people and a greater global consciousness.

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And so, sustainable tourism is really an issue of how best to encourage tourism growth while minimising costs (McKrecher, 2003: 4)

### **Goals of Development**

According to Sharpley & Telfer (2002), the goal of the process is, in effect, the self-actualisation of individuals within a society, embracing at least five dimensions:

1. An economic component – the creation of wealth and equitable access to resources;
2. A social component – the improvement of health, education, security, employment and housing opportunities;
3. A cultural dimension – the protection or affirmation of cultural identity and self-esteem;
4. An ecological dimension – which reflects the emergence of environmental sustainability as a guiding principle of all development policies; and
5. The full-life paradigm – the preservation and strengthening of the meaning system, symbols and beliefs of a society.

Development then is a complex, multidimensional concept which not only embraces economic growth and ‘traditional’ social indicators, such as healthcare, education and housing, but also seeks to confirm the political and cultural integrity and freedom of all individuals in society. It is, in effect, the continuous and positive change in the economic, social, political and cultural dimensions of the human condition, guided by the principle of freedom. It has been argued (in a rather romantic, idealistic sense) that underdeveloped, pre-industrial societies may, paradoxically better represent the ‘good life’ than developed societies: ‘the world’s most primitive people have few possessions, but they are not poor. Poverty is not certain small amount of goods, nor is it a relation between means and ends; above all it is a relation between people’ (Shalins in Sharpley & Telfer, 2002).

### **Impacts on South Africa as a Developing Country**

Tourism is a growth industry, offering communities of all shapes and sizes a unique development opportunity. However, not every community is suited to tourism, nor for that matter is tourism development necessarily appropriate for every community. Tourism impacts can be both positive and negative, and the effect depends very much on the character of the area and the local circumstances (Godfrey & Clarke, 2000: 4).

Later on in the text, we will explain the essential role of local communities in tourism development. Later on, we will point out the importance of environmental, socio-cultural and economical impacts of tourism development. The contribution of tourism to regional economies is measured in similar fashion as that for national economies. Its share of regional income or output can be estimated either in terms of direct effects or, via multiplier studies, of direct and indirect effects (Williams & Shaw, 1991). Leakages and linkages are two interesting concepts and also explained in this section.

### **Local Communities as Central Point**

Of the variety of models addressing tourism impacts, Britton’s (1989) approach, based on the “Dependency Theory”, maintains that in order to understand the tourism industry one must consider the organisation of international tourism and examine the structure of the peripheral (host) economy. This framework is based on the assertion that international tourism is dominated by large companies from the industrialized world exerting influence over or controlling tourist demand, transportation and accommodation. Within the peripheral economy, Britton asserts that the multinational companies exert control through ‘system determinants’ such as ownership and the use of package tours and agreements which are unfavourable for the host country but which can be forced through due to the dominance of these companies. On the other hand, Preister (1989) considers Britton’s “Dependency Theory” to be too global for use at local level. He claims that locally affected people are not shaped

passively by outside forces but react as well, at times even changing the conditions of the larger system, and that the outcome of tourism development is a negotiated process.

Communities are a basic element in modern tourism. They are the focal point for the supply of accommodation, catering, information, transport facilities and services. Their local natural environment, buildings and institutions, their people, culture and history, all form core elements of what the tourists come to see. Whether as towns, villages or cities, every community has tourism at one level or another, and is affected by the growth and development of the industry (Godfrey & Clarke, 2000: 3).

Community based projects are the most suitable for a sustainable tourism development where the community is participating actively in the decision-making process. Clearly, governments should be involved in establishing guidelines and formulating laws to guide the planning and implementation of tourism development. However, this is not enough. Local community involvement is necessary to enhance or to further develop sustainable communities. An important precondition is that tourism development will be community based, yet it needs the support of locals, regional and national governments. Inskeep points out that host communities must have a right of voice in shaping their future community and has called for the maximum involvement of the local community to maximise socio-economic benefits of tourism for the community (In Tosun, 2000: 616). In doing so, the first thing to achieve is the local communities' understanding on the importance and the repercussions of tourism development in their region in order to encourage an authentic participation and involvement. Local communities and the various stakeholders must be familiar with the process to appreciate it and thereby support it (Cottrell, 2001: 7).

