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South Africa's 'Pro-Poor' Approach to Formulating and Implementing Tourism Policies

by

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of the
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Declaration

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

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Executive Summary

During the last decade South Africa's tourism sector has advanced to seemingly the fastest growing and most promising sector in the economy, reflecting a development expected to be equally promising in other parts of Africa as well as developing countries elsewhere.

Rapid growth and concomitant job creation has, however, been dominated by white-owned enterprises and an unequal "filtering-through" of the fruits of tourism to the poor, in particular in the more distanced rural areas. In addition, there has been increasing concern about the environmental sustainability of such growth. Similar questions have been asked in other developing countries.

These questions found their resonance in a whole set of new policy concepts emerging in the development research and policy community over the past few years, with the Johannesburg World Summit on Sustainable Development a milestone event. These concepts include sustainable tourism, alternative tourism, eco-tourism, fair trade in tourism, responsible tourism and pro-poor tourism.

This thesis focuses on the concept of pro-poor tourism (PPT) as coined by U.K. researchers at the end of the 1990s, and as it has captured wide-spread interest in South Africa over the past few years. The study traces back the concept to its origins, both internationally and in South Africa. It analyses South Africa's policy and planning framework with respect to the tourism sector in an attempt to postulate a clear PPT policy and implementation framework. This proved impossible, since the underlying sentiments are clearly present, but programmatic details are absent. The main reason is the belief, articulated by private as well as public-sector stakeholders, that government should not go too far with its intervention in the tourism industry. This picture is also reflected in a range of interviews held with representatives of the different levels of the public sector as well as private stakeholders, even though all of them agreed to the challenge of using tourism growth to further developmental and socio-political goals.

The outcome of the study falls in line with several other key challenges in South Africa's current social and economic-development transformation process: The goals of PPT are spelt out by government in co-operation with its social contract partners. Government will try, through the pro-active promotion of "responsible tourism development" to set the goal posts and encourage private action in a pro-poor tourism direction. Yet, aside from statutory and

voluntary guidelines in areas like environmental controls, black economic empowerment, affirmative procurement and labour relations, the public sector will not interfere to enforce PPT goals. At the same time there is the expectation that interaction between all partners in the tourism sector will gradually shift business and public interaction towards increasing PPT awareness – even though the more general concept of “responsible tourism” is likely to be used more widely than PPT.

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Acronyms

ANC	African National Congress
BEE	Black Economic Empowerment
CSI	Corporate Social Investment
DBSA	Development Bank of Southern Africa
DEAT	Department of Environmental Affairs and Tourism (South Africa)
DFID	Department for International Development (UK)
DMO	Destination Marketing Organisation (Western Cape)
FEDHASA	Federated Hospitality Association of South Africa
FTTSA	Fair Trade in Tourism South Africa
GEAR	Growth, Employment and Redistribution
ICRT	International Centre for Responsible Tourism
HDI	Historically Disadvantaged Individuals
IIED	International Institute for Environment and Development (UK)
KZN	KwaZulu Natal
NQ	National Qualifications
ODI	Overseas Development Institute (UK)
PPT	Pro-Poor Tourism
RDP	Reconstruction and Development Programme
RIF	Rural Investment Fund
SANP	South African National Parks
SAT	South African Tourism (formerly Satour)
SAWC	Southern African Wildlife College
SDI	Spatial Development Initiative
SMME	Small, Medium and Micro Enterprise
STEP	Sustainable Tourism and the Elimination of Poverty
TBCSA	Tourism Business Council of South Africa
TEP	Tourism Enterprise Programme
THETA	Tourism, Hospitality and Sport Education and Training Authority
UCT	University of Cape Town
WCDEAT	Western Cape Department of Economic Affairs and Tourism
WTTC	World Travel & Tourism Council
WSSD	World Summit on Sustainable Development
WTO	World Tourism Organisation

List of Tables

Table 2.1: Provincial population size and poverty rates

Table 2.2: Women's higher risk of poverty

Table 4.1: Examples of tourism interest groups in South Africa

Table 5.1: Interviewees on South Africa's pro-poor approach in tourism

CONTENTS

1 INTRODUCTION - 8 -

1.1 Purpose of the Study..... - 8 -

1.2 Key Research Questions..... - 9 -

1.3 Research Methodology - 10 -

 1.3.1 *Qualitative Techniques*..... - 10 -

 1.3.2 *Quantitative Techniques*..... - 11 -

1.4 Structure of the Thesis - 11 -

2 TOURISM AND POVERTY IN SOUTH AFRICA..... - 13 -

2.1 Tourism in South Africa's economy - 13 -

2.2 Poverty and Inequality in South Africa - 15 -

 2.2.1 *Drawing a poverty line*..... - 15 -

 2.2.2 *Distribution of Poverty in South Africa*..... - 17 -

 2.2.3 *Poverty and unemployment*..... - 19 -

2.3 Linking Poverty and Tourism - 20 -

3 PPT AS A TOURISM DEVELOPMENT STRATEGY - 24 -

3.1 Public Sector Intervention in Tourism - 24 -

 3.1.1 *Government's role in tourism*..... - 24 -

 3.1.2 *Public policy and tourism*..... - 25 -

 3.1.3 *The 'tourism' concept*..... - 26 -

 3.1.4 *Tourism policy: Linear, top-down or bottom-up?*..... - 28 -

3.2 Pro-Poor Tourism as a Concept..... - 32 -

 3.2.1 *Origination of Pro-Poor Tourism* - 32 -

 3.2.2 *Pro-Poor Tourism as a tourism development strategy*..... - 32 -

 3.2.3 *Government and policy influences on PPT practice* - 35 -

3.3 Related 'Alternative' Tourism Development Concepts - 37 -

4 PRO-POOR TOURISM IN SOUTH AFRICA - 40 -

4.1 The Tourism Policy Environment in South Africa..... - 40 -

 4.1.1 *Historical context*..... - 40 -

 4.1.2 *Institutional responsibilities for tourism policies*..... - 41 -

 4.1.3 *Interest groups in South African tourism*..... - 47 -

4.2 National Tourism Policy - 50 -

 4.2.1 *The 1996 National White Paper*..... - 50 -

 4.2.2 *Tourism in GEAR*..... - 52 -

 4.2.3 *Tourism support programmes*..... - 53 -

4.3 Western Cape Tourism Policy - 56 -

4.3.1	<i>Green Paper on Economic Development</i>	- 56 -
4.3.2	<i>The White Paper on Sustainable Tourism Development</i>	- 57 -
4.3.3	<i>Institutional transformations in the Western Cape</i>	- 59 -
4.4	The City of Cape Town's Tourism Policy	- 60 -
4.4.1	<i>Cape Metropolitan tourism institutions</i>	- 60 -
4.4.2	<i>The Tourism Spatial Framework</i>	- 61 -
4.5	PPT in Practice: Business and research initiatives	- 62 -
4.6	Conclusion	- 64 -
5	PPT IN ACTION: CURRENT ASSESSMENTS	- 65 -
5.1	Perception of PPT as a Concept	- 66 -
5.1.1	<i>Government's perception of PPT</i>	- 66 -
5.1.2	<i>Perception of PPT by other stakeholders in the tourism sector</i>	- 67 -
5.2	Assessing the Public Sector's Current 'Pro-Poor' Approach	- 70 -
5.2.1	<i>Opinions on government progress</i>	- 70 -
5.2.2	<i>Opinions of NGOs and the private sector</i>	- 71 -
5.2.3	<i>The implementation of policies</i>	- 73 -
5.3	The way forward: Is PPT a Realistic Goal?	- 74 -
5.3.1	<i>Domestic tourism</i>	- 74 -
5.3.2	<i>Public-Private Partnerships</i>	- 75 -
6	CONCLUSION: WHAT HAS BEEN ACHIEVED?	- 78 -
	BIBLIOGRAPHY	- 82 -

1 Introduction

“South Africa has the potential to become one of the world's great new tourism destinations, following its transition to democracy and entry into mainstream economic and political circles. Although many of the strategic and operational pieces appear to be in place, insufficient focus on implementation has limited the return on investment and caused targets to be consistently missed. As a result of this South Africa's Travel & Tourism has not met its earlier promises to generate employment at the speed of light, or extend development opportunities to the farthest reaches of the nation.” (WTTC 2002:4)

Experience to date in South Africa suggests that there is potential for substantial tourism growth in the favour of the poor, with both government and business having expressed commitment to harness tourism for development. Over the past years, many new concepts and strategies linked to the development of tourism have arisen, focusing on tourism in general or specifically tourism in developing countries. Most of these new concepts focus on the necessity of 'responsible' tourism development with regard to local environments and the economic welfare of local inhabitants.

A relatively new concept in this field that has emerged over the past five years is known as Pro-Poor Tourism (PPT). This dissertation aims to contribute to the understanding of Pro-Poor Tourism as a development concept, with particular focus on the South African governments' role in the formulation and implementation of policies based on PPT.

1.1 Purpose of the Study

“There are obvious reasons for linking tourism with poverty reduction in southern Africa: the tourism sector is large and many southern Africans are poor. The growth of one should be harnessed for the reduction of the other.” (Ashley and Roe 2002:61)

Experience to date in South Africa suggests that there is some potential to broaden the benefits of tourism growth in favour of previously disadvantaged communities, although the extent of this seems to be limited by commercial considerations on the business side and capacity constraints on the side of government. Therefore, in the South African context, where tourism is both significant and expanding, and where we find an explicit commitment from government and business to harness tourism for development, the potential import of Pro-Poor Tourism (PPT) strategies needs to be assessed and acted upon.

A number of case studies on 'pro-poor' or related 'alternative' tourism initiatives in South Africa have been analysed by (inter)national research institutions. Most of them, however, focused on PPT strategies by the private sector. Besides, there still is no coherent understanding among tourism stakeholders in South Africa about the meaning of PPT as an approach to tourism development, and what the role of government should be in this approach. As a result, poverty reduction and, more generally, a pro-poor approach in tourism policies are currently not central to the tourism agenda, and poverty issues are usually only a subsidiary theme in tourism plans – essentially just one element of the many in broader initiatives of 'sustainable tourism' and 'community tourism'. A more explicit focus on the formulation of coherent and consistent 'pro-poor' policies could, however, improve implementation and sharpen the effectiveness of existing policies while spreading pro-poor thinking more widely to the 'mainstream' industry.

1.2 Key Research Questions

If policies do not achieve what they are intended to achieve, e.g. in the field of poverty reduction through tourism – blame is often given to the implementation rather than the policy dimension. This thesis aims to shed light on what exactly is to be understood by 'Pro-Poor' policy making in tourism, and whether there is a consistent and coherent Pro-Poor policy framework in place.

The following questions therefore need to be answered.

Central question

“To what extent does the policy and planning framework currently in place in South Africa's tourism sector result in consistent and coherent 'Pro-Poor'-tourism policies?”

Secondary questions

- What are the different (potentially conflicting) conceptions of 'Pro-Poor' tourism among policy formulators, implementers, PPT enthusiasts and members of the tourism private sector?
- Is Pro-Poor tourism just another new variation in 'alternative tourism', or is it a more fundamental challenge to conventional tourism strategies?

1.3 Research Methodology

A number of case studies have been done recently, covering private-sector-focused of Pro-Poor tourism policies in southern Africa. However, very little research has been done on the role of government in this new approach to tourism development.

This study, therefore, reviews existing South African tourism policies and strategies at national, provincial and local levels. For practical reasons, the focus fell on the Western Cape, including the provincial level of government and the City of Cape Town at local level.

The lack of comprehensive data and the limited literature (other than strategy documents) on the government's involvement in the tourism sector means that this study cannot rely on extensive quantitative and qualitative material to reach conclusions. It has, therefore, been necessary to combine a mix of quantitative and qualitative information, and to rely heavily on policy literature focusing on implementation processes as opposed to specific literature on the design, implementation and impact of specific policies.

1.3.1 Qualitative Techniques

The outcome of the study relies on qualitative techniques that combine the review of available literature on tourism policy-making, analyses of the tourism policy frameworks, and semi-structured interviews with representatives of the South African tourism sector that influence or aim to influence tourism-policy formulation.

Literature review and policy analysis

The theoretical part of this study is based on the analysis of a range of national and international publications in the field of public policy and tourism public policy. I have also drawn on a number of recent case studies conducted by the PPT Partnership. They cover the implementation of government-designed Pro-Poor tourism policies and guidelines for the private sector. These case studies are analysed by the PPT Partnership in co-operation with *Fair Tourism South Africa* and its up-to-date data contributes to a better understanding of problems with implementation of pro-poor tourism policies.

With regard to the extent to which pro-poor principles are currently part of South Africa's tourism policy framework, a number of policy documents and White Papers of all three levels of government were reviewed and evaluated with regard to their relevance for PPT.

Interviews

In an attempt to find out what level of awareness currently exists on Pro-Poor Tourism, nine semi-structured interviews were held with policy formulators, implementers and practitioners in South Africa's tourism sector. The interviews were held during the second half of May 2004 at the offices of the interviewees. The names and status of the interviewees are given at the beginning of Chapter 5.

Workshop Tourism Learning Forum

In addition to the interviews, a workshop with the title: "*Pro-Poor Tourism – more than just a nice slogan?*" was held at the Centre for Tourism Research in Africa (Cetra) on 20 May 2004. The workshop was organised in co-operation with the Tourism Learning Forum (TLF) in Cape Town and was attended by approximately 25 people, including national as well as international tourism experts. The discussions that emerged from this workshop contributed to the better understanding of perceptions held about PPT among tourism stakeholders.

1.3.2 Quantitative Techniques

A variety of quantitative data has been used to support the analysis, including recent statistics from the World Travel and Tourism Council about the performance of South Africa's tourism industry and the current status on poverty and social welfare in South Africa as provided by the government and the UNDP.

It is quite clear that nine interviews with representatives of various institutions in South Africa's tourism sector cannot generate enough evidence to show whether current policy and planning frameworks are 'generating net benefits for the poor'. My findings are merely an indication of the general awareness of Pro-Poor Tourism as a concept and as a guideline towards improving social responsibility in the tourism sector.

1.4 Structure of the Thesis

Chapter 2 starts with an introduction to South Africa's economy, and addresses the significance of tourism in the economy. It subsequently addresses the extent of poverty and inequality in South Africa and establishes the link between tourism and poverty reduction.

Chapter 3 addresses PPT as a tourism-development strategy, starting with a theoretical section on public-sector intervention in tourism. The second section explains the origin of PPT and

addresses government and policy influences on PPT. The final section of that chapter distinguishes between related concepts of 'alternative tourism development'.

Chapter 4 critically analyses the extent to which the policy and planning framework currently in place in South Africa has embedded PPT principles and approaches. It does so by introducing South Africa's tourism policy environment and subsequently analyses a number of policy and strategy documents that have been published at national, provincial and local levels since 1994. The final section of this chapter gives examples of private-sector and research initiatives with regard to PPT, drawing preliminary conclusions on the extent to which PPT principles currently prevail in South Africa.

Chapter 5 reviews interviews addressing perceptions of PPT that exist among tourism stakeholders in South Africa, comparing the opinions of government officials with those of the private sector and NGO stakeholders.

Chapter 6 draws together my conclusions from the interviews and the analysis of policy documents.

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2 Tourism and Poverty in South Africa

2.1 Tourism in South Africa's economy

South Africa is a middle-income developing country. Its PPP-adjusted Gross Domestic Product (GDP) per capita was \$ 9,401 in 2000. This places its income per head on a par with Poland, Chile, Uruguay, Costa Rica and Mexico. In a ranking of countries by per capita income, South Africa would emerge in 51st place out of 173 countries. (UNDP 2003)

The South African economy is beset by paradoxes. It is by far the largest in the region, with higher outputs than the rest of Southern Africa combined. Yet in global terms it is a dwarf. It is also the most advanced economy on the African continent. At the same time it suffers from massive shortfalls in skills and the spread of its infrastructure. Home to sophisticated financial services and information technology companies, its economy still revolves around the minerals sector which emerged in the late 19th century. Its affluent suburbs and blatant consumerism rub shoulders with the impoverished urban poor. This uneven urban prosperity is starkly contrasted by the inequality from South Africa's rural dispossessed whose poverty resembles dimensions of the world's poorest nations. (Butler 2002)

South Africa's tourism industry has developed gradually over the past decades with the country's apartheid system and its international pariah-status a significant damper throughout the second half of the 20th century - up to the symbolic release of Nelson Mandela in February 1990. During these pre-1994 years most of the domestic tourism was limited to the white population group (a mere 15% of the population). Overseas tourism was a mixture of tourists mainly from Western Europe, while foreign tourists from other African countries were virtually absent, being neither desired by government nor by the local tourism industry. After 1990 all these impediments started to tumble and the country looked at tourism as a new growth sector, with visitors predicted to come from all continents.

