

Some International perspectives on Tourism led Socio-economic Development

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FOREWORD

The first phase of the Industrial Strategy Project commenced in 1992. The Project has its origins in the Congress of South African Trade Union's (COSATU) efforts to develop policy responses to the malaise afflicting South African manufacturing.

The first phase of the ISP submitted its final report in 1995. This comprised 11 sectoral studies, a number of cross-sectoral studies, and a synthesis volume that proposed an overall industrial strategy for South Africa.

The ISP is now in its second phase and comprises four research themes. One of these examines the relationship between industrial development and the environment, a second focuses on firm-level innovation, a third examines issues in human resource development, and the fourth is concerned with identifying mechanisms to strengthen manufacturing competitiveness at regional and local levels. Publications of the ISP are listed on the back cover of this paper.

This paper arises from a project established to provide policy support for a key industrial policy programme of the South African government, namely the Spatial Development Initiatives (SDI) or, as they are sometimes more popularly known, the 'development corridors'. This project is a joint effort of the ISP and a dedicated team of professionals based at the Development Bank of Southern Africa (DBSA). The ISP has undertaken work on the industrial aspects of the SDI programmes, while the DBSA-based team has focused on the agricultural and tourism sectors. This paper is the first in a number of papers prepared by the DBSA-based specialists.

These are working papers intended to catalyse policy debate. They express the views of their respective authors and not necessarily of the Industrial Strategy Project or the Development Bank of Southern Africa.

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I. INTRODUCTION

The concept of tourism led socio-economic development is not new or peculiar to South Africa, and international experience and best practice are being assessed as part of the SDI Policy Programme (Agri-tourism SDI's). This paper has been prepared as part of the Spatial Development Initiatives (SDI) policy research programme.* The overall objective of the SDI policy research programme is to support and enhance the application of the South African Government's strategic programme of Spatial Development Initiatives by assessing other international "best practice" (and "bad practice" where necessary) as a basis for influencing the planning and development processes applied in the SDI programme.

This paper considers a basic hypothesis underpinning the SDI's (agri-tourism) - that is that the crowding in of the private sector into defined geographical areas of under-utilised economic development potential is a sound and sustainable approach to long term economic growth and development. Secondly, the paper draws on the international experience to identify the nature and extent of the various impacts achieved as a result of such approaches to development. Thirdly, we examine the nature of the planning process applied in the context of different countries' experience, the extent to which such developments have been funded by the public and private sectors, and the extent to which local communities have been empowered through this tourism led development process.

Using the lessons learnt from the assessment of international best practice, a number of implications for SDI operational policy are proposed.

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2. BACKGROUND - THE STRATEGIC OBJECTIVES OF THE SOUTH AFRICAN SPATIAL DEVELOPMENT INITIATIVES PROGRAMME

The SDI's are a programme of strategic initiatives by the South African Government aimed at unlocking the inherent and under-utilised economic development potential of certain specific spatial locations in South Africa. These SDI's must be seen in the context of the new paradigm adopted by the South African Government, aimed at moving away from a protected and isolated approach to economic development, towards one in which international competitiveness, regional co-operation, and a more diversified ownership base is paramount.

The key objectives of the Regional agri-tourism SDI's (including the Wild Coast and Lubombo SDI's) are *firstly*, to generate sustainable economic growth and development; *secondly*, to generate sustainable long term employment creation; *thirdly*, to maximise the extent to which private sector investment and lending can be mobilised into the process; and *fourthly*, to harness and foster the potential opportunities that arise from tourism and eco-tourism developments for the enhancement of SMME's and for the empowerment of local communities.

3. BACKGROUND - UTILISATION OF THE TOURISM DEVELOPMENT POTENTIAL OF THE SOUTH AFRICAN RURAL PERIPHERY

As a result of the deliberate marginalisation of certain rural peripheral areas of South Africa under the previous political dispensation a number of common features typify the development situation. *Firstly*, there is very often a substantial under-utilisation of the natural resource potential. *Secondly*, the local communities living adjacent to the national, provincial and local reserves have, to date, derived very few benefits from the reserves, and understandably are extremely unhappy with this situation. *Thirdly*, the ongoing maintenance and upkeep of the reserves has become prohibitively expensive for the Governments concerned. *Fourthly*, the land tenure situation is generally very unclear, with land rights highly contested in many instances. Whilst this situation persists, it will act as a major constraint to private sector investment, which in turn will impact negatively on local economic development and employment creation. *Fifthly*, in general the potential tourism development nodes/areas suffer from extremely poor infrastructure and services provision. *Sixthly*, the institutional capacity - in these same localities - to

manage the local development process is very limited. *Seventhly*, there is a need for a co-ordinated planning framework within which development programmes can be structured, prioritised and implemented, and within which prospective developers can make tourism investments in the area.