### **Economic Impacts of Tourism**

As we have already seen, tourism is rapidly emerging as an important economic sector in Developing Countries and LDCs. It offers opportunities for economic development in areas that have otherwise limited development activities. However, tourism is not a traditional industrial sector, and is best understood as a response to a particular consumer demand. The activity creates demand for a wide range of products and services purchased by visitors and tourism companies, including a range of products supplied by other industrial sectors (e.g. agriculture, building supplies, crafts and soft furnishings) which are not traditionally thought as part of the tourism sector but have been identified as tourism connected products in the Tourism Satellite Account methodology (WTO, 2001c: 59).

Tourism development has been traditionally been pursued for its impacts on employment and economic growth, and perhaps most significantly for foreign exchange earnings. During the period of 1995-1998, tourism revenues were one of the five leading sources of export revenue for 69 Developing Countries. Among the latter, tourism revenue was the main source of foreign currency in 28 countries, its share in total exports ranged between 79 and 20%; in 27 countries it accounted for between 20 and 10%; and in the 24 remaining countries it was around 10%.

Of the 100 or so poorest countries, tourism is significant in almost half of the low income and virtually all of the lower-middle income countries (UK Department for International Development (DFID), 1999. In WTO 2002a: 18). Tourism is a principal export (features in the top five) for 83% of developing countries and the principal export for one third of developing countries (Page, 1999. In WTO, 2002a: 18).

The economic evaluation of tourism is difficult to calculate. However, the WTO's proposal about "The evaluation of the economic incidence of tourism" has been the building of the Satellite Tourism Account (STA). Using the STA it is possible to identify the value of tourism to the national economy and its impacts through different industries. So, it is conceived to quantify the tourism effects in the national economy, in a way that can help the public responsible, the business managers and common people to take documented decisions based on credible, comparable and confirmed data with the rest of the national accounting (For more information see WTO, 2001d). It is not yet widely implemented in Developing Countries and LDCs. However, WTO is working on

that process in order to get more homogeneous tourism data among the country members. Among the most important advantages of tourism development we can find:

- ◆ Employment opportunities, economic diversification and growth (especially for small and medium enterprises), redistribution of wealth among the countries and regions. Among the primary reasons we have to point out that tourism offers, in principle, more opportunities for backward linkages throughout the local economy than other industries. Such opportunities include both direct links, such as the expansion of the local farming industry to provide food for hotels and restaurants, and indirect links with, for example, the construction industry (Sharpley & Telfer, 2002). The contribution of tourism to the local economy is also often undervalued.

The WTO defines five sorts of positive impacts on livelihood, any or all of which can form part of a poverty reduction strategy (2002a: 37):

1. Wages from employment. We can distinguish three different types of employment generated by tourism (Kontogeorgopoulos, 1998: 315):
  - direct employment refers to those occupations directly derived from and dependant upon tourism and includes employment in accommodation establishments, shops, restaurants, night clubs, bars, and government tourism administration, and transport and tour companies;
  - secondary, or indirect, employment occurs in sectors supplying the industry and results from increased demand for souvenirs, food products and other such items affected by tourism demand;
  - finally, the spending and circulation of local tourism income create induced employment in the local economy.
2. Earnings from selling goods, services or casual labour
3. Dividends and profits arising from locally owned enterprises
4. Collective income which may include profits from a community run enterprise, land rental, dividends from a joint venture or levies – these incomes can provide significant development capital and provide finance for corn-grinding mills, a clinic, teachers, housing and school books.
5. Infrastructure gains, for example roads, piped water, electricity and communications.

Tourism encompasses a whole range of economic opportunities which have an impact on many different social and economic sectors, transport and communications infrastructure, water supply and sanitation, education, public security, cultural services, immigration and customs – as well as accommodation providers and their suppliers. Reflecting the diversity and complexity of the industry, it is one of the few sectors where development master plans are still produced. There is much scope for increasing the emphasis on pro-poor economic development in these plans (WTO, 2001c: 59-60).