In 1994, the South African government announced an ambitious campaign to make tourism the country's number one industry in the creation of new jobs and the generation of foreign earnings by the year 2000. Ten years on the sector has indeed grown substantially, having overtaken mining in its contribution to Gross Domestic Product. Yet, South Africa's tourism industry has not delivered the ambitious job creation and economic growth rates postulated in 1994. (WTTC 2002)

For the year 2003, the World Travel & Tourism Council (WTTC) expected South Africa's Travel & Tourism industry to generate R 121.7 billion of economic activity (total demand). The industry's **direct** impact includes, according to WTTC data:

- Close to 500,000 jobs ... representing 2.9 per cent of the total labour force.
- R 32.8 billion of Gross Domestic Product (GDP) equivalent to 2.9 per cent of total GDP.

(Source: WTTC 2003)

However, since Travel & Tourism activities touch all sectors of the economy, its real impact is much greater. On the basis of the 'satellite system of national accounting' South Africa's Travel & Tourism industry included:

- 1,200,000 jobs or about 6.6 per cent of the total labour force.
- R 82.7 billion of Gross Domestic Product (GDP) equivalent to 7.3 per cent of total GDP.
- R 43.4 billion of exports of services and merchandise, which constitutes 12.1 per cent of total exports.
- R 25.6 billion of domestic fixed investment, 14.1 per cent of total investment and finally:
- About one billion Rand of government expenditures, approximately 0.6 per cent of total spending.

(Source: WTTC 2003)

Looking ahead, the WTTC forecast is 5.5 per cent real growth per annum between 2003 and 2013 which would be significant if it can be maintained. The WTTC's research highlights the need for South Africa to address critical issues such as strengthening tourism management, enhancing national tourism organisations and formulating and implementing a consistent and coherent tourism policy that assures the 'trickling-down' of tourism benefits to previously disadvantaged South Africans.

Closer scrutinising of annual growth rates of tourism indicators show a number of phases over the past ten years:

- Rapid increase in overseas arrivals in the first ten years after 1994.
- A levelling off in arrivals during the world recession years of 1997/8 and lower growth thereafter.
- Renewed acceleration of overseas arrivals during the years of the weakening of the Rand and the immediate aftermath of September 11th 2001 in the USA, when South Africa suddenly became an alternative safe long-distance destination for tourists from the northern hemisphere.
- A steady broadening of the range of tourist home countries with an increased share from the Americas, Asia and the African continent.

(WTTC 2003)

Domestic tourism numbers have also increased over the last years, with black South Africans steadily increasing their share in total tourist numbers. The annual growth in these numbers to some extent reflects the growth of real income of South African households, the decline in tax levels and, recently, the decline in interest rates (and, as a consequence lower bond repayments).

Taking a long term view, South Africa's tourism industry is likely to continue growing at rates slightly above real GDP growth rates, thus further increasing its share in the GDP from the current 6-7% to easily about 10-12% over this decade (WTTC 2003). Yet, this growth is likely to remain sensitive to international as well as local events and economic phases and the sector is far from the panacea for South Africa's social and economic ills which it is often expected to be.

2.2 Poverty and Inequality in South Africa

2.2.1 Drawing a poverty line

Before addressing the role tourism can play in reducing poverty in South Africa and explaining the concept of Pro-Poor Tourism, it is necessary to define what is meant by 'poor' and to see how many people there are in South Africa that qualify for this definition.

The government's Poverty and Inequality Report (PIR), which was issued in 1998, describes poverty as:

"... the inability of individuals, households or communities to command sufficient resources to satisfy a socially acceptable minimum standard of living." (Republic of South Africa 1998:3)

Poverty is perceived by poor South Africans themselves to include alienation from the community, food insecurity, crowded homes, usage of unsafe and inefficient forms of energy, lack of jobs that are adequately paid and/or secure, and fragmentation of the family. (Republic of South Africa 1998)

It is conventional to draw up a 'poverty line' reflecting the monetary value of consumption which separates the 'poor' from the 'non-poor'. For South Africa this cut-off point can be defined by considering the poorest 40% of households (about 19 million people or just above 40% of the population) as 'poor', giving a monthly household expenditure level of R353 per adult equivalent. Measured in this way 'poverty' is concentrated among Africans (61%) and female headed households (60%). Most of the poor live in rural areas (72%). (Republic of South Africa 1998)

Apart from basic poverty, the inequality of income is a further structural problem of South Africa's economy. One way of measuring income inequality is by means of the Gini coefficient. At 0.58, South Africa's Gini coefficient (a measure of the degree of inequality) is one of the highest in the world, exceeded only by Brazil. (Republic of South Africa 1998)

In addition to drawing a poverty line, the most widely used indicator to measure poverty is the Human Development Index (HDI) initially developed by the United Nations Development Program (UNDP). The HDI measures a population's ability to be able to lead a long and healthy life, to be knowledgeable and to have access needed for a decent standard of living. Life expectancy is used to measure the first capability, literacy levels and school enrolment for the second and per capita GDP for the third. Since GDP can be very unevenly distributed the HDI is generally considered a much better indicator of people's ability to have a decent standard of living.

UNDP argues that the HDI helps to draw the attention of policy makers away from blunt economic statistics to focus instead on human outcomes, emphasising that the living standards of ordinary people should be the ultimate criteria for assessing the development of a country. To discover that two countries with the same level of income per person may have very different human development outcomes, can help to stimulate the debate over which governments and policies are succeeding and why.

In terms of the Human Development Index, South Africa is a medium human development country, currently ranking 111th (out of 285 countries) in the world with an HDI of 0.684 (UNDP2003). Comparing these numbers to 2002, South Africa ranked 107th with an HDI of 0.695 and during 1995 it had a world ranking of 86 and an HDI of 0.741. On first sight, South Africa's position seems to have deteriorated over the past decade. Whether this is in fact the case depends on the consistency and comparable comprehensiveness of measurement. In particular, the negative impact of rising levels of HIV/AIDS in South Africa on life expectancies may have had a major effect on the HDI-level, even though per capita GDP levels and literacy as well as school enrolment levels may actually have improved over the years.

2.2.2 Distribution of Poverty in South Africa

Poverty in South Africa is unevenly distributed among its inhabitants. At least three basic distinctions can be made regarding the distribution of poverty in South Africa (or the inequality of income distribution):

1. Race: Inequality of income distribution between African, Coloured, Indian and White people.
2. Geography: Rural vs. urban and the inequality between the nine provinces.
3. Gender: Women-lead households vs. men-lead households.

We can look briefly at these distinctions of poverty distribution:

Racial Inequality

Poverty is not confined to any one race group, but - due to the legacy of apartheid - it is concentrated among Africans: 61% of Africans and 38% of coloureds are 'poor' (as defined earlier), compared to 5% of Indians and only 1% of Whites.

Geographical Inequality

Most of the poor live in rural areas: while 40% of the population of South Africa lives in rural areas, these areas contain 72% of 'the poor'. In fact, statistics suggest that 71% of rural residents fall below the poverty line as defined earlier. The poverty gap (which is the annual amount needed to uplift the poor to the poverty line by means of targeted transfers of money,

and which measures how deep or intense poverty is) was estimated at about R28 billion in 1995, with 76% of this accounted for by the rural areas. (Republic of South Africa 1998)

Poverty is also distributed unevenly among the nine provinces as shown in the table below.

Table 2.1: Provincial population size and poverty rates

Province	Population Size (*000)	Poverty Rates (%)
Eastern Cape	6648	70.7
Free State	2779	63.4
Gauteng	7794	17.3
KwaZulu-Natal	8911	51.9
Mpumalanga	2999	57.3
Northern Cape	874	54.9
Northern Province	5329	59.1
North West	3557	62.1
Western Cape	4164	28
TOTAL	43055	50

(Source: National Report on Social Development, 2000)

Poverty is *deepest* in the Eastern Cape, the Free State and in the Northern Province, which together make up 36% of the population but account for 51% of the total poverty gap. Three children in five live in poor households, and many children are exposed to public and domestic violence, malnutrition, and inconsistent parenting and schooling. The child risk of poverty varies widely by province: in the Eastern Cape 78% of children live in poor households, compared with 20% in Gauteng. (Republic of South Africa 1998)

Gender Inequality:

Household surveys provide information about inequality *between* households, but cannot provide much information about inequality *within* households. Hence, while 'poor women' are generally perceived as those within poor households, the relative position of women within non-poor households is not clear. However, women are clearly more likely to be poor than men: the poverty rate among female-headed households is 60%, compared with 31% for

male-headed households. This underlines the importance of targeting women (especially rural women) in public works and training programmes, as well as programmes to develop small, medium and micro enterprises (SMMEs). (Republic of South Africa 1998)

Table 2.2: Women's higher risk of poverty

Gender/ category	Percentage of	Percentage of African
	Adults over 15	Rural Adults over 15
Men in Poverty	43.7	64.3
Women in Poverty	48.2	69.9

(Source: National Report on Social Development, 2000)

Table 3 shows that women on average have a substantially higher risk of living in poverty than men. This applies especially to the rural areas, where a staggering 70% of African women and 64% of African men live in poverty.

2.2.3 Poverty and unemployment

By early 1996 it had become clear that without new macroeconomic initiatives by government, economic growth rates could not be attained that were both sustainable and high enough for effective poverty alleviation, income redistribution, employment creation and financing of essential social services. (Republic of South Africa 1998)

Unemployment is a significant contributor to poverty. Based on current statistics, unemployment in South Africa ranges between about 20% in the Western Cape and 40% in the former homeland areas. Unemployment rates tend to be highest among Africans, in rural areas, among women and the youth, and among those with no previous work experience. There is a strong link between unemployment and poverty: using the broad definition of unemployment, in 1995 the rate of unemployment was 59% among the poorest quintile (fifth) of the population, compared to 5.5% among the richest quintile. (Republic of South Africa 1998)

Access to quality employment is thus an essential way of achieving sustainable livelihoods, which in turn is a crucial means of reducing poverty and inequality. Poor people face the problems both of unemployment and the low quality of the jobs which they otherwise occupy. The challenge government and industry now face is therefore not only to create jobs, but to create better quality jobs. The following paragraph will explain why this study focuses on the important role the tourism sector can play in the reduction of poverty and inequality in South Africa, for a substantial part through the creation of jobs.

2.3 Linking Poverty and Tourism

After addressing poverty and inequality in South Africa, the economic significance of South Africa's tourism sector and some of the issues and constraints attached to it, it is now time to ask the question: How can tourism contribute in reducing poverty and narrowing the gap between rich and poor?

Ashley and Roe write:

"There are obvious reasons for linking tourism with poverty reduction in southern Africa: the tourism sector is large and many southern Africans are poor. The growth of one should be harnessed for the reduction of the other." (Ashley & Roe 2002:61)

Ashley & Roe give two further reasons. First, they state that certain characteristics of tourism can make it more conducive to pro-poor growth than other service sectors or manufacturing – it can be labour intensive, inclusive of women and the informal sector; based on natural and cultural assets of the poor; and it is suitable for poor rural areas with few other growth options. (Ashley & Roe 2002)

The second reason Ashley & Roe give is that there are missed opportunities and a distinct potential for change:

"Poverty reduction is not normally at the heart of the tourism agenda. Certainly, poverty issues are usually one theme in tourism plans in southern Africa, and one element of the many 'sustainable tourism' and 'community tourism' initiatives. An explicit focus on pro-poor

strategies could, however, sharpen the effectiveness of existing initiatives while spreading pro-poor thinking more widely to the 'mainstream' industry." (Ashley & Roe 2002:62)

Experience to date suggests that there is some potential to 'tilt' the structure of tourism growth in favour of the poor, even though the extent of such change is limited by commercial and capacity constraints. Therefore, in the southern African context, where tourism is significant and there is expressed commitment from government and business to harness tourism for development, the potential of tourism in reducing poverty and inequality needs to be assessed and exploited. (Ashley & Roe 2002)

For understandable reasons, tourism was not included in the African National Congress detailed planning when it achieved power in 1994. However, the 1996 White Paper on *The Development and Promotion of Tourism* recognised that tourism could be one of the best opportunities available to South Africa to create employment and livelihoods for the urban and particularly the rural poor. In rural areas, other than agriculture, there are often no other opportunities for economic engagement other than tourism – both domestic and international. (Goodwin, Spenceley, & Maynard 2001)

Spenceley and Seif (2003) explain that the potential of tourism for being pro-poor lies in four main areas:

- Tourism is a diverse industry, which increases the scope for wide participation, including the participation of the informal sector;
- The customer comes to the product, which provides considerable opportunities for people living in rural areas (e.g. souvenir selling);
- Tourism is highly dependent upon natural capital (e.g. wildlife, culture), which are assets that the poor may have access to, even in the absence of financial resources; and
- Tourism can be more labour-intensive than other sectors like manufacturing.
- In comparison to other modern sectors, a higher proportion of tourism benefits (e.g. jobs, informal trade opportunities) go to women (Ashley, Roe and Goodwin, 2001).

However, as Renard et al. (2001) concluded from their field research in St. Lucia, there are a number of factors that have been identified as key to determining whether or not the poor are able to take advantage of livelihood benefits offered by tourism opportunities:

- Success depends on *where you are*. Tourism amenities and activities are not evenly distributed geographically (as is poverty), and the physical conditions of access constitute a barrier for many. Opportunities for the development and marketing of activities tend to be constrained, whenever there is a significant distance between the clientele and the product.
- Success depends on *who you are*. Important decisions are usually not made by poor people or by those who seek to develop pro-poor policies and programmes. Most of the critical decisions that affect the sector tend to be made outside the country, or by a few powerful local interests. Except on rare occasions, processes of public policy formulation are not adequately participatory.
- Success depends on *what you have*. The ability to enter the sector and to create employment and income-generating opportunities is based on the availability of financial or physical assets. Poor people are constrained by the absence of assets, and by the difficulties they face in accessing and using common property assets.
- Success depends on *what you know*. Efforts to participate in the industry are hampered by a lack of understanding of how the industry functions. In the absence of an adequate understanding of the manner in which this complex sector operates, the current status quo is unlikely to change.

(Renard, Darcheville, & Krishnarayan 2001)

At another level, tourism development can create disadvantages for the poor, by causing physical displacement, inflation, inequality and social disruption and endangering local environments. (Ashley & Roe 2002)

On a more empirical level a number of constraints to the capacity of the tourism sector to address problems of employment, income generation, poverty alleviation and income and wealth equalisation, have to be addressed at this early stage:

- The majority of the jobs created in the tourism sector are seasonal, temporary and/or unstable. Weather conditions, civil disorder, international events and other factors can cause a rapid decline in tourist arrivals and can cause major job losses.
- Given sharp competition between tourism service suppliers (internationally, within a country, within a region and within a destination) wage and remuneration levels of workers in the tourism sector are usually low compared to (e.g.) manufacturing, mining, public sector employment and several other sectors.

- Tough competition between small service suppliers – e.g. Bed & Breakfasts, tour guides, transport suppliers, etc. – gives rise to high business failure levels, especially in the absence of systematic support to small operators.

These factors and related problems do not suggest that the tourism sector should not be viewed as an important element in any national development and poverty relief strategy – it only suggests that we should be modest in our expectations.