4. PURPOSE OF THIS SUBMISSION.

Using primarily existing secondary case study material, this perspective draws on the international experience of the Malindi-Mombasa coastal development corridor (Kenya), the Goa Coast (India), the Kulu Valley and Bhutan in the Himalayas, The Gambia, Dominica, Belize and the Maldives. Employing these case studies, this paper assesses the results achieved to-date against the strategic objectives of the SDI's. On the basis of these findings, a number of key lessons of experience are identified which can be applied in the further planning and development of the tourism led SDI's along the coast of South and southern Africa. The data gathered from the case studies are, it is stressed, only employed as indications of trends, rather than as precise indices. It is recognised that, while some of the complexities of tourism development might be unique to a particular location, overall indications from the case studies, and other international observations, suggest that general trends can be identified. For immediate purposes - which include essentially that of raising and maintaining awareness of the complex issues involved in the further development of tourism in South Africa - these comparisons provide some useful material.

5. KEY ISSUES ARISING FROM INTERNATIONAL EXPERIENCE

5.1 IMPACT ON ECONOMIC GROWTH

It seems clear that tourism-led development corridors or nodes certainly do have the potential, via the multiplier process in the destination area, to generate considerable economic growth, notably employment, and foreign exchange. However, as is argued later in this section, it is equally true that in many instances this potential is not fully realised largely because of problems such as international leakage (estimates suggesting as much as 77% in the case of the Caribbean), and that the spread of such benefits is not nearly as wide as it is often claimed to be (refer to paragraph 5.1.1 where the impacts of international package tourism are discussed).

In terms of the global picture, it is clear that tourism is a huge industry. It is estimated (TIME, June 16, 1997) that the industry has a total annual output of \$3.6 trillion - greater than the GDP of Germany. The industry is expected to grow to \$7.1 trillion by 2007. Past growth rates (UNEP, 1992) in the industry have been very impressive - between 1970 and 1990, world tourism grew by nearly 300%, and is expected to increase by a further 50% by the end of the century. (The corresponding employment figures are equally impressive and are outlined in section 5.2.).

Looking at the international case studies, the picture is encouraging. In the case of The Gambia (which economy has few primary export products, a small domestic market, a large amount of imports and a related dependence on foreign exchange), tourist numbers increased from about 300 in 1965 to over 100 000 in 1990, and contribution to GDP rose to 10% in 1989 (Sec Dieke, 1993). In Kenya the growth in tourist numbers was from 65 000 visitors in 1963 to 832 000 in 1994, with earnings increasing from US\$129 million (1977) to US\$450 million in 1990 (Eriksen *et al.*, 1996). Growth of tourism development in the Maldives was even more spectacular. From about 1000 tourists in 1972, tourist numbers increased to 195 000 in 1990. Receipts from tourism exceeded payments from all other exports during the 1980's, and reached almost 20% of GNP by 1990 (Inskeep, 1992). In percentage terms the increases in Goa are not as large as the Maldives, but in absolute terms the impact has been tremendous. Tourist arrivals increased from approximately 440 000 in 1981 to 925 000 in 1992. (Arrival by charter have increased from just over 3500 in 1985, to approximately 60 000 in 1994. [Government of Goa, 1995]).

Bearing in mind the structurally weak/undiversified economic bases of these areas, and the fact that one of the key assets that such areas have is their natural beauty, one cannot ignore the contribution that tourism development has made in these countries to economic growth and development. "Given Goa's scenic beauty and the decline in its other main industry, mining, it would be foolish to dismiss tourism's contribution to the local economy. Even tourism's fiercest detractors do not seek to expunge it completely from the local scene" (Stancliffe, 1996:2).

A significant concern however, is how the benefits of this economic growth are distributed, and there is certainly a substantial body of literature suggesting that developers and promoters get substantial economic benefits - by way of profits, interest earnings, consultancy fees etc, with little seepage into

the local economy. The manner in which Malindi (on the Kenya coast) has become excessively dependent on tourism is also problematic. It is estimated that as much as 90% of the local population of Malindi work directly in the tourist industry. Activities include work in the hotels and restaurants, local construction companies, transport industry including the moving of people/food/water/construction materials, local tour operations, boat operators/crew, fish sellers, curio sellers, shell collectors, prostitutes, roofing makers, wood cutters, wood carvers, food cultivation. Whilst this structure of employment suggests good multiplier effects, the down side of this extreme reliance on a tourism driven economy is that in the off-season there is wide spread suffering and poverty because there are no alternative sources of income (Visser and Njuguna, 1992).