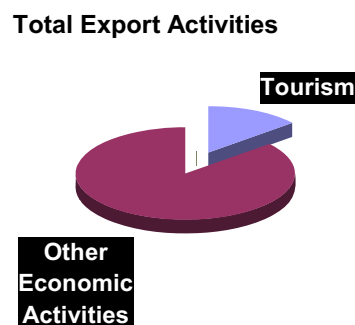


Fig. 1. Tourism Share in Total Exports in South Africa (WTTC, 2004: 6)

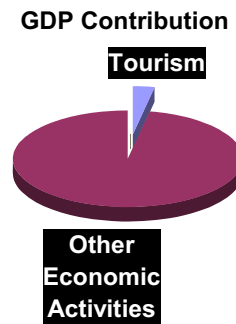


Fig.2. Tourism contribution to GDP (WTTC, 2003: 6).

## **Leakages**

As a modality of international commerce, tourism involves not only inflows of foreign financial resources but also outflows, referred to herein as “leakages”. When they exceed specific levels, these outflows can significantly neutralize the positive financial effects of international tourism (Díaz Benavides, 2001: 8). Pérez-Ducy de Cuello (2001) defines leakage as the process whereby part of the foreign exchange earnings generated by tourism, rather than being retained by tourist-receiving countries, is either retained by tourist-generating countries or repatriated to them in form of profits, income and royalty remittances, repayment of foreign loans, and imports of equipment, materials, capital and consumer goods to cater for the needs of international tourism and overseas promotional expenditures.

According to WTO, “the average leakage for most developing countries today is between 40 and 50% of gross tourism earnings for small economies and between 10 and 20% for most advanced and diversified developing countries” (WTO, 1995: 55). Depending on the sources, some authors give more importance to the tourism leakage effect. According to Cottrell (2001: 1) in Thailand 70% of all money spent by tourists leaked out from the country (via foreign-owned tour operators, airlines, hotels, imported drink and food, etc.). Estimations for other Third World countries range from 80% in the Caribbean to 40% in India. A policy to reduce leakages will improve the chances for a more viable tourism sector. Leakages can be managed and need to be reduced. Management of leakages should allow the countries to profit as best as possible from the market expansion and the competitive factor that tourism demand represents for local industry and the local economic structure in all fairness to least developed and developing countries, without engaging in anti-competitive practices that contradict other WTO principles, and reduce the contribution of tourism to sound economic development (Díaz Benavides, 2001: 12).

At that point, it is interesting to point out that high-income luxury tourism is not always the best strategy because it requires the provision of very high quality and high priced goods. In some cases it may actually result in increased leakage despite the higher income it may generate.

## **Linkages**

Tourism can provide an important diversification for other sectors of the local economy and create new ones, offering additional livelihood opportunities. From the tourism and a poverty perspective it is generally more productive to focus on the linkages with other economical sectors. If the linkages to the local economy can be increased, the extent of leakages will be reduced. One of the best ways to enhance economic benefits to the local community and to increase the contribution to poverty reduction is to increase the extent of linkages between the formal tourism sector and the local economy (WTO, 2002a: 38-39). The fact that the costumers come directly to the destination makes tourism have a higher potential for linkages with the rest of the economy in the country.

While tourism is a very big industry on a global scale, at the local level it is also very small. That is, the vast majority of tourism companies are small or medium sized operations, all offering a good range of goods and services to the traveller in one form or another (Godfrey & Clarke, 2000: 5). The linkages allow the revenues to circulate through the domestic economy, producing larger multiplier effects in terms of both employment and income for the local population (Brohman, 1996: 56). That is to say, use of local goods and services results in the creation of more jobs and opportunities especially for small and medium sized enterprises.

Many developing countries have found it important to improve the linking of tourism with the other sectors of the economy. Successful experiences of small economies and islands that have recently become emerging tourism destinations, such as Mauritius, Maldives, the Dominican Republic and other Caribbean islands, attest to the vital importance of the proper linkage of tourism with the rest of the economy (Prats in Díaz Benavides, 2001: 7). However, according to Díaz Benavides (2001: 7), despite developing countries efforts, the economic sustainability of tourism is being undermined by external factors beyond their control, notably the predatory behaviour of integrated suppliers which enjoy a dominant position in the originating markets of tourism flows.