University of Cape Town

3 PPT as a Tourism Development Strategy

The concept of Pro-Poor Tourism (PPT) has rapidly gained attention in South Africa over the past few years and it is likely to further gain significance as the sector expands and questions are asked about the distribution of wealth and income generated through tourism.

In this chapter we look at the public policy dimension of PPT, linking it to tourism policy in general and a range of related policy issues.

3.1 Public Sector Intervention in Tourism

3.1.1 Government's role in tourism

Historically, government has always played at least some role in travel between countries and tourism related activities, as can be seen by the central place occupied by administrators in world-open empires such as ancient China, Egypt and Rome. Governments and their officials provided the environment for law, order and security as well as the means of exchange and coins for the payment for services - all essential for trade and travel. Roads, bridges and harbours were established. Stable government allowed the development of a wealthy class, who could travel for leisure, religious and health purposes. Government officials administered laws, collected taxes, protected frontiers, stopped the spread of diseases and kept the lines of communication open, as government officials do today. Elliott sums it up:

"A political system can be liberal, democratic or totalitarian, it can be left or right politically, but in practice all types of regimes have supported or sponsored tourism. The dominant ideological and philosophical beliefs and values of the political system will determine how far governments will intervene in the economic system, what will be the role of the private sector, and how much support and finance will be given to tourism." (Elliott 1997:40)

Governments are involved in tourism mainly because of its economic importance. In periods of industrial and economic decline or – as in South Africa's case - high unemployment and a growing gap between the rich and poor, tourism is often viewed as one of a few significant growth industries. Besides, the social effects of tourism can be profound, especially in developing countries. Tourism is perceived as a labour-intensive industry, which provides jobs partly for the skilled as well as the less skilled workers. The tourism industry is also able to provide foreign currency which puts tourism in line with other export industries – in particular for developing countries which lack export capacity.

As legitimate holders of power in the political system, governments are responsible for making policy and establishing policy guidelines. This has to happen within the constitutional, legal and political environment established by governments. Public sector management is responsible for managing organisations to achieve government objectives, and is also involved in formulating and implementing public policy. Public Tourism Management operates within a political system whether at the international, national or local government level. Decisions about tourism are taken in the context of the political system of the country concerned.

Just as tourism is an extremely diverse industry, so is the public sector, with its wide range of organisations, linked together in complex structures and relationships. In practice, the public sector can work through different channels or institutions: national government tourism departments, provincial or regional authorities, local authorities, parastatals (at national, regional or local level) and public sector institutions only indirectly involved in tourism (e.g. focusing on environmental controls). Besides, whether public sector management takes a more traditional administrative approach to tourism or a managerial approach will often depend upon power and political factors in the system and current managerial trends.

3.1.2 Public policy and tourism

As explained above, tourism is more than an industry or a set of economic activities; it is a universal, dynamic social phenomenon which makes for a complex policy environment. This section shows how Public Policy theory and models currently in use in South Africa can be linked to the tourism sector and the shaping of tourism policies.

Public policy making is a political activity which is shaped by the economic, social, and cultural characteristics of society as well as formal structures of government and other features of the political system. Given the interaction of numerous forces in the policy making process, it is not surprising to find that there is little agreement in public policy studies as to what public policy is, how to identify it, and how to clarify it. Several definitions of public policy have been put forward:

"Public Policy is a set of related decisions taken by a political actor or group of actors concerning the selection of goals and the means of achieving them within a specified situation where these decisions should, in principle, be within the power of these actors to achieve."

(Hall & Jenkins 1995:45)

"For a policy to be regarded as public policy, it must to some degree have been generated or at least processed within the framework of government procedures, influences and organisations." (Hogwood and Gunn 1984:24)

For the purpose of this study, public policy is " ... *whatever governments choose to do or not to do.*" (Dye 1992:2) This definition covers government action as well as inaction, decisions as well as the absence of decisions, i.e. a deliberate choice between alternatives. Thus " ... *policy may not have been significantly developed within the framework of government.*" (Hogwood & Gunn 1984:23)

A further complication is the complexity of the issues touching upon tourism:

"In tourism, which is particularly a multisectoral activity, with ramifications that are economic, social, cultural, environmental, and often political, a tourism policy will be an amalgamation of many subpolicies pertinent to different areas." (Jenkins 2000:63)

Because of this complexity and judging from academic literature on tourism policy, the tourism policy process is often not well understood. This thesis, therefore, analyses the forces that shape tourism public policies in South Africa with the focus on the intended and unintended consequences of tourism policies in terms of their impacts on the 'poor' in South Africa.

3.1.3 The 'tourism' concept

Any consideration of tourism public policy has to include an appropriate definition of tourism, even though tourism (like public policy) does not have a universally accepted definition. According to some authors in the tourism policy field, " ... *tourism practitioners must learn to accept the myriad of tourism definitions and to understand and respect the reasons for those differences.*" (Hall & Jenkins 1995:46)

On the other hand, authors such as Leiper (1979) argue for the development of a single, comprehensive and widely accepted definition of tourism. Most tourism academics (such as Hall and Jenkins, 1995:47) hold little hope for the latter: " ... *the tourist industry is diverse, fragmented and dynamic, and it can be studied at a number of levels and from many perspectives.*"

For the purpose of this study, tourism is defined as:

"The sum of the phenomena and relationships arising from the interaction of tourists, business suppliers, host governments, and host communities in the process of attracting and hosting these tourists and other visitors." (McIntosh and Gouldner in: Hall and Jenkins 1995: 7)

The tourism industry is a major economic, environmental and socio-cultural force, and an easily politicised phenomenon. According to Hall and Jenkins (1995:29), *"... the nature of tourism in any given community is the product of complex interrelated economic and political factors, as well as particular, geographical and recreational features that attract outsiders."*

The economics of tourism, its geographical features and recreational characteristics have received considerable attention. However, studies of the politics of tourism, and particularly of the public policy process, are scant. Indeed, the implications of the politics of tourism *"... have been only rarely perceived and almost nowhere fully understood."* (Richter 1989:2). In short, tourism has an urgent need for public policy studies.

Public Policy is the focal point of government activity. Tourism has become a focal area of most modern governments, and of many government programmes in both developed and lesser developed countries. Yet, studies of tourism public policy must go beyond describing what governments do. As a relatively new area of scholarly inquiry there is, however, little agreement so far on how tourism public policies should be approached and the reasons underpinning such studies. (Hall & Jenkins 1995)

Tourism public policies are enmeshed in a dynamic, ongoing process, and it has become increasingly evident that governments struggle to comprehend the tourism industry, its impacts and future, and how they should intervene. Until recently, basic information concerning visitor flows and tourist expenditures have been lacking, and in some countries and regions (particularly in Africa) such data are still far from comprehensive, let alone accurate. In other words, quality information concerning the tourism industry is limited. In fact, as Hall and Jenkins state:

"We might even hypothesise that there is an element of inexperience in tourism policy formulation and implementation as much government activity in the tourism industry is relatively recent as compared with other traditional concerns of government, such as economics, manufacturing and social welfare." (Hall & Jenkins 1995:34)

As a result, analysis of tourism policies is often constrained by:

- a lack of consensus concerning definitions of such fundamental concepts as 'tourism', 'tourist', and 'the tourist industry';
- a lack of recognition given to tourism policy-making processes and the consequent lack of comparative data and case studies;
- a lack of well-defined analytical and theoretical frameworks;
- limited quantitative and qualitative data.

(Hall & Jenkins 1995:37)

These statements are particularly relevant for Public policy formulation and implementation in the South African tourism industry and will be further addressed in the discussion chapter of this dissertation.

3.1.4 Tourism policy: Linear, top-down or bottom-up?

"South Africa has the potential to become one of the world's great new tourism destinations following its transition to democracy and entry into mainstream economic and political circles. Although many of the strategic and operational pieces appear to be in place, insufficient focus on implementation has limited the return on investment and caused targets to be consistently missed." (WTTC 2002:4)

One of the most important aspects of tourism policy formulation relates to institutional arrangements for the implementation of policies and the legal framework necessary to support implementation.

The World Tourism and Travel Council's research emphasises the need for a consistent and coherent implementation of tourism policies that generates employment and brings economic prosperity to the majority of South Africa's inhabitants.

Pressman and Wildavsky (1973:14) formally define policy as:

"... a hypothesis containing initial conditions and predicted consequences."

This definition suggests that policies are goal statements. They should also indicate the actors and actions that are to be involved in pursuing goals. In recent years there has been a growing emphasis on the implementation and evaluation phases of the policy process. These phases are attracting attention for good reason: many policies based on apparently sound ideas have

encountered difficulties in their practical application. A policy's value, therefore, must be measured not only in terms of its appeal but also in the light of its implementability.

(Pressman & Wildavsky 1973)

A widely accepted distinction in the academic field of policy implementation is the one between policy and implementation. It is a distinction that is accepted in, for example, Pressman and Wildavsky's *Implementation* (1973) which is considered a classic work on policy implementation.

As we know, even well-designed and widely acclaimed policies can, and often do, fail to produce the intended results. The widespread occurrences of policy failures have inspired a flourishing field of academic endeavour. A primary focus of the field is the identification and explanation of so called 'gaps' between policies and their implementation. (Pretorius 2003)

What are the implications of such gaps between policy and implementation? The conceptual split between policy and implementation derives largely from the so-called 'linear model of policy processes'.

The linear model of policy making

Variouly called the linear, mainstream, common-sense or rational model, this model is the most widely held view of the way in which policy is made. It outlines policy-making as a problem-solving process which is rational, balanced, objective and analytical. In the model, decisions are made in a series of sequential phases, starting with the identification of a problem or issue, and ending with a set of activities to solve or deal with it. (Sutton 1999)

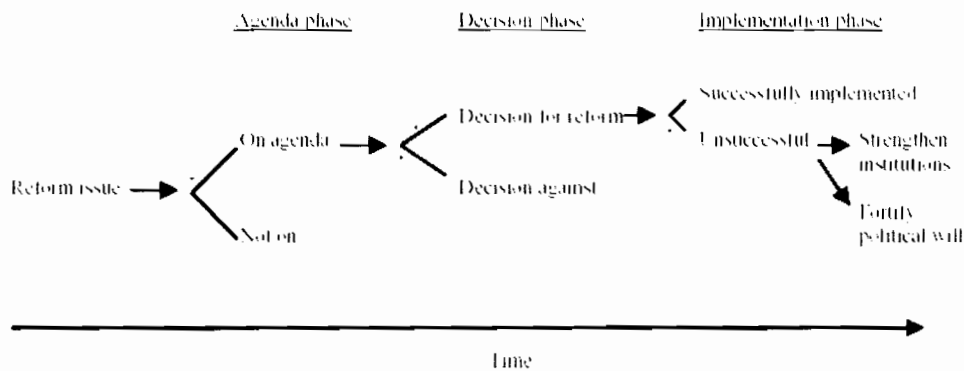
The phases are:

- recognising and defining the nature of the issue to be dealt with
- identifying possible courses of action to deal with the issue
- weighing up the advantages and disadvantages of each of these alternatives
- choosing the option which offers the best solution
- implementing the policy
- possibly evaluating the outcome

The scheme below distinguishes three phases in this linear model. As we can see in this model, the value-neutral process of implementation is strictly separated from policy making. Implementation follows policy-making and it precedes policy assessment and, if deemed necessary, policy adaptation or change. The model presents policies as being relatively

complete scripts that are handed by policy-makers to policy-implementers who then proceed to pursue the given objectives – hopefully to good effect. (Pretorius 2003)

The Linear Model



Source: Grindle and Thomas (1999)

The linear model thus assumes that policy makers approach the issues rationally, going through each logical stage of the process, and carefully considering all information. If policies do not achieve what they are intended to achieve, blame is often not laid on the policy itself, but rather on political or managerial failure in implementing it. Failure can also be blamed on a lack of political will, poor management or shortage of resources. (Sutton 1999)

There is, however, much evidence that this model is far from realistic, opening it to a number of criticisms. First of all, it underestimates important characteristics of actual policy processes. Thus, policies are often tentative and incomplete, their making and implementation tends to be incremental, iterative and reflexive. Secondly, the positive base of linear models tends to screen out ideological and power contests surrounding policy processes. They also mask the mutable, ambiguous and contradictory ways in which policies are interpreted by the relevant decision-makers, implementers and beneficiaries. (Pretorius 2003) This last point of critique by Pretorius is particularly relevant for policy making and implementation in tourism in South Africa.

Similarly, Schaffer stresses that in South Africa “... the conceptual split between policy and implementation creates the opportunity for politicians, bureaucrats, technocrats and analysts to blame policy failure on the implementation processes rather than on the policies.”

(Schaffer in Pretorius 2003:17)

Top-down vs Bottom-up approaches

Success in the implementation of tourism policies depends to a large extent on the particular approach chosen, i.e. whether it is a top-down or a bottom-up approach. In line with earlier policy models, the 'top-down' approach has remained the more dominant genre. Typically, this perspective starts from the authoritative policy decision at the central (top) level of government and asks (Sabatier in Brynard 2000):

- To what extent were the actions of implementing officials and target groups consistent with (the objectives and procedures outlined in) that policy decision?
- To what extent were the objectives attained over time?
- What were the principal factors affecting policy outputs and impacts?
- How was the policy reformulated over time on the basis of experience?

The bottom-up approach has largely been a reaction to this model, based on identifying weaknesses in it and suggesting alternatives to address those weaknesses. Most authors in the genre agree that discretion at lower levels in government is not only desirable but also inevitable because it is necessary for policies to be adjusted, if not 'reinvented' so that they better fit local needs and conditions.

Generally regarded as one of the most important works in the 'bottom-up genre' is Lipsky's *Street-level Bureaucracy* (1980). Street level bureaucracies are for example schools, the police, welfare departments or - in the case of this study- local tourism bodies. Lipsky emphasises that actors who work in these bureaucracies have a role to play; they are not merely cogs in an automatic transfer of policy-making to outcome in practice. Due to constraints on their time, and bureaucratic procedures on the local level, Lipsky argues that field-level workers may exercise considerable flexibility in implementing instructions. (Sutton 1999)

When analysing South Africa's tourism policies in chapter 4 and critically reviewing the implementation of tourism policies in chapter 5, the linear model of policy making and the distinction between a top-down and a bottom-up approach will be used as tools to explain South Africa's tourism policy process.

3.2 Pro-Poor Tourism as a Concept

Of the many issues that are tackled through tourism policies this study focuses in particular on the concept of Pro-Poor Tourism – mainly because it seems so relative and timely in South Africa's current evolution of political, social and economic policies and 'transformations'. The concept has, however, not originated in South Africa. This section will trace its origin and its current conceptual content.

3.2.1 Origination of Pro-Poor Tourism

The British Department for International Development (DfID) was the first agency to promote the concept of Pro-Poor Tourism (PPT) under this specific term, when it was used in the Report of the Commission on Sustainable Development, released in April 1999 (Goodwin and Maynard 2000).

After funding a desk based review of tourism and poverty – conducted in 1999 by Deloitte and Touche, the International Institute for Environment and Development (IIED) and the Overseas Development Institute (ODI) – DfID supported further research on the experience of Pro-Poor Tourism strategies based on six commissioned case studies in Southern Africa. The ODI, the IIED and the International Centre for Responsible Tourism at the University of Greenwich (ICRT) – also known as the PPT Partnership – jointly undertook this study during 2000 and 2001, together with in-country case study collaborators from the respective countries.

The pro-poor approach subsequently received wider support through a World Tourism Organisation's paper on poverty alleviation and tourism produced in 2002. This report was released at the World Summit on Sustainable Development (WSSD), which took place in Johannesburg in August/September 2002. The WTO also launched a new research programme called STEP (Sustainable Tourism and the Elimination of Poverty) which aims to attract funds for focussed research investigating causal relationships and tourism models that link tourism and poverty alleviation. The WTO also promotes investment in sustainable operations with pro-poor impact. (Spenceley & Seif 2003)

3.2.2 Pro-Poor Tourism as a tourism development strategy

In the past, the promotion of tourism by governments and donor organisations was typically aimed at encouraging private sector investments, macroeconomic growth and foreign

exchange earnings, without specifically taking the needs of the poor into account. It was assumed that the benefits of growth in the tourism industry would eventually 'trickle down' to the poor, thus requiring no specific government intervention.