For the Governments, tourism generates taxes as well as foreign exchange earnings, but it seems that the hidden costs of tourism development are borne by the communities. Whilst tourism, and more recently, particularly eco-tourism, are often regarded as being rather benign, but effective - particularly for developing countries and/or regions - in generating economic growth and employment, increasingly there are concerns about the costs, not so easily or willingly measured, that result from such development processes, and which accrue to the local communities rather than the external developers/operators. The local population often get inflationary pressures, shortages of services and facilities, and the use of their taxes to subsidise the development of hotels/related infrastructure. (This is discussed further in section 5.4.).

The economic benefits of tourism should be recognised but importantly the warning signs of concomitant negative impacts must also be heeded.

5.1.1 IMPACT OF LEAKAGES

Notwithstanding the impressive economic performance of the tourism industry over the past few decades, it is important that one does not underestimate the very assertive marketing strategies which are part and parcel of the tourism lobby - the tourism industry itself, its advocates and promoters. This is particularly the case when it comes to quoting figures about the economic impact of the tourism industry. Often there is a tendency to over estimate the positive economic potential of developments. Increasingly, however, researchers warn that very often the figure quoted when commenting on (positive) economic performance of the tourism sector in destination areas is that of "gross tourism receipt". This is not a true reflection of reality in that it hides the impact of

leakages - especially from the wide range of tourism expenditures. Key leakages include imports of goods and services, international promotion and advertising, contractual and service fees, commissions to international tour operators, salaries of foreign personnel, repatriation of profits by foreign hotel owners, imports of film, cameras, water, sports equipment etc. The international tourist generally expects to find at his/her disposal the same set of luxuries to which they are accustomed when they are at home (such as air-conditioning systems, alcohol etc.). These usually have to be imported - thus using, some would say squandering, scarce foreign exchange on items viewed as luxuries while the basic needs of the local communities appear to be ignored.

Certainly in terms of the case studies reviewed the potential scale of leakages on smaller economies is a cause for significant concern. By examining and understanding the determinants of such leakages one can learn valuable lessons for the design of tourism policy. Leakages in The Gambia must be a cause for great concern due to the fact that it is estimated that as little as 23% of the inclusive tour price actually accrues to The Gambia. At the same time it is estimated that in terms of food imports as much as 30% of total food imports for The Gambia are for the tourism sector - with obvious foreign exchange implications. Similarly, it is estimated that for the Commonwealth Caribbean the leakage figure is as high as 77%. The WTO has estimated that a minimum of 40% of the gross hotel revenue pays for imports, interest and profits when a hotel is foreign owned, and that this figure can in many cases exceed 75% of the revenue (O'Grady, 1981). The World Bank (1992) has estimated that 55% of every tourism dollar leaks out of the destination country - and that this is an average which masks the differences between the developed and less developed countries.

The situation in Goa is regarded as being much less severe. In India the leakages are regarded as being very low. It has been suggested that in India as a whole, a remarkable 75% of it's tourist income is retained, with the result that multipliers are also very high (Wilson, 1997). India's ability to retain tourist income is ascribed at least in part to it's high level of industrialisation and large internal market. In contrast, but consistent with the argument, the Caribbean and the Maldives have small and undiversified economies, and require very considerable imports to support their tourism industry. In this regard it is also worth noting that the tourism industry in North Goa (between Aguada Fort and Chapora Fort) is of a small scale, with most of the accommodation, restaurants, beach shacks being owned by the Goans themselves - only

the two 5 star hotels are not owned by Goans, but by large Indian consortiums. There is also an extensive range of ancillary services such as taxis, motorbike and scooter hire, tourism shops, roadside stalls and markets, beach vendors all of which are in Goan or Indian hands. "It is clear from the small scale and diversity of these activities that there is an extensive spread of economic benefits throughout the local community, although there was evidence that supply was beginning to outstrip demand in some areas..." (Wilson, 1997:68).