### **The Multiplier Effect**

The extent of integration of tourism in the national economy is known as the multiplier effect. The concept of the multiplier is based upon the situation that sales of one enterprise require purchases from other enterprises within the economy. This means that enterprises not only purchase primary inputs but also purchase goods and services produced by other enterprises in the local economy. "Thus, these supplying enterprises and the economic sectors also benefit from tourism, and multiply the economic benefits through creation of additional jobs, income and profits. The greater the integration of the national economy and linkages of its various economic sectors, the more benefits are accrued from tourism" (WTO, 2002c: 5). The tourism income multipliers refer to the amount of money generated in the economy by tourist expenditures, which is expressed as the percentage increase or decrease of the unit of currency spent. Income multipliers vary greatly from one country to another. For example, according to Cooper et al. (1998: 142), the multiplier is 1.73 in the United Kingdom, 1.59 in Sri Lanka, 1.27 in Jamaica, 1.23 in Egypt, 1.07 in Fiji, 1.03 in the Seychelles, 0.97 in Mauritius, 0.82 in Philippines, and 0.79 in The Bahamas. For instance, '(a) study on Indonesia showed that the tourism multiplier (1.59) was the highest of all categories, including final demand and exhibited strong links to the agricultural sector, on which it had no direct effect at all' (Economic and Social Commission for Asia and the Pacific (ESCAP), in Díaz Benavides, 2001: 11). As would be expected, generally the multiplier is higher in larger more developed economies and lower in smaller less developed economies, especially island countries that must import a greater proportion of the goods and services used in tourism (WTO, 2002c: 5). Although the impacts of tourism may be broken down into discrete units such as 'environmental', 'socio-cultural' and 'economic', it is the way these impacts interweave and the way they are conditioned by political activity that determines their effects for good or bad (Brown, 1998: 78).

### **Tourism Development and Poverty Elimination**

The governments of Developing Countries and LDCs must help create the right market conditions for developing tourism as a means to alleviate poverty. (WTO Newsletter, 2004: 1).

Numerous academics, politicians and campaigners speak on the problem of poverty and underlying their discussion is the assumption that identifying the problem provides a basis for action upon which all will agree. Not everyone agrees on what the problem of poverty is, and the action advocated by different groups is not always the same thing.

Poverty amid plenty is the world's greatest challenge. Of the world's 6 billion people, 2.8 billion live on less than \$2 a day and 1.2 billion live on less than \$1 a day. Even though the human condition has improved significantly, destitution persists. Faced with this picture of global poverty and

inequality, there is a need for global poverty reduction strategies at the international level that would change this situation.

Most of South Africa's poverty has its roots in the legacy of apartheid. The current rate of poverty in South Africa is 45%. This translates into 18 million people who live on less than \$2 a day, as measured by the World Bank. The percentage of households reporting hunger in 1999 was 21.9 per cent. There are startling numbers for a country classified as "middle income" and reinforces the need for a poverty reduction strategy at the National level that will inform Provincial and District wide strategies (World Bank report, 1998:17)

Access to quality employment is crucial to reducing poverty and vulnerability as well as reducing inequality in South Africa. Poor people are faced with both unemployment and the low quality of the jobs they otherwise occupy. The challenge is to create more employment opportunities for the poor. Creating a favourable climate for investment is one way of achieving this. But what is also required is investing in human capital to develop skills and improving well-being. It is against the backdrop of poverty both globally and nationally that an analysis of poverty in South Africa is to be undertaken. Despite the Western Cape having the lowest overall percentage of people living in poverty in South Africa, large sections of its population continue to live in abject conditions. The Province suffers excessively from high levels of unemployment, low levels of human development and unequal access to physical and social infrastructure. At the most fundamental level, poverty is extreme deprivation: the inability of people to afford the most basic needs for human life: food, clothing, shelter, health care and education. It robs children of their childhood. It condemns adults to illiteracy and it condemns many millions to disease. Until poverty is alleviated we cannot lay claim to being a compassionate society.