Pro-Poor Tourism concepts represent a reaction to this laissez-faire approach, highlighting the need to introduce specific mechanisms to ensure that the benefits of tourism growth also accrue to the poor. (Mahoney & Van Zyl 2002)

According to the PPT Partnership, Pro-Poor Tourism (PPT) is:

"Tourism that results in increased net benefits for poor people. PPT is not a specific product or niche sector but an approach to tourism development and management. It enhances the linkages between tourism businesses and poor people; so that tourism's contribution to poverty reduction is increased and poor people are able to participate more effectively in product development." (Ashley 2002:18)

Links with many different types of 'the poor' need to be considered: staff of tourism enterprises, neighbouring communities, land-holders, producers of food, fuel and other suppliers, operators of micro tourism businesses, craft-makers, other users of tourism infrastructure (roads) and resources (water), etc. There are many types of Pro-Poor Tourism strategies, ranging from increasing local employment to building mechanisms for consultation. Any type of company can be involved in Pro-Poor Tourism - a small lodge, an urban hotel, a tour operator or an infrastructure developer. The critical factor is not the type of company or the type of tourism, but that an increase in the net benefits that go to poor people can be demonstrated. (Ashley 2002)

Strategies for Pro-Poor Tourism can be distinguished according to three types of local benefits: economic benefits, other livelihood benefits (such as physical, social or cultural improvements) and (less tangible) benefits of participation and involvement.

Each of these can be further disaggregated into specific types of strategies.

1. Strategies focused on economic benefits include:

- Expansion of employment and local wages via commitments to local jobs and the training of locals for employment.
- Expansion of business opportunities for the poor. These may be businesses/entrepreneurs that sell inputs such as food, fuel or building materials to

tourism operations, or they may be businesses that offer products directly to tourists, such as guiding, crafts, tea shops, etc. Support can vary from marketing and technical support (e.g. by nearby mainstream operators), to affirmative procurement or direct financial and training inputs.

- Expansion of community income via equity dividends, lease fees, revenue sharing, or donations, usually through established partnerships with tourism operators or government institutions.

Whilst proper staff wages can be a significant boost to those few in employment, small earnings may help many more to make ends meet, and collective income may benefit the majority, although it can easily be misused. Thus all three types are important for reaching different poor families. Strategies to create these benefits need to tackle many different obstacles to economic participation, including the lack of skills, limited understanding of the tourism process, poor product quality and limited market access.

2. Strategies to enhance other (non-cash) livelihood benefits could include:

- capacity building, training and empowerment
- mitigating the environmental impact of tourism on the poor, and managing competing demands for access to natural resources between tourists and local people
- improving the social and cultural impacts of tourism
- improving access to services and the infrastructure, including health care, radio access, security, water supplies and transport

Strategies in this sphere often start by reducing negative impacts – such as cultural intrusion, or the loss of access to land or the coast. More however, can be done to address these issues positively, in consultation with the poor. Opportunities to increase local access to services and infrastructure often arise when these facilities are developed for the needs of tourists. With some consultation and adaptation these facilities may also serve the needs of residents. Strategies for capacity-building may be directly linked to the boosting of cash incomes; they may also be of more indirect long-term value, such as the building of management capacity of local institutions.

3. Strategies focusing on the policies, process and participation

- More supportive policies and planning frameworks may enable participation by the poor.

- Encouraging increased participation by the poor in decision-making may ensure that local people are consulted and have a say in tourism decision making by government and the private sector.
- Pro-poor partnerships with the private sector may be encouraged.
- As a minimum there should be increased flow of information and communication: e.g. through meetings, report backs, sharing news and plans, etc. This is not yet participation but it lays the basis for further dialogue.

While PPT itself is generally developed as a business approach, this thesis will focus on the government's role in the improvement of policies, processes and increased participation of the poor in South Africa's Tourism Industry.

3.2.3 Government and policy influences on PPT practice

Tourism is an industry driven by the private sector. However, there are many ways in which government action or inaction as well as policies and regulations influence business behaviour, and hence the degree to which tourism impacts on the poor.

A number of policy levers could be influential. For example, government can provide incentives or it can regulate to encourage pro-poor business operations. It can also remove constraints that hamper the policy environment. In a pro-poor context, some of these steps can be implemented directly in the tourism sector, whilst others fall within policies related to land, rural development, or economic affairs in general. After all, it is not just tourism policy that can influence developments in the tourism industry; in fact, many countries with active tourism sectors do not have an explicit tourism policy. (PPT Pilots in Southern Africa 2004:1)

On the other hand, tourism influences and is influenced by countries' broader economic development strategies as well as sectoral policies. According to the PPT Partnership, pursuing a professional national policy framework in support of Pro-Poor Tourism requires the following:

- Regional economic policies, rural regeneration policies, and local land-use planning to include a realistic assessment of the potential for tourism, and to identify ways to develop it at priority sites. Similarly, there is need for a devolution of rights and revenue fees across levels of government, providing incentives, not discouragement, for local councils and local bodies to invest in tourism.

- A national economic policy framework should include a realistic assessment of the comparative advantages of local tourism facilities.
- There should be coherent and effective institutional linkages between the tourism ministry or division and other economic development ministries.

(PPT Pilots in Southern Africa 2004:1)

Land policy is considered as particularly critical. Communities with secure land tenure are in a strong position to manage tourism on their land and gain the lion's share of benefits. Pro-Poor Tourism case studies have shown that the "extent to which economic empowerment of local communities takes place is intricately linked to the nature and extent of the land rights of those rural communities." (see: *Pro-Poor Tourism Strategies: Making Tourism Work for the Poor*, PPT Report N. 1, 2001:42)

Land ownership, while desirable, is however not essential – there are a number of alternative institutional arrangements whereby communities can gain rights over tourism resources without necessarily owning the land. Yet, fluidity or insecurity of land tenure can be as detrimental as the lack of tenure, just as uncertainty deters private investment. A PPT case study in South Africa notes "for investors, the perceived risk of investing in areas with unclear land rights is high. Investors price for this risk which may impact on the anticipated financial returns from the project and thus benefit flows to the community" (see: *Practical strategies for Pro-Poor Tourism. Case studies of Makuleke and Manyeleti tourism initiative*, PPT Working Papers N.2, 2001:44).

Tourism Policy and Planning

Good policy must be followed by effective implementation, which calls for the development of tourism regulations that (according to the PPT pilot project):

1. do not discourage development unnecessarily;
2. are not biased against the poorer (and less well-connected) entrepreneurs in the sector; and
3. encourage operators to incorporate pro-poor measures into their business practice (e.g., regulations that grade and classify accommodation or licensed guides should include the more basic categories).

Specific policy tools that national and local governments can use to maximise poverty impacts include the following:

- setting tourism development objectives for local economic development;
- preparing development plans that include rural, cultural, adventure and community tourism as well as other 'products' suitable for development in poorer areas and by small-scale entrepreneurs (for which there is a defined market);
- using tourism planning procedures that include consultation, and leave scope to influence the siting to increase physical access of the poor to tourism markets, infrastructure and services;
- including pro-poor criteria in concessions or licensing procedures for access to sites within protected areas, wildlife quotas, or to other tourism development sites.

(PPT Pilots 2004:1)

3.3 Related 'Alternative' Tourism Development Concepts

Pro-Poor Tourism is often linked to other 'alternative' approaches to tourism. It is therefore important to distinguish between different forms of 'alternative tourism', highlighting differences and similarities.

Here we can include 'sustainable tourism', 'responsible tourism', 'community-based tourism' and 'ecotourism'. Whilst the key distinctive feature of PPT is its focus on poor people and poverty, there are, indeed a number of common or interrelated aspects with respect to each of these relatively new concepts.

The World Tourism Organisation (WTO) defined sustainable tourism as early as 1998 as: *"...leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems."* (WTO 1998:13)

Pro-Poor Tourism falls within this definition, though benefiting the poor is clearly not the overall thrust of WTO's concept of sustainable tourism. Although there is a welcome overlap between many sustainable tourism and PPT approaches, there are differences in the core focus.

The 1992 Earth Summit in Rio established the triple bottom line of environmental, economic and social sustainability as the basis of sustainable tourism. Since then, however, the major –

though not exclusive – emphasis of the tourism industry has been on environmental sustainability. For example, Agenda 21 for the Travel and Tourism Industry ('Towards Environmentally Sustainable Tourism') refers to the interdependence of development and environmental protection, but the main thrust of the document falls on environmental sustainability. PPT, in contrast, puts the poor at the centre of analysis with the environment in which the poor live being just one part of the picture. (Ashley, Roe, & Goodwin 2001:2)

The current debate around sustainable tourism still focuses on mainstream destinations which may, but need not include some areas inhabited by poor people. Social issues are usually an add-on to environmental concerns. Poor people of the South are, thus generally at the edge of the picture. (Ashley & Roe 2002:62-3)

Similarly, ecotourism initiatives usually benefit local people, but with a strong environmental angle (particularly where it concerns international tourists). Conservation and development approaches emphasise the need for broadly distributed local benefits – often cash – as incentives for conservation. In contrast, Pro-Poor Tourism aims to deliver net benefits to the poor as a goal in itself.

Community-based tourism initiatives aim to increase local people's involvement in tourism. They often are closely linked to PPT initiatives. However, PPT involves more than a community focus – it requires mechanisms for unlocking opportunities for the poor at all levels and scales of operation.

Similarly, responsible tourism initiatives by companies often increase the flow of benefits to local people while also addressing environmental impacts. A PPT perspective is, however, both wider, in that it pursues a broad range of poverty impacts and levels of intervention, and narrower, in that the key indicator is the impact on poverty.

In South Africa, the new term empowerment tourism, was coined in the development of the Spatial Development Initiatives (SDIs). This approach aims to combine tourism growth with the empowerment of formerly disadvantaged South Africans. The principles have much in common with PPT, although as noted below, the focus has tended to be on economic involvement rather than other impacts on livelihood and process participation. In addition to this, Black Economic Empowerment (BEE) has been criticised lately for focusing on changing 'the colour of money' rather than unlocking opportunities for the really disadvantaged communities.

Having highlighted the differences, it is important to stress again, that many community-based, responsible, sustainable and ecotourism initiatives have pro-poor impacts and are, thus, good examples of PPT strategies without being named as such. The difference is more one of perspective, in that a PPT focus prioritises and highlights impacts on the poor. Nevertheless, the differences can be significant when negotiating trade-offs, developing new plans and in influencing stakeholders. (Ashley & Roe 2002)

Finally, the concept 'responsible tourism' has also evolved into an omnibus term for 'positive action' within the criteria of any (or all) of the above concepts. In fact, the concept is used with a different meaning by different discussants.

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4 Pro-Poor Tourism in South Africa

After reviewing Pro-Poor Tourism as a tourism development strategy and addressing the role of government in the tourism policy and planning environment in the previous chapter, this chapter identifies and reviews South African policy and planning frameworks in place at national, provincial and local level, that have particular relevance to the concept of Pro-Poor Tourism. The analysis of existing policies and strategies is aimed specifically at those policies, but it is by no means exhaustive; we merely highlight key aspects of relevant policy and strategic frameworks as far as they are relevant for 'pro-poor' tourism development.

4.1 The Tourism Policy Environment in South Africa

4.1.1 Historical context

Southern Africa's turbulent history - incorporating colonialism, apartheid, socialist ideals, economic liberalisation, democratisation, and political transformation – has influenced the way in which international policy thinking has impacted on the region.

South Africa's democratisation after 1994 heightened awareness about income and wealth inequalities, the need for land reform, and the need to create a structurally different economy and society. There has to be a new way of doing things. Business is expected to deliver different results locally, and the 'excluded' have to be included and consulted.

'Transformation' of the economy has become a watchword and Black Economic Empowerment (amongst others) the means. Sharp socio-economic divides between black, coloured and white areas has to go, while at the same time central government has to devolve some of its authority to the lower regions. (Ashley & Wolmer 2003)

South Africa's democratic transition raised massive expectations. The new government was to address the lack of land, education, housing, water and other essential services experienced by the poor majority. At the same time the economy experienced slow growth and faced massive industrial retrenchments, resulting in rising unemployment. The government's commitment to fiscal discipline and the burden of a swollen public sector leaves only limited scope for public investment. Hence the emphasis on mobilising private sector investment as the means to generate growth and employment. (Ashley & Wolmer 2003)

Democratisation led to equally strong expectations in the tourism sector, where expansion after the isolationist phase of apartheid created the mistaken belief that this was easily within

reach. In fact, tension between these priorities – growth and social justice – , and efforts to combine them, currently overshadows most tourism policy issues in South Africa.

4.1.2 Institutional responsibilities for tourism policies

Policies that effect South Africa's tourism sector are formulated and implemented at no less than six different levels, with institutions on each of these levels responsible for some interventions. We can distinguish:

- International tourism agencies and policies (e.g. the WTO)
- Regional agencies and interventions (e.g. RETOSA at SADC level)
- National government controls and interventions
- Provincial government policies
- Local authority interventions (with District Municipalities at a somewhat higher level)
- Community or neighbourhood interventions

Each of these levels is briefly reviewed below, since each of them could have an impact on PPT efforts.

International intervention

Although tourism had become one of the world's largest industries and one of the world's fastest growing sectors by 1992, it was not explicitly on the agenda at the first (1992) World Summit on Sustainable Development in Rio de Janeiro, although bodies like the WTO had existed for a long time already.

In 1995 the World Tourism Organisation (WTO), the World Travel and Tourism Council (WTTC) and the Earth Council jointly produced Agenda 21 for the tourism industry (Towards environmentally sustainable development). Agenda 21 had a strong environmental orientation, but was weak on social development issues.

In 1999, starting with a meeting of the UN Commission on Sustainable Development, the debate about tourism and sustainable development shifted with the UN urging governments of developing countries to "... *maximise the potential for tourism for eradicating poverty by developing tourism strategies in co-operation with all major groups, including indigenous and local communities*". (WTO 2002:20)

Subsequently, just before the 2002 World Summit on Sustainable Development in Johannesburg, the WTO issued a report on 'Tourism and Poverty Alleviation' which indicated that world-wide, tourism was beginning to be taken seriously as a tool for poverty reduction. It also promised that governments of developing countries could look forward to the WTO's support in shaping policies that enhance growth of their tourism sector and improve the lives of their people.

Regional agencies

As in other parts of the world, agencies on the African Continent have also started to include tourism promotion and other tourism development issues on their agendas. In Southern Africa, a SADC Co-ordinating Unit addresses tourism protocol issues whereas the Regional Tourism Organisation of Southern Africa (RETOSA) is the regional tourism marketing body charged with the promotion of public-private sector marketing efforts.

Apart from these agencies, donor institutions from developed countries can also influence the tourism scene. Like South Africa, most SADC countries have accepted donor agency-provided technical assistance, including (in most cases) technical support in the preparation of tourism development plans.

Most SADC countries have established dedicated Ministries of Tourism, and some have set up tourism boards or councils as Public Private Partnerships. In some instances this happened at the request of the World Bank/ IMF's Structural Adjustment Programmes.

RETOSA includes government as well as private sector representation from 14 countries. Although an international organisation, it was conceived as a private sector dominated (and financed) body that primarily promotes tourism in the region.

National Government

In South Africa, the Department of Environmental Affairs and Tourism (DEAT) leads and directs tourism policy formulation and implementation. This is done in partnership with South African Tourism (SAT) – formerly Satour – as well as the provincial governments and local authorities and other relevant stakeholders.

As described in the 1996 White Paper on the Development and Promotion of Tourism in South Africa, the Department of Environmental Affairs and Tourism is expected to play five key roles in the development and promotion of the tourism industry: *facilitation and implementation, co-ordination, planning and policy-making, regulation and monitoring, and*

development promotion. We can briefly list the roles under each of these functions as stipulated in the White Paper.