Whilst international package tourism is regarded as being a key contributor to the leakage problem, local tourism and locally owned and operated tourism is seen to be a more sustainable solution. It is argued in the literature that greater emphasis needs to be placed on small scale locally owned activities. Such activities are generally of a less expensive design, and of a simpler nature. Locally owned businesses are likely to have a far higher input of local products, and thus one can expect a higher multiplier effect, as well as reduced leakages from imports and remittances from expatriate labour. Equally one would expect the profits to accrue locally, rather than being remitted back to another country (Cater, 1993). UNEP (1992) argue that in many cases, a comprehensive cost benefit analysis would show that domestic/national tourism makes more of a contribution to a local economy than international tourism (they do not usually travel as part of international package tours), and national tourists are far more reliable and predictable than foreign tourists. UNEP (1992:8) argue that development cannot be based on the whims of far-away consumers who may flock to certain regions for several years, only to abandon them overnight at the slightest report of increased crime or health risks. While this may be true some would argue it has little relevance in a developing country context where the domestic tourist market is limited in size and it is, therefore, important for the survival and growth of the tourism industry as a whole to participate in the huge international tourism market.

5.2 IMPACT ON EMPLOYMENT CREATION

Figures are not readily available in respect of the amount of employment created at the level of each of the case studies reviewed. Dis-aggregation, especially at a regional or sub regional level, is problematic. However at a global level the tourism industry has statistics which make very impressive reading. It is estimated that currently (TIME, 1997) 255 million people are employed directly or indirectly

in the tourism industry. The World Tourism Organisation (WTO) predicts that international tourism will double to more than a billion tourists annually by 2010. It is estimated that this will translate into a jump in employment from 255 million to 385 million.

The tourism industry generates employment in a large range of job categories. This includes tour guides, hotel clerks, aeroplane pilots, customs officers, luggage makers, computer programmers for airline reservation systems, the photographic industry and even the car and aeroplane industries. As such, the tourism industry is generally regarded as having high multiplier effects. (Multiplier effect refers to the number of times the income earned from tourism is respent internally - but there is no universally agreed method of calculating the multiplier, and it is recognised that as an instrument of measurement it is fraught with practical difficulties). In the case of Kenya, the ILO (1987) estimated that the total number of people employed in Kenya's tourism industry was of the order of 100 000. This constitutes a very significant 9% of total formal employment in the country (Visser and Njuguna, 1992).

One of the often made criticisms of the tourism industry in terms of employment creation, is that many of the employment opportunities created are of a servile nature, low paid and in many instances seasonal. The travel industry argues that, "This view overlooks the many good jobs also generated in marketing and management, and ignores the value of entry level work for the two groups who suffer most from intractable unemployment - the young and unskilled." (TIME, 1997: 71). In response to this one should note that many critics make the point that the higher level and managerial jobs are given to expatriates at the expense of local residents.

Using The Gambia as a case in point, the nature of employment provided in practice, is not very encouraging. According to Dieke's (1993) study, Gambians have in practice been employed in the menial/servile jobs, whilst expatriates get the managerial and higher paid jobs. Employment is also of a seasonal nature (and those employed in tourism cannot supplement their incomes via agriculture, because of the fact that the seasons for both coincide). In terms of the world tourism market, a reality it seems is that satisfaction with the tourism product is significantly determined and aligned to international standards. This has the effect of requiring - at least in the short term - the use of expatriate managerial skills/expertise. Both Goa and Kenya do however demonstrate the point that one should not judge the

industry purely by the nature of employment created in the accommodation establishments. Tourism led demand creates rapid growth in the service industry as well as the financial and business sectors. (Visser and Njuguna (1992) provide some interesting figures for the Kenya coast between the period 1980-1990. Restaurants increased from 23 to 92; licensed tour operators from 74 to 346; vehicle hire enterprises and licensed curio shops from 62 to 308).

5.3 MOBILISATION OF PRIVATE SECTOR INVESTMENT AND EXPERTISE

5.3.1 INTERNATIONAL PACKAGE TOURISM

An issue that receives considerable attention in the current literature relates to the role of international package tourism. Clearly the developed tourist generating countries have dominated the world tourism industry via their ownership of the hotels, the airlines, the agencies etc. They have become so powerful that they also to a significant degree create the demand for tourism - they provide the information and guidance that the tourist uses to determine his/her final destination. (One must bear in mind that the host country often has limited knowledge of, and certainly very little ability to influence, the economic and social forces of the country from which the tourist is sourced).

"In 1967 Pan Am...decided Guam would be a good destination for the tourist. Starting with a mere two flights weekly Pan Am actively promoted Guam on the Japanese Market...from virtually zero tourists in 1967, Guam will receive in excess of 200 000 tourists in 1973" (O'Grady, 1981:23). O'Grady also then goes on to explain that the Transnational tourist companies can also do exactly the opposite - in 1976 both Qantas and Air France dropped Tahiti from their through-routes, and put that tourist industry in a severe decline.