Africa is at the heart of WTO's concerns due to multiple handicaps it faces on the way toward development, but also because the organisation is convinced that many of these obstacles can be overcome. Among these is poverty, which constitutes a scourge that can be reduced through tourism development (WTO newsletter, 2004: 1). Furthermore, WTO believes that there is still a key role for the public sector in developing countries, to push ahead with the enabling conditions and strike the right balance between a market economy and necessary development.

The environmental and tourism adviser to NEPAD, Ms. Hesphina Rukato, said that the partnership's goal is to reverse the underdevelopment and poverty on the continent. To achieve this, there is a need for African ownership of tourism facilities, to establish regional development programs and to set realistic targets. Moreover, she agreed that tourism development is an important component in the fight against poverty through increase in investment in both infrastructure and health.

Recognition by the international community of the importance of tourism as a potential driving force in the socio economic development of the third world countries suggests that tourism development can be an avenue toward a growing sphere of trading opportunities and accordingly, one of the most effective methods to avoid the risk of increased marginalisation from the global economy (which is systematic for most LDCs). A key element in this consideration is that in some instances poor people have ownership of resources such as cultural festivals and natural capital e.g. wildlife, forests, lagoons, scenery, etc., which may be utilised for tourism, hence the emergence of ST-EP. It is problematic to leave tourism development, especially in the context of Poverty Alleviation, to the private sector in many developing countries because of the existing financial constraints and weak institutional capacity of the private sector in such countries. This situation requires a partnership between the private sector and the national tourism authorities in order to design and implement an effective Sustainable Tourism for Eliminating Poverty (ST-EP) (UNCTAD, 2001).

### **Sustainable Tourism as a tool for Eliminating Poverty (ST-EP)**

For more than fifty of the world's poorest countries tourism is ranked first, second or third in terms of their economies, and tourism is the only service industry to show a positive balance of trade with flows from first world countries to developing countries exceeding those in the opposite by



US\$ 66 million. Yet tourism has only very recently been recognised by some aid donors, some international funding agencies, and some segments of the industry as an appropriate instrument for poverty reduction (WTO, 2000).

At the world summit on Sustainable Development held in Johannesburg, South Africa in August 2002, the WTO supported by UNCTAD, took a global lead in this field, launching the concept of "Sustainable Tourism as an effective tool for Eliminating Poverty" ST-EP, and beginning the process of putting a program in place to implement the concept. This initiative linked leadership on Poverty Alleviation that was the focus of the WSSD in Johannesburg in 2002. ST-EP may be seen as a response by the global tourism industry under the leadership of WTO to the UN millennium development goal to halve extreme poverty by 2015 (STCRC report, 2004: 1).

ST-EP is not a new form of tourism. It is not a new kind of tourism product. It is an approach to tourism in which the tourism cake is titled so that benefits are specifically directed towards the poor. As a new field of endeavour for development assistance bureaus and international funding agencies there is no established track record on which they can draw to consider implementing their own policies. Hence a major component of the WTO program on ST-EP is to facilitate research and identification of best practice models (STCRC report, 2004: 1). Because tourism is often seen in narrow terms as purely a private sector, understanding its constellation of backward and forward linkages into all other areas of the economic activities, into society and culture, into the environment and into governments, is often ignored. However, once tourism is understood as a complex system its capacity to work as a positive tool for poverty reduction is enhanced. While ST-EP is relatively untried and untested, the pervasiveness of the tourism industry has impelled an increasing number of agencies to develop policies designed to use tourism as a tool to alleviate poverty in these countries, these include notably the WTO, the Asian Development Bank, the World Bank and a range of UN technical agencies such as UNCTAD, UNEP and WCED.