1. Facilitation and implementation

- establish a safe and stable political and economic environment for tourism to flourish
- ensure the safety and security of residents and visitors
- facilitate and provide appropriate incentives for private sector investment in tourism
- establish and facilitate enabling and appropriate legal and fiscal frameworks for the industry
- facilitate the development of a tourism culture in South Africa and the supply of skilled manpower for the industry
- facilitate an active labour market policy and an appropriate labour relations environment for the industry
- allocate appropriate financial resources for tourism development
- promote tourism as a national priority
- facilitate and conduct the effective marketing and promotion of the country
- encourage and facilitate foreign investment

2. Co-ordination

- co-ordinate and liaise with international, regional and provincial governments with regard to all aspects of tourism development
- co-ordinate tourism-related efforts of all government departments and related government institutions
- co-ordinate and liaise with NGOs, labour and community organisations, training institutions, universities and other bodies related to the development of the tourism sector

3. Planning and policy-making

- formulate, monitor and update a national tourism policy and strategy, in collaboration with relevant stake-holders
- develop integrated national tourism plans in collaboration with relevant stakeholders

4. Regulation and monitoring

- ensure the application of integrated environmental management principles in land-use development proposals to facilitate sustainable utilisation of natural and cultural resources
- facilitate the sustainable and responsible development of the tourism industry, by formulating appropriate development guidelines and regulatory measures
- establish and maintain standards of facilities and services

5. Development promotion

- promote the equitable development of all destinations with tourism potential, whether high, medium or marginal potential
- promote the involvement of communities at appropriate levels of tourism activity
- promote the spread of responsible tourism
- promote the development of major tourism projects that will have national and country-wide impacts (e.g. trans-border protected areas)

The national government is, thus responsible for the development and promotion of tourism at national level. The institutional structure at national level is as follows:

- The national Department of Environmental Affairs and Tourism (DEAT) is responsible for national tourism policy, regulation and development.
- The 'Minmec: Tourism' is a regular meeting of the national Minister of Environmental Affairs and Tourism and the Members of the Executive Councils (MECs) responsible for tourism in the nine provinces. This is where the relationship between national and provincial tourism policy matters is decided.
- The 'Miptec: Tourism' (Minmec Interprovincial Technical Committee) is a meeting of senior national and provincial tourism officials (heads of government tourism departments and CEOs of tourism authorities) for the co-ordination of provincial and national tourism affairs. It reports to and supports the Minmec: Tourism.
- SA Tourism is South Africa's official international tourism marketing agency. It has undergone many transformations over the past decades with the latest following legislation in 1996, which made the organisation responsible for international marketing, research and information management.

Provincial Governments

South Africa's provincial governments have an important role to play in the development and promotion of the tourism industry, with provincial tourism organisations the other key players in the tourism industry.

Although provincial governments have similar functions as the national government, there are three main differences:

- the focus is much more on the implementation and application of national principles, objectives and policy guidelines in as far as they are appropriate to local conditions;
- provinces put more emphasis on facilitating and developing specific tourism 'products';
- provinces actively market and promote their destinations in competition with other provinces.

(DEAT 1996:37)

The provincial government thus has responsibility for all of the functions indicated at the national government level - facilitation, co-ordination, regulation, monitoring and development promotion - with only a few exceptions, as mentioned above, and some additions and modifications. Provincial tourism organisations are partners in the implementation of relevant national policies and strategies.

The success of tourism marketing, promotion and development varies significantly between South Africa's nine provinces. Apart from historical and natural resource factors, these differences are largely due to the impact of budget constraints, limited staffing and policy frameworks.

Local Government

At local government level, provincial functions of policy implementation, environmental and land-use planning, product development, marketing and promotion are further supported, with the focus on local needs and opportunities. Specific functions which directly or indirectly affect tourism include the following:

- responsible land-use planning in the urban and rural development context
- control over land-use and land allocation

- provision and maintenance of publicly owned tourist services, sites and attractions, e.g. camping and caravan sites, recreational facilities (parks, historical buildings, sports facilities, theatres, museums, etc.) and public services
- provision of road signs in accordance with nationally established guidelines
- market and promote local attractions and disseminate information in this regard
- control public health and safety as it affects tourists
- facilitate the participation of local communities in the tourism industry
- own and maintain structure facilities, e.g. ports and airports (in as far as this is not owned by specific agencies like ACSA and NPA)
- provide adequate parking, also for coaches
- facilitate the establishment and operation of public transportation services, e.g. taxi services
- license accommodation and gastronomic establishments in accordance with national, regional and local guidelines
- promote and financially support the establishment of local publicity associations, community tourism bodies and marketing organisations to facilitate, market, co-ordinate and administer tourism initiatives

Policy documents further state explicitly that... “local government should not provide services that can be provided by the private sector”. Yet, the particular role of local authorities in each province and place will be determined by local conditions as well as available skills and financial resources. (DEAT 1996:38)

Local or neighbourhood communities are also expected by government and by the business sector to play a vital role in the development of tourism. Many communities and previously neglected groups – particularly those in rural areas – have so far not actively participated in the tourism industry, even though this could mobilise significant resources. To continue the three pillars of tourism development it is often stated that, in order to succeed and to be able to play a significant role in poverty reduction, tourism in South Africa should be “business driven, government led and community based”.

4.1.3 Interest groups in South African tourism

Government is the focus of demands articulated through a variety of structures and channels, including civil institutions, pressure groups and the media. In fact, many groups are formed especially to articulate vested interests and phrase political demands.

Interests represent the goals that actors seek to achieve in the policy-making process. Because there are different sets of interests working to influence policy formulation and implementation, competition and conflict will inevitably occur. Individuals can only assert a certain degree of influence on the policy-making process, therefore the clustering of interests or interest groups are a major component in the determination of policy settings.

"One of the great problems in examining the role of interest groups in the tourism policy-making process is deciding what the appropriate relationship between an interest group and government should be. At what point does tourism industry membership of government advisory committees or of a national, regional or local tourism agency represent a 'closing up' of the policy process to other interest groups rather than an exercise in consultation?"
(Hall & Jenkins 1995:36)

Confusion over the nature of tourism contributes to uncertainty surrounding which groups have a legitimate contribution to make to tourism policy. Although many segments of the economy benefit from tourism, it is only those organisations which directly link up with tourists that should be actively involved in the shaping of tourism policies. The diffuse nature of the tourism industry may well mean that the groups which directly benefit from tourists will have different policy objectives. For example, airlines will tend to seek to carry as many people as possible in a short space of time, whereas the accommodation sector will encourage people to stay as long as possible. The different economic objectives of the two sectors will therefore place different sets of demands on tourism policy and on the actions of government agencies, particularly with respect to promotion and marketing strategies. (Hall & Jenkins 1995)

There is, in fact, a wide range of groups in South Africa that seek to satisfy their goals the tourism policy process. Table 4.1 illustrates various types of interest groups found in the tourism policy-making process.

Table 4.1 Examples of tourism interest groups in South Africa.

<i>Scale</i>	<i>Producer Groups</i>	<i>Non-Producer Groups</i>	<i>Single-interest groups</i>
International	World Travel & Tourism Council	Environmental and social organisations, e.g. PPT Partnership, World Wildlife Fund	Location specific social or environmental issues, e.g. Fair Trade in Tourism
National	Tourism Business Council of South Africa, FEDHASA, etc.	Environmental and consumer organisations, e.g. National Wildlife Trust	Single-issue environmental groups, e.g. anti-airport lobby
Local	E.g. Cape Town Regional Chamber of Commerce, Cape Town Tourism	E.g. Cape Nature Conservation Board, Cape Town Heritage trust	E.g. Groups opposed to development in Cape Agulhas area

Since the private sector plays a critically important role in the development and promotion of tourism it is the interest group with the strongest representation. Besides, the private sector bears the major risks of tourism investment as well as a large part of the responsibility for satisfying visitors. The delivery of quality tourism services and the provision of value for money services are largely private sector responsibilities. Furthermore, the private sector is in a position to promote the involvement of local communities in tourism ventures by establishing partnerships with communities. (DEAT 1996)

Business representation

There are many different private sector associations representing different players in South Africa's tourism industry. Most of these organisations are linked to the Tourism Business Council of South Africa (TBCSA), which acts as the umbrella organisation representing the business sector involved in tourism. It was established in February 1996 when it entered into a formal agreement with national government, ensuring that South Africa's tourism policy, its strategic direction and its implementation, are a joint undertaking between Government and the private sector. In addition there is TBCSA representation on various bodies established by the Minister of Environmental Affairs and Tourism and other Ministries to embody this public/private partnership arrangement. Thus, there is:

- representation on SA TOURISM's Board and its Marketing Committee.
- representation on the board of the Tourism and Hospitality Education and Training Authority (THETA).
- representation on the Tourism Grading Council of South Africa.
- representation on the Advisory Committee on Research and Information.
- representation on the Department of Transport's negotiations for airline access.
- representation on the Executive Committee of RETOSA.

(Source: www.tbcsa.org.za/tbcsa.html)

Labour and tourism

Organised labour also has an important role to play in improving the quality, productivity and competitiveness of the tourism industry. While it is often believed that the key to successful tourism is the physical features of the tourism product, it is actually the quality of the experience delivered by the workers in the industry that often determines the true quality of a tourism experience.

The tourism labour force has had a history of low unionisation. This can, in part, be ascribed to the highly seasonal, part-time and casual nature of employment in the industry as well as high levels of voluntary labour turnover and minimal on-the-job training. Trends towards a small permanent core of tourism workers and a much larger 'flexible' group of contract, casual and part-time employees suggest that increased rates of unionisation will be unlikely in the future. This gives trade unions little leverage in negotiations with business and correspondingly little influence as an interest group at the macro level. (Hall & Jenkins 1995)

Leaving aside occasional protests at larger hotels, South African labour organisations (of which the Congress of South African Trade Unions (COSATU) is the largest with over 2 million members) have until recently kept relatively quiet in debates surrounding tourism and workers rights in that sector. One of the few topics on which COSATU spokespersons have publicly commented is the issue of alleged overpricing in the South African tourism industry, stating that it decreases the number of tourists visiting South Africa and thereby endangers the jobs of this sector.

Other interest groups

In a somewhat different context, the tourism industry still lacks visible progress with Black Economic Empowerment. In addition, an expanding black and coloured middle class has started travelling, thus swelling the numbers of domestic tourists, interested in reasonably priced tourism establishments. This could have a significant impact on the performance of South Africa's tourism in the years ahead as most of the growth is expected to be in the local market.

Over the past years, public interest groups, consumer groups, conservation groups and social justice groups have also had a significant impact on tourism policy making.

International conservation interest groups (such as Greenpeace and the World Wildlife Fund) are still the major form of non-producer interest group. Yet, social justice groups such as the *Pro-Poor Tourism Partnership* and *Fair Trade in Tourism South Africa* are increasingly effective in influencing tourism policy making in South Africa.

4.2 National Tourism Policy

4.2.1 The 1996 National White Paper

A long-term vision for tourism is a basic requirement for any country seeking to develop tourism. Such a vision should incorporate policy principles, strategic guidelines and a perspective plan indicating products to be developed. In South Africa the 1996 *White Paper for the Development and Promotion of Tourism* fulfils that role.

The 1996 White Paper identified the importance of tourism to the poor and recognises that tourism, perhaps more than any other sector, had the potential to achieve the objectives of the Reconstruction and Development Programme (RDP) of the new government.

The White Paper acknowledged that in the past tourism had largely been a missed opportunity for South Africa, but that it could now provide an 'engine of growth, capable of dynamising and rejuvenating other sectors of the economy.' This was due in part to tourism's capacity to generate significant employment while creating entrepreneurial opportunities and a potential for linkages. The White Paper also recognised that tourism could bring development into rural areas where the levels of poverty were highest and that "... *tourism creates opportunities for the small entrepreneur; promotes awareness and understanding among different cultures; breeds a unique informal sector; helps to save the environment; creates economic linkages with agriculture, light manufacturing and curios (art, craft, souvenirs); creates linkages with*

the services sector (health and beauty, entertainment, banking and insurance); and provides dignified employment opportunities." (DEAT 1996:7)

Pro-Poor elements of the White Paper

The White Paper proposed to develop and manage the tourism industry in a responsible and sustainable manner so that it would become a leader in responsible environmental practices.

The goal was:

"To manage tourism in the interests of sustainable development in such a way that it contributes to the improvement of the quality of life of all South Africans. This is to be achieved by integrating tourism growth with sound environmental management, and by linking job creation, rural development and poverty alleviation." (DEAT 1996:20)

Key elements of the White Paper's strategy include the following:

- assessment of environmental, social and economic impacts of tourism developments;
- monitoring of tourism impacts with open disclosure of information;
- involvement of local communities in planning and decision making;
- ensuring the involvement of communities who benefit from tourism;
- maintenance and encouragement of natural, economic, social and cultural diversity;
- sustainable use of local resources;
- avoidance of waste and over-consumption.

The White Paper talks about the development of responsible and sustainable tourism – which includes the fundamental premise that communities should be involved in and benefit from tourism. It also calls on government, the private sector, NGOs and communities to play a role in developing the industry. Communities in particular are called upon to:

- identify potential tourism resources and attractions;
- exploit opportunities for tourism training and awareness, finance and incentives for tourism development;
- seek partnership opportunities with the established tourism private sector;
- participate in all aspects of tourism, including being tourists; and
- support and promote responsible tourism and sustainable development.

(DEAT 1996:40)

As indicated above, the 1996 White Paper played a useful role in defining national tourism objectives and requirements. It is, however, generic and does not address specific requirements of provinces or metro areas, nor does it provide strategic direction for lower level authorities. In that sense discussion papers, policy frameworks and strategies regarding tourism development in the Western Cape and in Cape Town merely echo the sentiments and priorities contained within the White Paper.

Since 1996 various working groups, task forces and committees have been formed by the national department to address safety and security, marketing, infrastructure, tourism education and training, and community involvement. Despite being well meaning and constructive, several of these forums have fallen short with respect to delivery and implementation. (KPMG 2002)

Critics suggest that the 1996 White Paper is currently outdated and should be updated to meet a new set of challenges. Many of the constraints to tourism growth have been wholly or partially overcome through the development of programmes and initiatives. However, there are new constraints in the industry, such as the shortage of skills and the increase in HIV/AIDS infections. Moreover, economic targets set in 1996 need to be adjusted to meet expectations for future growth. Most importantly, updating the white paper would provide a golden opportunity for government to join forces with the private sector and local communities to take stock of the achievements and failures of the past eight years. (WTTC 2002)

4.2.2 Tourism in GEAR

In the evolution of South Africa's post-1994 economic policy framework the release of the 'Growth, Employment and Redistribution' (GEAR) strategy in 1997 and its (partial) replacement of the Reconstruction and Development Program (RDP) constitutes a significant watershed. In particular, GEAR stressed market principles and the role of the private sector.

Later in 1997, the report 'Tourism in GEAR' set forth a consolidated strategy and framework to implement the 1996 White Paper. It emphasised that tourism should be 'government led, private sector driven, community based, and labour conscious', and suggested that entrepreneurship and community shareholding in tourism projects should be aggressively promoted. The document also stressed the sustainable management of natural and cultural resources in order to optimise the socio-economic impact of tourism.

The publication of 'Tourism in GEAR' was, thus, aligned to the more general shift towards global neo-liberal economic policies within South Africa.

Pro-Poor goals in the 'Tourism in GEAR' Report

Although the concept Pro-Poor Tourism was not as prominent in the late 1990's as it is today, we can identify some of the goals of GEAR that are directly related to PPT.