Similarly, the related reality of the world international tourism industry, is that it is not only controlled from the wealthy sending countries but that it is conducted for the purpose of profit for the companies based in these same wealthy sending countries. This combination of hotels, airlines, tour operators and ground agencies is termed "vertical integration". It does assist in managing operations, but is primarily intended to support profit maximisation (Gonsalves, 1995).

In terms of the case studies which were looked at the following picture emerges - confirming the above identified issues and trends. In The Gambia, a deliberate strategy was pursued by Government of

encouraging private sector investment. These investment policy objectives have it seems been successfully met. There is substantial foreign participation either through partial or complete ownership of tourism facilities - in particular in terms of the hotel sector. Similarly, in terms of joint ventures, foreign/government participation was (1986) 52/48 according to the World Bank (in Dieke, 1993:281). However, the process of private sector mobilisation, can it seems easily reach proportions where any real/meaningful participation by the local inhabitants becomes almost impossible. In the case of Belize it is estimated by Cater that 90% of all coastal development is now foreign owned - significantly, it is owned on a freehold basis rather than by way of long term leases or concessions. This huge domination of the local asset base by foreign interests has inevitably been accompanied by a loss of control by the local population. It also pushes up land prices and prices of goods and services to a level where the local community cannot pay for them.

To counteract exactly this type of domination by external investors and international tourists/operators, the Government of Bhutan has adopted very proactive control measures. The government has adopted a, "...policy of allowing a very limited amount of tourism but emphasising high value, special interest tourism that generates the desired foreign exchange earnings as well as some employment and income" (Inskip, 1992:32). The Bhutan Tourism Corporation is responsible for managing the operational side of tourism, including marketing, tour operations and managing most of the hotels (which are government owned). The need for what may seem (initially) as a 'top down' approach by the authorities in Bhutan is understandable if a country is to counteract the reality of the international tourism industry. As O'Grady writes, "A country which wishes to pursue seriously international tourism as a national priority cannot do so without signing over some sovereignty to the control of the industry...tourism is by it's nature an international movement and because it has it's economic base in the industrialised western nations, it's maintenance and growth depend largely on transnational corporations" (O'Grady, 1981:23).

In terms of the desirability of up-market international tourism, and it's potential impact on of Goa. Wilson argues that a "disadvantage of upmarket tourism is that it is out of keeping with the way of life of the majority of local people and it's successful implementation would necessitate far-reaching changes in attitudes towards service, time keeping,

hygiene, sanitation etc....control over upmarket tourism could pass out of indigenous hands into foreign ownership..." (1997: 69).

5.4 IMPACT ON THE ENVIRONMENT

A major concern surrounding the tourism industry is that of the unforeseen, and unplanned for, environmental impacts. Such impacts take the form of negative impacts on the natural environment, as well as the social and cultural environment in the host country. Interwoven into the debate about the environmental impacts of tourism development, is a related debate about whether mass tourism or ecotourism (which seems to be differently defined by different people) is the preferable strategy for a country to follow.

In reality it seems that any form of tourism activity will impact on the environment. Cater (1993) makes the point that it is important that we should acknowledge from the outset a basic truth about tourism - all tourist activity has some impact. If complete preservation is the goal, there should be no tourism development at all (Cater, 1993). At a more practical level, the concept of sustainability, though still to many critics only a notional ideal, is nevertheless probably a far more useful goal to strive for. As defined at the Globe '90 conference, sustainability requires, "...the management of tourism resources in such a way that fulfils economic, social and aesthetic needs while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems" (Inskip, 1992:31). In essence the, "Continuous maintenance of environmental resources and cultural integrity while still bringing equitably distributed socio-economic benefits from tourism to residents of the tourism area..." (Inskip, 1992:31). Fine words, but the hardest part is to bridge the gap between the high ideals - which cynics dismiss as rhetoric - and the practical problems encountered as tourism development takes place.

Again the case studies provide some useful examples of what has happened in practice. In 1961, the Himalayas had catered for 60-100 000 guests. this amount had shot up to some 600 000 by 1981. The 'ultimate' thresholds, the estimated acceptable carrying capacities, were crossed - seemingly unnoticed - by the tourism planners, who were still focused on quantity rather than quality of development. (Singh, 1992:25). In discussing the development of the Kulu Valley in the Himalayas. Singh describes how in the early 1970's, the development was organic with minimal environmental costs, but soon the decision makers were enticed by

the demand fallacy. Consumerism triumphed over environment, and in a pastoral village such as Manali visitor numbers per day surpassed the resident population. Manali became overbuilt with expatriates and multinationals being the dominant investors. Land prices soared beyond the reach of locals, imported foods were preferred to local produce. The situation in the Himalayas is not all negative however, and Bhutan is regarded as a very good example of how government can insist on and ensure a responsible approach to tourism development (refer to detail in subsequent section).