### **Advantages of Tourism as a Development Strategy**

Tourism has considerable potential for growth in many Developing Countries and LDCs where it is a significant economic sector and growing; and that it has advantages when compared with other economic sectors. This can be summarised in the next points (adapted from WTO, 2002a: 33 / WTO, 2001c: 61 / Sharpley & Telfer, 2002: 18-20):

- ◆ Tourism redistributes wealth. Both internationally and domestically, tourism is seen as an effective means of transferring wealth and investment from richer, developed countries or regions to less developed, poorer areas. This redistribution of wealth occurs, in theory, as a result of both tourist expenditures in destination areas and also of investment by the richer, tourism-generating countries in tourism facilities.
- ◆ Tourism is consumed at the point of production. Because of this the opportunities for individuals and micro-enterprises, in urban centres or marginal rural areas, to sell additional products (e.g. handicrafts and souvenirs) or services (e.g. guiding, music or dancing) to these potential consumers are therefore considerable.
- ◆ Most export industries depend on financial, productive and human capital.

Tourism depends on these but also on natural capital and culture (e.g. natural parks, cultural heritage, scenery and beaches), which are assets that some of the poor have at the level to motivate travel. This is to say, tourism utilizes natural and cultural "free" infrastructure. This suggests that the development of tourism (and its subsequent economic contribution) is based upon natural and cultural resources that are free or belong to the country.

- ◆ No trade barriers to tourism. Unlike many other forms of international trade, tourism does normally not suffer from the imposition of trade barriers, such as quotas or tariffs.
- ◆ Tourism has particular potential in many countries with few other competitive exports.
- ◆ Tourism is a much more diverse industry than many others and can build upon a wide resource base. Diversity increases the scope for wide participation, and for the informal sec-

tor through livelihood diversification – for example where a farming household produces crafts or sells produce to a local lodge.

◆ Tourism is often reported to be more labour intensive than other productive sectors. Data from six countries with satellite account indicate that it is more labour intensive than non-agricultural activities, particularly manufacturing, although less labour intensive than agriculture (WTO, 2002a: 1999). There is a greater uptake of jobs by women than in other sectors although it is not known if more jobs are taken by the poor and unskilled (The percentage of female employment varies enormously by country, ranging from over 60% in Bolivia to fewer than 10% in some Muslim countries (DFID, 1999. In WTO, 2001c: 61).

◆ Tourism offers, in principle, more opportunities for backward linkages throughout the local economy than other industries. Such opportunities include both direct links, such as the expansion of the local farming industry to provide food for hotels and restaurants, and indirect links with, for example, the construction industry. As we have already mentioned the multiplier effect of this industry normally achieves a significant level.

◆ A variety of other, secondary reasons may also be suggested for the popularity of tourism as a development option. These include the facts that the development of tourism may lead to infrastructural improvements and the provision of facilities that are of benefit to local communities as well as tourists; that tourism often provides the justification for environmental protection through, for example, the designation of national parks; and, that tourism may encourage the revitalisation of traditional cultural craft and practices.

Together they explain why virtually every country in the world disposes, to a lesser or greater extent developed a tourism industry.

### **Perceived Disadvantages of Tourism as a Development Strategy**

◆ The argument regarding dependency of tourism development in developing countries suggests that type and scale of tourism development in the developing world are to a large extent at the mercy of the international tour operators. In this regard, it may not be wrong to claim that developing countries are decision-takers, rather than decision-makers regarding the tourism development that has taken place in their territories. This is more obvious in mass-tourism destinations. For instance, there is evidence that international tour operators and multinational companies in the tourism industry have shaped and directed the tourism development in Turkey and elsewhere in the developing world (Tosun, 2001: 298).

◆ Tourism can impose non-economic costs on the poor through loss of access to resources, displacement from agricultural land and social and cultural disruption and exploitation. In that way, negative impacts need to be managed. The issues of environmental management and planning at local level are real, and not unique to tourism. They need to be addressed through the good governance agenda (WTO, 2002a: 34).

◆ Tourism is vulnerable to changes in economic conditions in the originating countries, which cause major swings in levels of economic activity in tourism in the destinations, and international visitor arrivals are also vulnerable to civil unrest, crime, political instability and natural disasters in destinations. However, it is not clear that the volatility of export markets for tourism is significantly greater than for other commodities (WTO, 2002a: 34).

◆ It should be noted that, although there has generally been an upward trend in international tourism in recent years, not all global regions and countries have shared equally in that growth. Within most Third World regions, tourism has been monopolized by a few countries to the exclusion of the rest. For example, in Africa, three countries (Egypt, Morocco and Tunisia) accounted for 52.6% of the continent's international tourists in 1991, while seven countries (the above three countries and Algeria, Kenya, South Africa and Zimbabwe) represented 76.9% of the total (Brohman, 1996: 52).