One of the priorities in spreading the benefits of tourism towards previously economically disadvantaged communities was the strengthening of (Community) Public Private Partnerships (CPPPs). Key to success is seen to be the building of trust and the delivering of promises. The report stresses the vital role of partnerships in meeting explicit targets and implementing strategies laid down for the sector. This is in line with the planning approach mentioned earlier, i.e. the public sector lays down the strategy and outlines plans, whereas the private sector develops and operates tourism businesses and communities participate through the provision of land, entrepreneurs, workers, goodwill and other ingredients vital for the success of ventures. (Cleverdon 2002)

In this context, achieving sound (in terms of market economic principles and socio-environmental criteria) and lasting partnerships through tourism projects is crucial. It requires technical knowledge of the tourism sector, cross-cultural understanding and patience to bring projects to successful conclusion. The Spatial Development Initiatives (SDI), which started to dominate South Africa's development scene at the end of the 1990s have helped much to identify opportunities for Public Private Partnership projects, even though the private sector's response has been low keyed. One reason for this has been the complexity of the evolving institutional framework. (Cleverdon 2002)

4.2.3 Tourism support programmes

Apart from explicit pro-poor principles in the GEAR-report, DEAT has during the years after 1996 developed and overseen a large number of programmes which (i.a.) tried to tackle poverty through tourism developments. We can summarise these briefly.

Responsible Tourism Guidelines

In March 2002, following a 12-month participation and research process supported by the UK Department for International Development (DfID), DEAT published a set of 'Responsible Tourism Guidelines' to be applicable nationally. These guidelines included quantified targets to address the 1996 White Paper's 'triple bottom line of sustainable development' (i.e.

economic, environmental, and social sustainability). In terms of prioritising opportunities for local communities are urged to:

- Develop partnerships and joint ventures in which communities have a significant stake and, with appropriate capacity building, a substantial role in the management. Such partnerships might use communal land ownership as equity in enterprises.
- Buy locally made goods and use locally provided services from locally owned businesses wherever quality, quantity, and consistency permits. As a target the proportion of goods and services bought by local enterprises from businesses within 50 km was to increase by 20 per cent over three years.
- Recruit and employ staff in an equitable and transparent manner and maximise the proportion of staff employed from local communities. Targets were to be set for increasing the proportion of staff and/or enterprise wage bills going to communities within 20 kilometres of the enterprise. (DEAT 2002)

The former Minister of Environmental Affairs and Tourism, Valli Moosa, at the launch of the Responsible Tourism Guidelines, highlighted the importance of responsible tourism in South Africa:

“Responsible tourism is about enabling local communities to enjoy a better quality of life, through increased socio-economic benefits and an improved environment. It is also about providing exciting holiday experiences for tourists, and stimulating business opportunities for tourism enterprises. Responsible tourism must become the key guiding principle for tourism development in South Africa. Government, the private sector and communities are working together to practice tourism responsibly, and the guidelines provide the mechanisms through which this can be realised.” (Moosa 2002)

Following the launch of these guidelines, DEAT financed the production of a Responsible Tourism Manual. Specific to South Africa, and in line with current international best practice, the manual provides a range of practical and cost effective actions suggested for tourism businesses and tourism associations.

DEAT also supported a ‘Responsible Tourism in Destinations’ conference – held in Cape Town parallel to the August World Summit on Sustainable Development in Johannesburg. The conference explored how responsible tourism could benefit visitors, local communities and businesses alike. The conference culminated in the formalisation of the ‘Cape Town

Declaration', committing participants, including DEAT, to implement South Africa's national responsible tourism guidelines and to continuously review developments in other parts of the world.

Poverty Relief Programmes: Administered from within DEAT, this programme aims to manage and administer poverty relief proposals and spin-off projects in the tourism and environmental sectors. The Programme focuses on infrastructure investments and new product developments, with particular emphasis on emerging tourism businesses. The Poverty Relief Programme aims to create long-term sustainable work opportunities by encouraging and supporting communities to provide better services either directly to tourists or to tourism-focussed businesses.

Tourism Enterprise Programme (TEP): This provides advice and expertise to new entrants into the commercial tourism sector. The programme is funded by the Business Trust, which made R66 million available over four years to facilitate the development of small and medium-sized tourism businesses (DEAT 2000).

Tourism Learnerships and National Qualification: Spearheaded by the government's Tourism, Hospitality and Sport Education and Training Authority (THETA), 'Learnerships' are co-funded to improve the employment opportunities of entrants to this sector. The learnerships are 'apprenticeships' that provide historically disadvantaged individuals with structured learning and performance monitored workplace experience. There are objective assessments of skills acquired in the workplace with recognition given to work done competently. The learnerships are of special value to people who are illiterate, or cannot speak English, as they provide for the assessment of physical or practical abilities.

Fair Trade in Tourism: Since 2001, firms excelling in responsible and pro-poor tourism operations are rewarded and incentivised through the award of a Fair Trade in Tourism South Africa (FTTSA) brand and accompanying trademark. This is to be viewed as an independent hallmark of fairly traded and operated (pro-poor) business in the tourism sector. Although initiated outside DEAT this programme has the support of the department.

4.3 Western Cape Tourism Policy

The Western Cape is one of the premier tourist destinations in South Africa and has a wide variety of established attractions – like Table Mountain, Robben Island and the V&A Waterfront. Constraints to tourism growth in the province include security concerns, inadequate resources and funding for infrastructure facilities, a seasonal market, air travel capacity limitations, HIV/AIDS and the limited involvement of previously neglected communities in the industry.

The general feeling towards tourism development in the Western Cape is that, while there are many opportunities to expand the province's share of domestic and international tourism, exploiting these requires strategic interventions, including increased funding and mutually beneficial public-private sector partnerships. To highlight the role of PPT in the province's tourism policies we can start by reviewing key policy documents.

4.3.1 Green Paper on Economic Development

Although it does not focus explicitly on tourism, the 2001 provincial Green Paper on Economic Development – 'Preparing the Western Cape for the Knowledge Economy of the 21st Century' – is a significant policy framework, providing a broad, long-term vision and strategic framework to influence, guide and facilitate economic development in the province.

The provincial government's vision is... "to make the Western Cape the most successful, innovative and competitive economic region in Southern Africa, with a world renowned reputation for its knowledge base, the creativity and enterprise of the people, the attractions of its infrastructure and natural environment, and the quality of life of all those who live and work here". (Western Cape Department of Economic Affairs 2001a:16)

In pursuit of achieving the above, four pillars and related strategic imperatives were identified:

- *Learning Cape*: making the Western Cape the leading learning region in Southern Africa.
- *International Cape*: enhancing economic growth, development and competitiveness by linking the Western Cape effectively to the rest of Africa and the World.
- *Enterprise Cape*: Establishing the Western Cape as Africa's premier centre for entrepreneurship and innovation.

- *Cape of Good Hope for All*: achieving equitable development across the province by raising the quality of life for all, and expanding the economic opportunities of the poorest communities.

The focus on education, knowledge and innovation is in line with GEAR and takes account of the superior skills base of the province relative to the rest of South Africa. The requirement for short-term job creation on a significant scale is, however, not quantified and required actions required are not detailed. (KPMG 2002)

Furthermore, although there is mentioning of 'achieving equitable development across the province by raising the quality of life for all', there is no explicit indication how tourism can strengthen the economic development of the Western Cape and lift the standard of living of impoverished communities.

4.3.2 The White Paper on Sustainable Tourism Development

In October 1999, the provincial government issued a Green Paper on tourism development in the Western Cape. This Green Paper was extensively revised after interaction between the provincial government and stakeholders from tourism marketing organisations, business associations, training and educational institutions, hospitality corporations, local governments and civil society. In its revised form, the Green Paper was discussed by over 200 tourism industry representatives before it finally became the 2001 *White Paper on Sustainable Tourism Development and Promotion in the Western Cape*. It outlines policy and strategic directions for Western Cape tourism and serves as a framework for synergising and directing the efforts of the tourism industry in the province.

"Tourism in the Western Cape and its related components and activities have not been managed and developed in accordance with a clear, collective policy and strategy. As a result, the various components of the industry are largely uncoordinated and inwardly-focused. This has resulted in ad hoc and fragmented strategies which failed to capitalise on our diverse tourism resources, thereby limiting the ability of the tourism sector to effectively provide much-needed entrepreneurship, employment and skills development opportunities."
(Western Cape Department of Economic Affairs 2001b:2)

The 2001 White Paper recognises the economic significance of tourism for the provincial economy, the importance of promoting sustainable tourism activities and attractions and the facilitation of co-ordinated tourism development. The document signals a 'shift in thinking

about tourism' in South Africa. It is driven by the challenge of transforming society as well as the economy in the Western Cape. For this it sets out a people-centred approach and stresses the powerful contribution that can be made to development in the Western Cape through sustainable tourism developments.

The White Paper highlights a host of opportunities that tourism can offer as a generator of jobs, as creator of substantial entrepreneurial opportunities and as development locomotive in underdeveloped and rural areas – provided it is managed properly. It also highlights the need for government to lead in making the most of the tourism potential of the Western Cape, though always in partnership with the private sector and other stakeholders.

According to the White Paper, tourism policy in the Western Cape is based on the fundamental principles of social equity, environmental integrity, economic empowerment, co-operation and partnership as well as sustainability and it is driven by the challenges of transforming the society and economy of the region. In fact, tourism development is seen to play a critical role in supporting the Constitution's commitment to improving the quality of life of all citizens, while protecting the natural environment for the benefit of present and future generations. The policy is informed by the goals of reconstruction and development – to meet basic needs, to develop human resources, to build the economy and to democratise the state and society. (Western Cape Department of Economic Affairs 2001b)

Critical success factors highlighted in the White Paper include the following:

- meaningful involvement of previously neglected communities
- improved funding for tourism development and destination marketing
- better co-ordination of public tourism resources
- a safe and clean tourism environment
- constant innovation in the tourism product portfolio
- improved levels of service, product quality and value for money
- sustainable environmental practices
- dealing effectively with the impact on tourism development of the HIV/AIDS pandemic.

The Provincial White Paper recognises (even more so than national tourism policy documents like the National 1996 White Paper) that tourism development is a multi-sectoral process which requires integrating various strategies, activities and actors. Thus, tourism policy must complement policies and laws across a host of sectors, including environmental management,

education, labour, safety and security, economic development, agriculture, transport and arts and culture. (Western Cape Department of Economic Affairs 2001b)

4.3.3 Institutional transformations in the Western Cape

The provincial government is responsible for tourism promotion at provincial level. This includes tourism safety, development planning, public infrastructure, business advisory services and entrepreneurial support, education and awareness raising, facilitating the entry into the industry of previously disadvantaged people, setting and monitoring norms and standards, and minimising the negative effects of tourism. (Western Cape Department of Economic Affairs 2001b)

The Constitution classifies tourism as a concurrent national and provincial competence, which means that national and provincial governments have joint responsibility for the development and promotion of tourism in South Africa. The Western Cape government, therefore, has the power to pass and implement provincial legislation on tourism, but in doing so it must co-operate with the national government and other national tourism institutions, co-ordinate its actions and legislation with those in the national sphere and, where possible, support national initiatives. Tourism is a functional responsibility of the provincial Minister and the Western Cape Department of Economic Affairs and Tourism. The provincial Cabinet is the forum in which the responsible Minister is able to liaise with Ministers from other departments in the provincial government. The Western Cape government also has a constitutional duty to co-ordinate the efforts of local authorities to support and strengthen their tourism capacity. (Western Cape Department of Economic Affairs 2001b)

These complicated, in many ways overlapping, institutional arrangements have for some time been considered inadequate to put the strategy of the White Paper effectively into place. Problems included inadequate funding, the duplication of activities and a fragmentation of efforts. There has also been confusion among clients concerning the branding of Western Cape tourism products, and uncertainty among stakeholders about functional responsibilities. Responsibilities which should functionally be part of government were inappropriately located in regional tourism organisations and local tourism bureaus.

To overcome these institutional problems, a clear role differentiation was proposed in the White Paper. Tourism *development* functions were to be the responsibility of government, and tourism *marketing* functions were to be undertaken by marketing agencies.

The White Paper proposed one marketing agency for the Province, incorporating all local, regional and provincial marketing agencies within one structure, aiming at a unified brand for the province. This was done through the establishment of the Destination Marketing Organisation (DMO) for the Western Cape in February 2004. The DMO is now responsible for domestic as well as international marketing for tourism in the Western Cape. Other functions of the DMO include maintaining a system for accrediting tourism information centres, managing a provincial database of tourism information, providing guidelines and support to local government marketing structures, promoting tourism awareness, and promoting arts and crafts in the province. There is, however, no explicit mentioning of PPT-related issues in the list of DMO functions, which shifts responsibilities in these matters on the provincial government and local authorities.

4.4 The City of Cape Town's Tourism Policy

"Cape Town is the 'gateway' to the Western Cape and the commercial and political heart of the Province. Although Cape Town has over the years been at the forefront of tourism growth in South Africa, the approach to tourism marketing and development planning has been largely ad hoc and uncoordinated. This has resulted in failure to capitalise on resources, duplication of effort, and unrealised growth potential." (City of Cape Town 2003a:1)

The City of Cape Town – and particularly local tourism institutions – is in the middle of a process of comprehensive reorganisation. This section gives a brief overview of the current institutional structure and reviews the Tourism Spatial Development Framework, which serves as core policy document for tourism development in the Cape Metropolitan Area.

4.4.1 Cape Metropolitan tourism institutions

The 2001 *White Paper on Sustainable Tourism Development and Promotion in the Western Cape* strongly suggested that the metropolitan and district councils integrate their tourism marketing efforts with those of a provincial marketing agency. As mentioned above, this resulted in the establishment of the Destination Marketing Organisation (DMO) in early 2004.

Since the establishment of the DMO, the remaining tourism functions of the City of Cape Town are mainly developmental. The Council – among other things – provides local infrastructure, financially supports the Cape Town Tourism office (up until its integration with the DMO), implements training programmes and leads local tourism safety.

Cape Town's existing local tourism bureaux market local tourism in their areas, promote tourism, in general advance emerging businesses or the entry into the industry of previously disadvantaged people, promote the development of appropriate tourism infrastructure and to compile a database of tourism information (to be integrated with that of the DMO agency).

The Cape Town Directorate of Economic Development and Tourism (EDT) is currently one of seven Directorates in the Development Services cluster of the City administration. EDT reports to an Executive Councillor and to the Council's Portfolio Committee on Economic Development and Tourism. The functional divide between the EDT and the DMO still has to evolve. It is, however, clear that EDT bears a greater responsibility for PPT-related tasks than the DMO, which is essentially a marketing agency.

4.4.2 The Tourism Spatial Framework

"Cape Town attracts a minor share of the domestic and regional market. Resource diversity is not adequately packaged to optimise the spread of tourists' spend. Linkages within the Metropolitan area are weak and synergies with the rest of the Western Cape are not maximised. Although incremental growth is likely to continue due to market profile and resource provision, Cape Town will not achieve peak growth potential nor realise greater equality in the spread of tourism benefits without targeted interventions." (City of Cape Town 2003b:3)

In an attempt to tackle the problem of 'uneven spread of tourism benefits' the *Tourism Spatial Framework for the Cape Metropolitan area* was prepared and released by the City of Cape Town towards the end of 2003. It addresses the tourism infrastructure, the distribution of tourism product portfolios across the spatial landscape of the city and the various structuring elements of the local tourism space economy. The framework illustrates how these elements relate to one another and provides a context for tourism developments in previously neglected areas.

The starting point for Cape Town as a tourism destination is the "one night principle". Getting tourists to frequent broader tourism nodes and routes, and additional experiences and products within and outside of the established areas will impact positively on the length of stays, spending patterns and the dispersal of visitor flows. The long-term objective is to distribute tourists to currently unknown and under-utilised destinations or areas, thereby achieving a

more equitable distribution of both tourist volumes and benefits to the local population. By implication such a goal would be considered PPT.

The Tourism Spatial Framework highlights the merits of a combination of tourism opportunities, drawing on the network of attractions in Cape Town and potential future linkages to the broader region. Recognition of the need for an alignment of strategies, partnerships between stakeholders and organisations, and linkages between products is seen as the key to success.

There is, however, also a need for realism regarding the developmental role of tourism in Cape Town. Although tourism provides a strong basis for economic growth and social development, it cannot solve all the socio-economic problems of every community. Expectations can easily become unrealistic, if the goals are set too high.