A further pervasive concern is that the communities are generally excluded from the decision making in essentially government and private sector investor driven development processes. In many instances locals have been removed from their land to make way for developments, and have had their access to the sea (Cater, 1993) and it's resources restricted as a result of the hotel developments. In Goa accusations have been made that villagers have been intimidated out of their homes to make space for developers, were subjected to nude bathing, drugs, prostitution and corrosion of their local cultural attitudes (Wilson, 1997:57). Similarly in Kenya Barrett (1997:3) makes the point that, "Coastal communities have lost access to productive farmland as foreign commercial interests have obtained prime sites for tourist developments".

The resentment caused by this approach is quite understandable bearing in mind that under such circumstances, the communities usually experience only very limited benefits from the developments (with employment benefits in hotels often being outweighed by a range of direct and indirect costs), and because, significantly, they experience little or no empowerment from the development process. Indeed, some critics argue that they become even more distanced and less empowered.

These exclusionary approaches are completely at odds with the logic that the more local people benefit from tourism, the more they will benefit from a commitment to preserve the environment through tourism planning (Singh, 1992,:26). In the case of the Maldives, for example, preference is given to Maldivian labour, capacity building for Maldivians - ensuring the provision of housing, facilities and services for the employees who live on the resort islands.

There are growing concerns though that the environment is being degraded (Kenya, Kulu Valley, Goa, The Gambia), with considerable pollution occurring from poor hotel sewage, dumping of

garbage, removal of beach sand for construction purposes. In Goa (and this situation is not dissimilar to Kenya) the overdevelopment of the coastal strip, flaunting of planning regulations, exhaustion of underground aquifers, abuse of limited water supplies by the hotels at the expense of the local communities, the restriction of access to the beaches for the locals, and environmental degradation is very evident (Wilson, 1997:57). Clearly what is required is, "...to integrate planning across a broad front, including waste management, water conservation, energy use, roads, border crossings, airports and air traffic control facilities" (TIME, 1997:73). Cater (1993) argues that governments need to ensure that developers/operators must be forced to internalise environmental costs, and in support of this, governments should use legislation - including incentives and disincentives.

There is also a general concern that such tourism led developments have resulted in a plethora of social problems ranging across the spectrum of erosion of local culture, from drug abuse to prostitution and paedophile activity. Goa and Kenya are often cited as examples of tourism development areas which have experienced very significant social side effects. The literature does provide a compelling argument supporting these claims of foreigners abusing their economically advantaged positions over their developing country 'hosts'. "Foreign tourists in Mombassa and Nairobi find that the relative strength of their foreign currency makes them a popular target for the attentions of women who turn to prostitution as a means of survival. However those tourists who enjoy this attention and exploit to the full the power over others their money provides, risk returning home with an unwelcome souvenir, as it is estimated that something like 90% of the prostitutes in Nairobi are HIV positive" (Barrett, 1977:3).

If the circumstances appear 'correct' then it does however seem that, initially at least, local communities are often happy to welcome international tourists into their communities. In his assessment of the situation in Goa, Wilson (1997) writes that the local residents were happy to supplement their incomes by renting out rooms in their houses, and running little cafes and bars. A key issue in this regard however relates to the type of tourist. Richter (in Wilson, 1997:71) argues that, "Net economic gains are often higher from tourism pegged at...groups with long stays and their simple lifestyles than those requiring capital intensive facilities...the social and political costs, although harder to measure, are likely to be less in terms of relative deprivation, conspicuous consumption, political payoffs, kickbacks, and political grandstanding...Nor

is it as fickle as international tourism, it does not require so much foreign exchange to develop, it is less dependent on foreign airlines and tour operators...".

Obviously though the actual number of tourists is critical, as indeed is the time perspective involved. Here, Doxey's (1975) 'index of irritation' is perhaps of significance to gauge sequential changes in the host - tourist relationship. He suggests progressive change (deterioration) in this relationship from initial euphoria through apathy then annoyance to outright antagonism as tourism develops. Interpretations of Doxey's framework vary - Pearce (1989) for example, is somewhat ambivalent though generally speaking many observers tend to agree with Doxey's pessimistic view of the inevitable decline in the relationship as tourism (in its current form) develops and more tourists are in evidence.