◆ Tourism requires highly sophisticated marketing which budget requirement should be carried at national level (WTO, 2002a: 34). Many developing countries have comparative advantage in tourism – or at least tourism constitutes one of their better opportunities for develop-

ment. The disadvantages are more apparent than real when tourism is compared to other sectors (WTO, 2002a: 35). Tourism is an important industry part of the world economy of which it will become more and more important as we have already explained in this thesis. In this context tourism suffers and contributes from capitalism as a way of production. Some authors argue that capitalism is something unfair itself. For instance, D'Sa states that "Tourism is simply a product of the prevailing unjust economic and social underpinned by global capitalism. In any form of capitalist development, the primary goal is private profit for those with the means and the beneficiaries are invariably the business and political elites, (whether in the North or South). We have to cross the bounds of mainstream discourse and have the moral courage to acknowledge that capitalism is a flawed system with greed, inequality and exploitation at its heart. This order (and with it Third World tourism) is characterised by gross injustices, racism, the dominant role of Northern Transnational Corporations (TNCs) and the erosion of ethical principles (D'Sa, 1999).

The Third World is already heavily in "debt" to the rich countries (mainly the G7, the richest of all) and has to sacrifice much of its health and education programs in order to pay up (D'Sa, 1999: 66). This is the reality we have to face and the reality which is asking for a severe reaction in order to achieve a "better" and more "fair" world. Tourism development drives in a sustainable way and should contribute something positive to this reality. Tourism brings northern tourist in direct contact with local communities. In this way, it is easier to create a social conscience about the situation of developing countries when tourists are forced to do it. While most of the time people use any kind of goods coming from Developing Countries and LDCs without asking themselves the way they were produced, or under what conditions, whenever a tourist travel to developing countries they find themselves facing a situation that should make them asking some questions.

### **Local Benefits**

In regular tourism, tourists believe they provide some benefits to the community in different ways. They buy handicrafts, give candy or pens to the children, put money in the community donation box, or donate some used clothing to the villagers. The tourists truly believe they are benefiting the community, but in many cases it may not at all. How do they know where their money is going to? It could be shared among the community, but it may well go to just one or two influential people. Giving things to children only creates more problems of dependency, rather than encouraging self-reliance. If the local people are allowed to think and design their own vision of tourism in their community, they will be able to mitigate many of the negative impacts of regular tourism. Local communities can manage their own tourism program and get benefits from tourism. But of course, in most cases, it does not happen by itself. It does need the right guidance and facilitation, at least in the beginning stages, in order to be feasible and successful.

### **Community Based Sustainable Tourism (CBST) in the Active Role**

CBST is a type of tourism that emphasizes the sustainability of the environment and society. Decisions are made by the community and programs are managed by the community. In this way the communities are the owners of the program and have a right over the way tourism is managed, with the purpose of encouraging sustainability and enabling learning among visitors to the community.

### **National and Local Government**

A more appropriately planned tourism development process is needed which would both spread its costs and benefits more equitably and which would be more sensitive to its social and cultural impacts. There is much that only governments can do – in terms of policies, regulations, and coordination. The government must;

- ◆ Incorporate pro-poor elements into tourism, rural development and growth strategies.
- ◆ Establish the necessary guidelines and legislation for planning and starting tourism projects considering pro-poor initiatives.

- ◆ Create and start up a tourism development policy benefiting alternative tourism projects.
- ◆ Use planning controls and investment incentives to encourage private operators to make and implement pro-poor commitments.
- ◆ Provide technical assistance as well as training to facilitate the integration of poor population in the tourism projects.
- ◆ Point out the high potential economical linkages with other economic sectors.
- ◆ Reinvest benefits provided by tourism taxes in social improvements, creation of new services and infrastructure.
- ◆ Consult with poor residents when making decisions about tourism.