4.5 PPT in Practice: Business and research initiatives

As indicated earlier, the bulk of the research on Pro Poor or 'responsible' tourism in South Africa is the result of collaborative research undertaken outside the country, by the PPT Partnership in the United Kingdom. Research results have been published in a number of working papers, produced under the title 'Lesson-Sharing on Pro-poor Tourism'. (see: www.propoortourism.org.uk)

The PPT Partnership includes Caroline Ashley of the Overseas Development Institute (ODI), Harold Goodwin of the International Centre for Responsible Tourism (ICRT) and Dilys Roe of the International Institute for Environment and Development (IIED). The partnership is funded by the Economic and Social Research Unit (ESCOR) of the UK Department for International Development (DFID).

In 2002, the PPT Partnership started a project called 'Pro-Poor Tourism in Practice: PPT Pilots in Southern Africa'. The vision of this program is to lead the way in implementing pro-poor tourism (PPT) strategies in Southern Africa. Such strategies are needed to harness the potential of tourism development for poverty reduction, and to increase the participation of the poor in developing tourism products. At the same time Pro-poor strategies also need to bring benefits to industry operators, in order to encourage them to spread the process.

International research on PPT has identified considerable potential for increasing the benefits for the poor from tourism. Much of it has focused on small-scale, community based tourism projects, set up by governments and NGOs to generate benefits for the poor involved. Apart from a small number of innovative commercial companies, the private sector has so far largely been sitting on the fence, cautiously observing rather than participating. While sustainable tourism has had a much wider impact on a world-wide scale, much is focused on environmental rather than socio-economic sustainability. In contrast, to direct PPT efforts, pressures for Black Economic Empowerment (BEE) in the tourism sector are moving the private sector towards innovative practices, but only some of these can be viewed as PPT. (PPT pilots 2003)

The PPT Pilot project of the PPT Partnership has been designed to focus explicitly on what the 'big' players, i.e. large commercial tourism businesses, can do to implement PPT strategies. The objectives are two-fold. One core objective of the program is to work on-site with private sector partners, to advise them on what can be done, and to jointly design strategies and plan their implementation. It is hoped that, when the program finishes, all the partners will have strategies in place and first results will be positive. Strategies will need to make good business sense, i.e. being cost-savers, adding value to the product, or helping to diversify the product on offer – while at the same time creating increased benefits for the poor.

A second core objective of the pilot project is to influence the industry by demonstrating achievements and recording successes in the PPT sphere. For this to happen, the program needs a strong voice, i.e. leading industry giants as participants and supporters. Thus, to ensure that the project gets strategic direction from the private sector, high level backing, and wide access to networks, an Advisory Board of leading tourism organisations has been formed. (PPT pilots 2003) While the programme focuses primarily on the private sector, it also links up with key government officials in the pilot site areas, on its Advisory Board and in workshop/network activities.

Apart from the Pro-Poor Tourism Partnership not many organisations focus explicitly on pro-poor aspects of tourism. Several, however, cover sustainable tourism where they include materials on socio-economic as well as environmental issues in tourism.

The South African hub of the International Centre for Responsible Tourism (ICRT) is currently based at the Institute of Natural Resources at the University of Natal. Anna Spenceley, the main researcher linked with this institution has done research on *Strategies*,

Impacts and Costs of Pro-Poor Tourism Approaches in South Africa (Spenceley & Seif 2003) and has co-authored a number of papers of the PPT Partnership.

Probably the best known organisation encouraging responsible tourism in South Africa is the Organisation for Fair Trade in Tourism South Africa (FTTSA) which is an independent initiative of the IUCN (World Conservation Union). As mentioned earlier, FTTSA promotes the concept of Fair Trade in Tourism, and creatively and energetically markets fair and responsible tourism businesses through the 'Fair Trade in Tourism' Trademark.

4.6 Conclusion

This section has outlined the complex and multi-layered structure of South Africa's tourism policy framework. It includes all levels of government and reveals strong elements of public-private partnerships.

Looked at from a PPT-perspective there are clear signs that those responsible for the drafting or commissioning of tourism development strategies are aware of PPT-goals and issues and the increasing need to reduce the income and wealth polarisation effect of tourism activities in South Africa. Both at national and provincial level the latest strategy documents contain sections which can be seen to be relevant for PPT-focused action. Similarly, the City of Cape Town's Tourism Spatial Framework shows sensitivity towards some of the PPT issues.

Yet, in their current form none of these documents, nor the policies emanating from them, show clear, programmatic PPT action-plans. Much of what comes close to PPT efforts is presented within the broader context of responsible or sustainable tourism development, with no clear blueprints for intervention.

This is as far as the documents and formal structures and institutions are concerned. In Chapter 5 we present the results of interviews with a range of stakeholder representatives about their interpretation of PPT-principles in our tourism strategies and programmes. This leads to a concluding view in Chapter 6 where the critical question is whether PPT can be regarded as a firm set of strategy elements that can be implemented successfully or unsuccessfully – depending on quantifiable results – or merely a general policy orientation or sensitivity, which enters the policy, programme and project values in different disguises and without clear measurable outcomes, though not without an overall positive impact on the evolution of tourism practice in South Africa.

5 PPT in Action: Current assessments

After reviewing the current policy framework in as far as it is explicit on PPT, this chapter summarises the findings of interviews that were held with a range of stakeholders across South Africa's tourism sector. The interviewees were selected to reflect levels of government and the private sector, with each of them in a position of at least some influence on the formulation, implementation and/or practising of PPT strategies. Table 5.1 summarises details about the interviews.

Table 5.1 *Interviewees on South Africa's pro-poor approach in tourism*

Name	Institution	Status	Date interviewed	Sector affiliation
Dr. Laurine Platzky	Western Cape Department of Economic Affairs and Tourism (WCDEAT)	Deputy Director General	12-05-2004	WC tourism development strategies
Dr. Patrick Matlou	Department of Environmental Affairs and Tourism (DEAT)	Deputy Director-General for Tourism	01-06-2004	National tourism development strategies
Ms. Sheryl Ozinsky	Cape Town Tourism	Director	21-05-2004	Cape Metropolitan tourism marketing strategies
Dr. Mike Fabricius	Destination Marketing Organisation (DMO) for the Western Cape	Managing Director	25-05-2004	Co-organised Cape Town Conference on Sustainable Tourism in 2001. Currently Western Cape marketing strategies.
Mr. Pierre Voges	Grant Thornton International	Director	19-05-2004	Tourism consultant to government
Mr. Jeremy Wiley	Cape Chamber of Commerce	Committee member	20-05-2004	Chamber representative on the board of the DMO
Mr. Gareth Haysom	PPT-Pilots in Southern Africa	Consultant	27-05-2004	Former manager at 'Spier' wine estate. Responsible for 'Trade linkages'

				project with PPT-pilots.
Ms. Dale Isaacs	SONKE Community tourism organisation	Director	28-05-2004	Network for community and township tourism businesses
Mr. Noel de Villiers	Open Africa	Director	13-05-2004	Tourism routes through impoverished communities

The first section of this chapter looks at the conceptualisation of PPT as an approach to tourism development. We first look at government's perception and compare this to the perceptions of NGOs and the private sector. The second section looks at current 'pro-poor' approaches in South Africa, again comparing opinions of government officials and those of other stakeholders.

In the third section we look at what – according to the interviewees – is needed to progress faster with 'pro-poor' tourism developments and what incentives might motivate the private sector to take the initiative in this.

It should be clear from the small number of interviewees that this survey cannot pretend to present an objective and balanced picture of current opinions about the role, goal, implementation and "success" of PPT efforts in South Africa. The interviews were merely one method to obtain feedback and assess a complex and highly dynamic process. During the research phase a lot of informal discussions were held about aspects of PPT and how its "success" (or "failure") could be measured and/or explained. This feedback has all along shaped the flow of the study and it also helped to put the interview responses into broader perspective, which is presented in this chapter.

5.1 Perception of PPT as a Concept

5.1.1 Government's perception of PPT

Although all interviewees were familiar with the term 'Pro-Poor Tourism', it does not seem clear to many of them what exactly is proposed, and none of the interviewees responded positively to PPT as a term for a tourism strategy. In fact, some government officials

perceived PPT to be a 'guilt-driven' approach, rather preferring 'responsible tourism' or 'community-based tourism' as terms for concepts that intend to spread the benefits of tourism.

"... I much prefer the concept of responsible tourism; responsible to people and to the environment. The picture that PPT brings up for me is some kind of 'guilt-driven approach' which I don't like. One has to be perfectly frank that the business sector – what ever colour they are – is there to make money. Tourists don't want to be plagued by guilt when they're on holiday, guilt marginalises the whole thing." (Dr L. Platzky, Western Cape Department of Economic Affairs and Tourism)

At national level, the DEAT indicated that it is aware of PPT as an approach to tourism development, but that it does not react positively to PPT as a distinct concept for tourism policies.

"... This approach to tourism is embedded in the 1996 Tourism White Paper, but it is termed 'community-based tourism'. It therefore underpins government approach to tourism, namely that tourism initiatives must ultimately benefit historically disadvantaged communities. These benefits would include job creation, training, revenue generation, etc." (Dr P. Matlou, DEAT)

One interviewee mentioned that, although he is not in favour of the term PPT, it is important to practice tourism that focuses explicitly on spreading the benefits to communities and individuals in need:

"Many of these 'alternative' tourism concepts such as eco-tourism were developed in the Northern hemisphere where the focus on the environment is a lot more extensive. In the case of 'eco-tourism' for example, which was developed mainly in the USA, people tend to overlook the immense scale of poverty and developmental issues that need to be solved here." (Dr M. Fabricius, DMO for the Western Cape)

5.1.2 Perception of PPT by other stakeholders in the tourism sector

In addition to government, other stakeholders in the tourism sector – NGOs and the private sector – tend to have an equally negative perception of PPT as an explicit concept.

Most interviewees responded that they think PPT is a vague term as it is promoted at the moment. The comment below, made by Sheryl Ozinsky (as director of Cape Town Tourism), captures how many people in the tourism industry react to 'pro-poor tourism':

"Vaguely Pro-Poor Tourism means tourism that benefits poor people, but it does not go into detail about how poor they need to be and in what way we are judging them to be poor. So it is a vague term, I assume it talks about 'poor' in economic terms. Many 'poor' people are poor financially but they are rich in spirit and other resources. I don't think 'poor' is the right term because communities are rich in resources and in their heritage. And calling this 'pro-poor' tourism I think is a little insensitive and derogatory in many respects and I think it perpetuates the myth that 'poor' people are poor. Many 'rich' people are poorer than 'poor' people in spirit and in their creativity."

Most of these respondents prefer the term 'responsible' tourism, which they regard as a much better 'umbrella' term. By using 'responsible tourism', respondents look at the 'triple bottom line', the economic, social and environmental impact of tourism and how its benefits can be spread.

The private sector is no less uneasy about the concept, suggesting that it causes suspicion and misconceptions among private sector stakeholders.

"There is not a common understanding of what exactly Pro-Poor Tourism means and there probably is neither a clear understanding among the government of what the concept means. As a result, there is no clear agreement between government and the private sector on what it means; they might not have the same objectives." (J. Wiley, Cape Chamber of Commerce)

One common misconception exists between PPT and Black Economic Empowerment (BEE). The research shows that many private-sector stakeholders respond negatively to PPT, because they assume that it implies BEE, without clearly distinguishing between the two concepts:

"The tourism private sector is wary. They might be afraid of the political demand to transform the ownership of tourism. But that's not necessarily pro-poor, that is just changing the colour of money. There are some big 'movers and shakers' in every industry in South Africa that happen to be black but that are not pro-poor at all. So we should not confuse the two concepts." (Dr L. Platzky, WCDEAT)

One of the main reasons for this confusion seems to be the fact that compared to other sectors like mining and textile the tourism industry is very much behind in terms of black economic empowerment. Tourism is still mainly a white-owned industry. The government is putting pressure on the tourism industry to change this, but so far seemingly unsuccessful. In fact, the private sector is suspicious towards any kind of 'forced' change in their sector. When the government urges the private sector to change the 'colour' of the industry, they automatically assume they have to 'give away' parts of their businesses to previously disadvantaged groups or individuals – which they do not associate with “the upliftment of the poor”.

This confusion is, unfortunately, negative publicity to PPT as a concept since

“... BEE and PPT in South Africa are two very different things. By saying PPT is the same as BEE, you are saying that all black people in SA are poor which is a bit of a patronising approach. When the BEE bill came out, it was more about providing access to the market for black businesses, which is in essence a good thing. However, for people to see BEE as PPT is short-sighted; empowered companies or businessmen do not necessarily represent the community.” (G. Haysom, PPT Pilots Project)

Haysom, who implements PPT strategies with pilot projects in southern Africa, further stressed that the term 'pro-poor' was launched at a stage when poverty reduction was not yet one of the topics prominent in debates surrounding tourism development. It was launched because it directly addressed some of the Millennium Development Goals (MDGs) about reducing poverty:

“... People now regard it as demeaning and not attractive as a business principle. For that reason, the business part of PPT will be renamed the 'Trade Linkages Project', promoting linkages between established businesses and developing businesses in the tourism sector.” (G. Haysom, PPT Pilots Project)

One unanticipated outcome, mentioned by several interviewees (from government as well as the private sector), was a perception that the tourism market is “not attractive to black companies or people.” In one case this was believed to be because the financial sustainability of 'responsible' tourism ventures is not sufficiently proven. According to an empowerment and transformation report on the tourism sector, published in 2001 by the TBCSA, the main reason is that union investment funds – among the most important vehicles for broad-based empowerment – were perceived to be reluctant to invest in the leisure industry, i.a. because of

a potential conflict of interest and the fact that not many workers in the tourism and leisure industries are unionised.

“One reason for the low interest in tourism among empowerment companies is that tourism does not have high returns compared to other sectors such as mining or textile. In addition to this, there isn't a long enough history of exposure to people as tourists and of black people travelling for leisure. Only now are black people beginning to travel for leisure. Only when a younger generation enters the professional sector (who will have travelled themselves) will we start to see a bigger interest in tourism within the black community.” (Dr L. Platzky, WCDEAT)

Finally, it was felt by several respondents, that giving prominence to the PPT concept can easily create unrealistic expectations among communities. This relates to the number of jobs created by tourists visiting South Africa and – more generally – about the speed with which the benefits of tourism could ‘trickle-down’ to the community if a PPT approach is taken.

5.2 Assessing the Public Sector's Current 'Pro-Poor' Approach

As mentioned earlier, the latest policy documents – both at national and provincial level – contain sections which are directly relevant for PPT-focused action, even though in their current form none of these policy documents show clear, programmatic pro-poor action-plans. This section summarises responses on this most important aspect of the whole PPT debate.

5.2.1 Opinions on government progress

All government officials interviewed stated that, although PPT was not explicitly mentioned in policy documents, the government's approach to tourism is based on the same principles as PPT:

“If you read the policies looking for a PPT approach you would find it, although it is not necessarily labelled PPT. I think that it manifests itself in concepts like township tourism and community tourism, but we would call it 'spreading the benefits of tourism'; meaning a geographic spread (urban as well as rural areas) and a demographic spread; including the previously marginalised people.” (Dr L. Platzky, WCDEAT)

At national level, the DEAT has been criticised over the past years for formulating policies that are too generic and therefore not readily implementable. Particularly the 1996 Tourism White Paper has been found vague and outdated. However, according to DEAT:

"... Pro-poor strategies are certainly embedded in government's social economic strategies and we have embedded them in our National Tourism White Paper, our tourism transformation strategies and our poverty relief programmes, etc. We see the 1996 tourism White Paper as a framework document which speaks on a myriad of issues, most importantly 'responsible' tourism. The 1996 White Paper is more a guideline, out of which we then take certain issues such as the responsible tourism guidelines which some sectors of the industry have already commenced implementing. It ensures that tourism is private sector driven, government led, community-based and labour-sensitive." (Dr P. Matlou, DEAT)

5.2.2 Opinions of NGOs and the private sector

After hearing the government's view of its own 'pro-poor' approach, it is interesting to compare it with opinions of other tourism stakeholders. To what extent do they think Pro-Poor Tourism is currently implemented as a deliberate approach to reshape tourism development in South Africa?