The perception that ecotourism is inevitably less damaging to the environment requires careful consideration. It can be argued that ecotourism is in fact inherently a part of the problem in that it opens up remote areas to the tourist, and these remote areas have particularly delicately balanced socio-cultural and physical regimes, and because of the traits and structure of control of the international tourism industry, such areas are inevitably and increasingly drawn into the international tourism scene. Cater (1993) goes on to make the point that unless properly managed, ecotourism can result in worse impacts than those of mass tourism in clearly defined and confined areas. Underdeveloped areas are inevitably more vulnerable to impact. These sentiments are reinforced by UNEP who argue that, "Ecotourism is not a panacea for the tourism industry. Without careful management, it will not stop tourism's current environmental impacts - it will create new ones. It can lead to development, destruction and pollution in some of the world's most ecologically fragile areas" (UNEP, 1992:2).

The appropriate size/scale of a tourism facility, and its ability to generate sufficient impacts locally must be central to the sustainability debate. There are a number of fundamental economic dilemmas in converting the small scale ecotourism approach into reality. Take for instance the situation where one finds large poor rural communities living adjacent to a relatively pristine piece of potential tourism real estate. From the perspective of the local community the tourism venture must at least generate substantial income and significant employment. "Even with high spending customers, the fact remains that a small-

scale development catering for small numbers will only have a correspondingly small effect on income and employment" (Wheeller, 1991:93).

5.5 PLANNING PROCESS AND APPROACH

Goa, Malindi/Mombasa and the Kulu Valley have all suffered severe socio-economic impacts as a result of the lack of, and/or the poor implementation and enforcement of planning regulations and the choice of tourism development policies. (There are general concerns that the coastal strip has been overdeveloped, planning regulations flaunted, water supplies exhausted at the expense of the locals rather than the hotels).

"Sustainable planning does not happen spontaneously. It requires careful planning for controlled development, based on analysis of the environmental and cultural resources of an area, with the most suitable model for each destination derived from an analysis of the specific characteristics and development objectives of the area" (Inskip, 1992: 31). The implications of a poorly defined, implemented and regulated planning framework are clear, and the previously cited problems surrounding the development of Goa are attributed to the inadequate implementation and enforcement of planning regulations (Wilson, 1997).

In contrast to the situation in Goa, the Maldives provides some useful perspectives. The Ministry of Tourism in the Maldives is very active in guiding the growth of tourism and in applying strict development and operating standards for new and existing resorts. This ministry has the power to close substandard resorts if, after the imposition of fines, operating standards have not been improved. Measures applied by government include architectural control, heights of buildings, design of boat piers, adequacy of potable water supplies, proper solid waste disposal, and a range of conservation controls (Inskip, 1992:31). The Department of Tourism in the Maldives applies strict control measures - architectural standards, building heights, design of boat piers, adequacy of potable water supplies, solid waste disposal, use of underground utility lines.

In Bhutan, where 1974 saw the start of international tourism, the Government was from the outset aware that the unrestricted flow of tourists could lead to a range of undesired cultural and environmental problems. The government therefore applied a strict policy of controlling tourism development. Controls included limiting the number of tourists per year, specifically planned and targeted

increases in tourist numbers per year, specified minimum daily expenditures per tourist (in 1990 the minimum was \$200 per day and this was secured by way of visa arrangements as well as arrangements with the overseas tour operators). The tourism authorities have identified distinct zones to be developed within a specified time framework - short, medium and long term.

In the case of Kenya, the Government has learned from its own experience. "Tourism development and urbanisation of the Nyali-Bamburi-Shanzu area have led to both increased prosperity, as well as to a number of social, economic and environmental problems that threaten sustainable development and impose constraints on further growth... Of equal concern is the increase in conflicts between the tourism industry and other activities." (Coast Development Authority *et al*, 1996:vi). In response to these problems, the Government has established by Act of parliament the Coast Development Authority. This authority is responsible for the full spectrum of development planning for this area of the coast, including the initiation of development projects, the monitoring and evaluation of project performance, natural resource management and utilisation, liaison between the Government, the private sector, other interested agencies and the local communities.

"The central message is one of collective responsibility and a holistic approach involving governments, tourists, tourism enterprises and destination areas alike. The focus of that responsibility should be that of satisfying the basic needs of the local population. A vital means of doing so is to incorporate them more fully into the planning, development and running of ecotourism operations within their countries" (Cater, 1993:26).