### **Tourism and the Private Sector**

Tourism business and poverty reduction may seem very different. However, two facts deserve consideration (Roe et al., 2002):

- ◆ Tourism depends on a stable operating environment within a destination. Tourism is particularly vulnerable to local or international instability and extreme poverty could become an instability factor.
- ◆ Tourism to poor destinations is growing. Market trends reveal growing consumer awareness of socio-economic issues.

Taking into consideration these two facts, tourism private sector should (Roe et al., 2002 and WTO & Moreno Melgarejo, 2003):

- ◆ Provide tourists with information on the importance of pro-poor tourism and highlight local enterprises and attractions that they can support.
- ◆ Provide advice and information to tourists on local cultures and traditions, encouraging them to dress and behave appropriately and to support traditional crafts and culture.
- ◆ Request local representatives to keep up to date with, and support, local initiatives.
- ◆ Provide a facility for tourists to donate to community projects. For instance, schools, clinics and so on.
- ◆ Provide business advice to local community wishing to establish complementary enterprises and eventually develop joint ventures and other types of partnerships with local people.

### **Community-Based Tourism: Strategic Recommendations**

Developing and disseminating knowledge concerning the links between demographic trends and factors and sustainable development

Basis for actions

- ◆ Demographic trends and factors and sustainable development have a synergistic relationship.
- ◆ The growth of world population and production combined with unsustainable consumption patterns places increasingly severe stress on the life-supporting capacities of our planet. These interactive processes affect the use of land, water, air, energy and other resources. Rapidly growing cities, unless well-managed, face major environmental problems. The increase in both the number and size of cities calls for greater attention to issues of local government and municipal management. The human dimensions are key elements to consider in this intricate set of relationships and they should be adequately taken into consideration in comprehensive policies for sustainable development. Such policies should address the linkages of demographic trends and factors, resource use, appropriate technology dissemination, and development. Population policy should also recognize the role played by human beings in environmental and development concerns. There is a need to increase awareness of

this issue among decision makers at all levels and to provide both better information on which to base national and international policies and a framework against which to interpret this information.

## **Objectives**

The following objectives should be achieved as soon as practicable:

- (a) To incorporate demographic trends and factors in the global analysis of environment and development issues;
- (b) To develop a better understanding of the relationships among demographic dynamics, technology, cultural behaviour, natural resources and life support systems;
- (c) To assess human vulnerability in ecologically sensitive areas and centres of population to determine the priorities for action at all levels, taking full account of community defined needs.

## **Means of Implementation**

- A) Financing and cost evaluation and implementing of the activities;
- B) Strengthening research programmes that integrate population, environment and development;
- C) Developing information and public awareness;
- D) Developing and/or enhancing institutional capacity and collaboration;
- E) Promoting human resource development;
- F) Developing local strategies for improving the quality of life and the environment;
- G) Strengthening urban data systems;
- H) Encouraging partnerships among the public, private and community sectors in managing land resources for human settlements development;
- I) Strengthening community-based land-resource protection practices in existing urban and rural settlements;
- J) Establishing appropriate forms of land tenure that provide security of tenure for all land-users, especially indigenous people, women, local communities, the low-income urban dwellers and the rural poor;
- K) Accelerating efforts to promote access to land by the urban and rural poor, including credit schemes for the purchase of land and for building/acquiring or improving safe and healthy shelter and infrastructure services.

## **Conclusion**

The tourism industry in the transitional economy of South Africa faces specific problems resulting from the rapid change in its social and economic systems. The rapid switch to a free market economy holds the danger of mis-development. Radical opposition to any type of government control over the economy may generate a free market euphoria, which may in turn lead to development jeopardising social security, resources and public welfare. On the other hand, the unbridled development of tourism can cause severe problems in the regions concerned, caused by uncontrolled growth of private transport, loss of bio-diversity, decline in agriculture or the exodus from rural regions.

These trends must be counteracted in good time by adopting strategies aimed at safeguarding sustainable development throughout and beyond the tourism sector. Time is a ripe to fix the framework conditions for such forms of sustainable tourism which:

1. Helps to preserve the unique natural and man-made landscapes in these countries;
2. Raises the quality of life of their population, and
3. Improves the mutual understanding between peoples throughout the world.

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