The NGO and private sector representatives who were interviewed for this study had different opinions on government's efforts to pursue a coherent approach towards spreading the benefits of tourism. Reactions can basically be grouped into two contradictory opinions: On the one hand there is mild enthusiasm because a pro-poor approach is already seen to be embedded in government's current policy framework, even though the implementing of those policies takes time.

On the other hand, several observers feel that government has no significant pro-poor approach, that it is not doing enough to formulate the right policies and that it is, in fact, working against the spread of tourism benefits.

One example of the view that the policies are already embedded in current tourism policies is given by Sheryl Ozinsky of Cape Town Tourism:

"South Africa is pioneering in many respects in responsible tourism. The previous Minister of Environmental Affairs and Tourism, Valli Moosa, did a lot of work in terms of creating the

National Responsible Tourism guidelines which are guidelines for industry to apply the triple bottom line. The other event that really pushed South Africa into the limelight was the conference on responsible tourism that was held in Cape Town which was a pre-cursor to the World Summit on Sustainable Development in Johannesburg.” (S. Ozinsky, Cape Town Tourism)

Parallel to the more critical view, there is of course the widely spread opinion that tourism is primarily business-driven and that government's role in tourism should be limited to the formulation of policies and guidelines. The government has responded with their vision, that tourism should be: “business-driven, government-led, community-based and labour-conscious”. Judging from policy and strategy documents, government seems to accept a rather limited role in tourism. Pro-poor tourism protagonists, in particular those among NGOs, criticise this stand, expressing their concern with the fact that South Africa, and particularly the Western Cape, has positioned itself at the high-end of tourism markets, both nationally and internationally. Thus, South Africa has, over the years, become a destination for the rich, with the lower end of tourism not really being developed.

With respect to PPT being embedded in current tourism policy frameworks, the most commonly heard point of concern was, that the South African government seems to have a fixation with reports, workshops and conferences, but is rather holding back when it comes to legislation and implementation:

“The business sector will never fully embrace the concept of pro-poor tourism. Publicly – as a form of marketing – they will, but not internally. The government should therefore put more pressure on the tourism industry to become more 'pro-poor', but is – for sometimes understandable reasons – nervous to alienate the business sector.” (P. Voges, Grant Thornton, tourism consultants)

Reactions by government officials to these critical statements of government officials were remarkably similar. All were of the opinion that tourism is first and foremost a business-driven sector:

“... We are not going to tell businesses what to do. We try to convince them to act responsibly, while still making business sense. Although, to 'right the wrongs' of the past, we do put certain legislation in place such as the Employment Equity Act, broad based BEE, etc.” (Dr P. Matlou, DEAT)

5.2.3 The implementation of policies

The one issue about which virtually all interviewees had similar views is the gap between the formulation and the implementation of tourism policies in South Africa in general, and, specifically, on policies to spread the benefits of tourism.

The most common explanation given for this gap, is the educational disparity between the people that formulate policies and the ones that have to implement them:

“The problem is that only the top three per cent of government officials are extremely well qualified, they have all studied abroad and come back with good degrees and dreams of improving South Africa. Those are the ones that write the policies, but they do not get their hands dirty. As a result, we do not have good implementers in South Africa, since people at a higher level are only taught how to formulate policies, not how to implement them. They are not qualified to do so, nor do they want to do it. It takes people who have started at ground-level and have worked their way up to write coherent and easily implementable policies.”

(P. Voges, Grant Thornton, tourism consultants)

In a way, thus, there is a surplus of policy documents, yet little capacity for implementation. Most of these policy documents are written by consultants, who will try to give an objective view of the situation and will present a range of recommendations, yet will seldom be directly involved in the implementation process.

Thus, all too often policy documents are written, yet end up on the shelves, since operational staff may lack the expertise, and senior staff lack the time and direct commitment to implement adjusted policies. The policy documents might even be re-written a few years later – again with the help of consultants – but the implementation bottleneck might still prevail.

Business interviewees engaged in the tourism sector went a step further, touching on cases where consultants were engaged to actually implement strategies:

“... Most government officials at higher or lower-level do not have business experience. They might be good administrators and good bureaucrats but they do not know how to spend the money. So what happens is that they hire consultants to tell them how to spend it, and often those consultants are not people who have been in business themselves. They might be academically strong and they might have acted as consultants for the last 25 years, but they

have been working for someone else all their lives and they do not actually know what it is to be at risk." (J. Wiley, Cape Chamber of Commerce)

5.3 The way forward: Is PPT a Realistic Goal?

Having reviewed the opinions of the various stakeholders on PPT and its implementation in South Africa, we now have to look at the way forward. Although almost all interviewees were critical about PPT as a concept and about measurable outputs of the government's efforts to effectively spread the benefits of tourism, all the stakeholders regarded the topic as extremely important and came up with suggestions for the way forward. We can summarise them under two topics, viz. domestic tourism and private-public partnerships.

5.3.1 Domestic tourism

Recent research in South Africa has shown that the demand side of tourism in South Africa is often overlooked as a contributor to responsible tourism. Not only do international tourists on the whole respond positively to tourism activities that explicitly benefit the livelihood of the poor but, more importantly, a rapidly growing number of previously disadvantaged South Africans start to travel, and that has up until now largely been unaccounted for, while their tourism-linked activities can directly benefit lower-income black households.

A recent discussion document, issued by the DEAT, and several of the interviewees, stressed that South Africa's tourism sector cannot rely on foreign tourists alone. International tourists currently account for 20 per cent of total tourist arrivals, which makes the industry heavily dependent on the continued growth of domestic tourism.

Continued growth of domestic tourism will increasingly require the development of new products that target black South Africans and those with lower incomes. In fact, the tourism market for black South Africans is currently underdeveloped – "negligible", in the words of one interviewee. Growing this market is likely to require a realignment of attitudes, which is an aspect of responsible tourism that is not yet widely recognised, let alone addressed. Thus, efforts to 'spread the benefits of tourism' will have to include potential tourists who not only deserve the right to explore their own country, but who could also contribute to the growth of 'lower-end' tourism establishments, some of which could be located in or near disadvantaged communities.

Especially the 'visiting friends and family' (VFR) section of this group has recently emerged as one of the main contributors to domestic tourism, which – according to WTTC research constitutes the fastest-growing sector in tourism in South Africa (WTTC 2002).

"It is the government's responsibility to ensure that the average person in South Africa, who is probably poor and black, has the potential to be a tourist himself and can learn about other places in South Africa, not just as a work-seeker or migrant worker." (Dr L. Platzky, WCDEAT)

It seems significant that this issue was mainly brought up by government officials and much less so by private-sector stakeholders or NGOs. Officials clearly see their role in the spreading of the benefits of tourism via the supply side as well as the demand side of tourism:

"This means for the demand side that anybody in South Africa can become a tourist him-or herself, and from the supply side, that he or she knows what good service in tourism means. Good service is not about being 'servile'. Most black people in SA have grown up to be servants, so they are not actually very interested to become involved in the tourism industry. These are all critical factors that are related to our history and that have an impact on tourism as a creator of jobs." (Dr L. Platzky, WCDEAT)

5.3.2 Public-Private Partnerships

The interviews confirmed very strongly that the tourism sector is still seen to be a business-driven sector, where the government has a relatively limited role. However, since there is a strong feeling among the stakeholders in South Africa's tourism sector, that private firms will never "voluntarily embrace the concept of PPT", the most apparent solution seems to be the establishment of Public-Private Partnerships.

Most interviewees see the government to play an encouraging and enabling role in these efforts:

"The business case (of PPTs) must be sold to industry. Businesses themselves must see the value in their bottom lines; otherwise it remains a potential additional cost in an already very competitive industry." (Dr P. Matlou, DEAT)

"It has to be a partnership between government and the private sector. Tourism should be government-led, private sector-driven and community-based. If business is convinced that it

will enhance their own opportunities for success, than they will certainly become involved." (S. Ozinsky, DEAT)

Critical in this approach is that through mutual co-operation, legislation of certain 'pro-poor' imperatives can be avoided. All stakeholders agree on the fact that legislation of these imperatives would have a negative impact on spreading the benefits of tourism:

"Government cannot force businesses to be empowering or responsible. If you force things, businesses tend to look for ways to get around it, which works counter-productive. It also can result in businesses having to retrench staff because of cost reasons. The only way to do this is to make it financially attractive for businesses." (J. Wiley, Cape Chamber of Commerce)

"The government's role is to inform policy; if Pro-Poor Tourism was to be issued as a legislative approach, my concern would be that the legislation would be the lowest common denominator. Everyone would do just what the legislation dictates, which is what is happening to employment equity at the moment." (Gareth Haysom, PPT Pilot Project)

Government, thus, has to come up with incentives for the private sector to participate in Public-Private Partnerships that are pro-poor:

"The government should invite the private sector to come in with proposals. If a business comes up with a good idea that is properly researched, and if a fundamental part of the proposal is a partnership with a previously disadvantaged business, government could then help the aspiring disadvantaged entrepreneur to buy into the project. Someone will have to pay, and you cannot expect an established tourism business to give something from their return away." (J. Wiley, Cape Chamber of Commerce)

Most important in this way in incentivising is that there are benefits for the established businesses as well as the aspiring entrepreneur. This is an innovative way of utilising the government's financial resources. Other business incentives mentioned by interviewees included 'soft terms of (loan) repayment' and 'tax breaks'.

Such a partnership approach may also help overcome the government's lack of expertise in this area. By inviting established businesses to present proposals, government can use proven business expertise instead of spending significant amounts on consultants:

"This will mean that those proposals will be based on success – businesses will not get paid anything unless the project is successful – and (in case of failure) they will not get any future

projects awarded either. The government could also take equity in projects, although it should rather play an empowering role than a risk-sharing role – for example, by providing land or capital based on soft terms of repayment.” (J. Wiley, Cape Chamber of Commerce)

“... Government will award contracts to businesses that are 'responsible', so at the end of the day businesses will realise that their efforts are not only aimed at social responsibility, but that they make good business sense too.” (S. Ozinsky, Cape Town Tourism)

Government seems to be aware of the functionality of these initiatives:

“Business skills are an issue in respect of community-owned enterprises. Very often, communities are provided with a valuable asset but lack the business skills to ensure the growth and sustainability of that asset. For that reason we have established the Tourism Enterprise Programme that started with a R60 million fund from the Business Trust for two years to kick-start the strengthening of tourism SMME's.” (Dr P. Matlou, DEAT)

Finally the interviews also revealed the general perception among stakeholders in the tourism industry, that there needs to be greater realism with respect to growth projections. PPT is typically an initiative that – if it works – has long-term advantages, not short-term. It is also a task of the government to inform communities of this and not to strengthen unrealistic expectations about the pace at which income and wealth in this sphere can be redistributed.

6 Conclusion: What has been achieved?

In this study about pro-poor tourism policies in South Africa much of our discussion has been critical about the task and goals set, progress made and policy tools used. Yet, there are also clear indications that public awareness around the concept of Pro-Poor Tourism is increasing and that pro-active policies and initiatives are showing results. In this concluding section these loose ends are to be brought together.

First of all, we have to bear in mind that the concept “pro-poor tourism” did not originate in South Africa and was not primarily designed for our needs and circumstances. It was created by European aid agencies and development researchers, who looked at the global tourism sector and its unfolding in the poor countries of Africa and other continents. Compared to the dynamism of world tourism – and its long-run growth prospects – its impact on the lives of poor communities in better-off economies and, in particular, on the people in the poorest countries, is unimpressive and warrants urgent attention.

In this context the term “pro-poor tourism” is concise, to the point and easily understood in the international arena of development debate. It also seemed appropriate that the WTO took up this debate and that it accelerated in the years leading up to the Johannesburg World Summit on Sustainable Development.

Given this evolution of the concept, it is striking that, once again, South Africa fits extremely well into this problem environment, in which PPT was developed and propagated. After all, in South Africa of the (late) 1990s

- income, wealth and economic opportunities are (still) extremely unequally distributed.
- there is wide-spread poverty and unemployment (lower than in many of the “poor” countries of Africa and parts of Asia, but nevertheless serious),
- many jobs are created in the expanding tourism industry, but there is concern about the stability, remuneration level and racial mix of these jobs.
- tourism has been widely regarded as a major (if not “the”) growth sector, with high expectations linked to its further growth and spread through societies,
- local (black) communities are only slowly getting involved as tourists themselves, with much of the present industry profile dominated by overseas tourists and local “white” travellers,

- concern about the need to reduce income, wealth and opportunity inequality has been influencing political agendas at national, regional and local levels, and in virtually each of the tourism-activity segments.

Thus, given South African transformation processes during its first decade of democracy, the WTO/DfiD initiative fell on very fertile grounds, triggering local interests and leading to close interaction between the WTO, the UK and other researchers and local protagonists, who initially were strongest in the NGO sector. With a certain time delay and some 'watering down' these new concepts and challenges also entered South Africa's strategy documents, which evolved during the late 1990s and the last few years.

At the implementation level the PPT concept, like other new normative concepts linked to 'responsible tourism', 'sustainable tourism', etc., created lots of challenges, many of which are still unresolved:

- the concept is complex and many-sided, which makes it difficult to handle in legislation and through the regulatory framework, and leaves much space for debate and controversies;
- the results of intervention, whatever their nature, are difficult to measure or to clearly link to specific policy actions;
- the private sector has initially been weary of yet another concept and set of goals which lead to public-sector interventions and possible cost burdens – in particular in an industry overshadowed by rapid fluctuations in annual growth, given the significance of safety and security, climate, political events and exchange rates, which all are highly unpredictable;
- there is a scarcity of experienced public and private-sector policy planners and implementers in this sector, raising the fear of ineffective interventions; this applies to the planning of new support programmes (e.g. in the tourism SMME sphere) and the actual implementation of PPT programmes;
- there is confusion about the relationship between BEE and PPT, with the former still foremost in the minds of industry operators, yet generally perceived to be of little value for PPT;
- the very concept 'Pro-Poor Tourism' irritates many industry operators, being either patronising or associated with socialist paradigms of economic behaviour.

These issues and challenges are, once again, not limited to South Africa, even though they may be felt here stronger than elsewhere, given the country's recent socio-political history.

This, however, only strengthens the role South Africa seems to be playing in these policy debates and policy reforms.

Notwithstanding these obstacles, considerable progress has been made over the past four to six years in the direction of pro-poor tourism, i.e. incorporating more of the interests, needs and concerns of poor and formerly disadvantaged South Africans into tourism-development efforts. Thus,

- social awareness of private tourism operators is increasing, leading to supportive action on their own initiative and greater understanding of the need for public-sector action;
- pro-poor policy interventions are increasingly being accepted as part of a broader movement towards (more) “responsible tourism”;
- community tourism is catching on and is taken more serious by the private sector – and this is one important leverage for pro-poor tourism;
- there is wide-spread understanding and acceptance that the public sector has to contribute (financially and in its steering of the process) to accelerate the spread of the fruits and opportunities of the expanding tourism industry;
- local authorities and parastatals are in many parts of the country expanding their capacity to play a meaningful, supportive role in this process, thereby complementing past (over-) emphasis on just the marketing of (existing) facilities;
- in all of these efforts there is broad agreement that public-private partnerships are the proper way of tackling these challenges, and there is an increasing number of successful cases on record.

It may still be somewhat premature to view Pro-Poor Tourism as one of the new regular components of operationalised tourism policies. In particular the measurement of “outputs” remains extremely difficult. Yet, a start has been made in highlighting these concerns, and a pragmatic compromise between programmatic action and more innovative guidelines is evolving at national, regional and local levels, and in the different sub sectors of the tourism industry.

Finally, it has to be stressed again that, as it is the case in many other areas of development promotion and facilitation, the lessons currently learned in this sphere in South Africa will be highly relevant in our attempts (via Nepad, through South African tourism investments in other parts of the continent, through our training of tourism students from all over Africa or

through our actions as professional consultants) to help other African countries to meet their tourism-development challenges.

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