Some of these, and related, issues were raised during a recent discussion on BBC Radio 4's holiday programme 'Breakaway' (17.7.97) when Ben Jackson of Action in South Africa outlined plans for 'people friendly' tourism initiatives in Southern Africa. He spoke optimistically and positively of local community involvement and joint venture potential and drew attention to their recent document *New Departures, Supporting People - First Tourism in Southern Africa* (1997). His comments, however, met with only a lukewarm response from Nigel Combes (editor of the *Travel Trade Gazette*) who thought such an initiative, "...good in theory but in practice it doesn't work". Jackson countered, arguing that international tourists had a "...huge interest to find out and engage in the process of transformation of change and if this can be organised and articulated

pressure can be brought to influence demand". Again, the gap between 'the what should be approach' and 'the what actually is', in terms of commercial tourism development, was apparent

6. IMPLICATIONS FOR THE WILD COAST SDI

A number of key issues arise from the above observation:

- * The utilisation of the substantially under-utilised tourism led development potential of the Wild Coast could if correctly managed result in substantial economic growth in the sub-region.

- * Tourism led socio-economic development also offers considerable opportunities for employment creation which will have a significant impact on the local inhabitants of this area. The nature of employment opportunities initially offered to local inhabitants of the Wild Coast may well be in the less skilled categories. Such categories of work are important in the context of creating employment for the extremely poor and unskilled local inhabitants. However it is crucial from a long term sustainability point of view that the necessary capacity is built within the local community to enable members of this community to take up positions in all spheres of the operations including at the management level. The ability for this process to function effectively is particularly vital in the context of the empowerment objectives of the Wild Coast SDI where it is expected that local communities will have very significant equity stakes in all spheres of the tourism operations from the inception of these developments.

- * Tourism development has, both in general terms and in the case studies reviewed, not paid particular attention to the process of empowering the local communities, and of ensuring that such communities are provided opportunities to play a direct and meaningful role in the tourism industry. As has been argued elsewhere (de Beer and Elliffe, 1997) there are a range of opportunities for empowering the local communities via the tourism development process along the Wild Coast, and if utilised, the attainment of empowerment objectives would do much to enhance the sustainability of tourism led socio-economic development along the Wild Coast.

- * The potential local, provincial and national economic impact of tourism-led socio-economic development is significantly effected by the nature of the ownership base of the tourism

operations and facilities, as well as by the type of tourist that is encouraged to visit a locality. The concept of mass international tourism has a certain appeal in a country like South Africa which has a relatively underdeveloped tourism industry, and limited expertise in terms of understanding, operating and competing in the world of international tourism. In areas such as the Wild Coast the situation is considerably worse in terms of the necessary institutional capacity to manage the tourism development process.

International experience in this regard does however suggest considerable caution. The economic benefits of international tourism are clearly severely eroded by the very manner in which international package tourism characteristically operates. Leakages of between 50 and 75 percent clearly cannot be ignored, and could seriously undermine the longer term sustainability of tourism led development along the Wild Coast. Similarly where one has the situation that tourist facilities are predominantly owned by foreign interests, one should be clear that the ultimate intention is for the owners to be able to make profit, and that such profits will be remitted back to the owners country of origin. At the same time however, one should not opt to exclude the foreign tourism developers and operators. Not only is the domestic market limited in size, the international developers/operators also bring with them the opportunities for direct foreign capital investment, expertise and the necessary marketing capacity so vital to creating a destination. The international investors/operators could also via competition help raise the level of service/standards of South African industry. Clearly however, there cannot be foreign domination. The lessons learned particularly from the Goa experience, where the industry is predominantly locally owned and run, and where even the very big investor are Indian investors is informative. Local ownership of the industry has the effect of reducing leakages, and combined with the very substantial range of upstream and downstream employment opportunities created via the tourism industry creates very significant local and national multiplier effects.

*As regards the mass tourism versus ecotourism debate, it is not a case of one or the other, and both types of tourism will need to be accommodated along the Wild Coast, and the environmental realities of each location (the identi-

fied anchor project sites) together with the socio-economic realities within which the surrounding communities find themselves will need to inform this policy and strategy decision making process. One clear message that does arise from the literature reviewed, is that it is short sighted to simply accept that so called ecotourism is a more sustainable option for socio-economic development over the longer term than is mass tourism. Equally, one should not assume that ecotourism is necessarily that much kinder or more sensitive to the environment. "Ecotourism must surely be seen as nothing more than astute short term business practice, part of the conventional tourism industry which utilises the same infrastructure, is driven by the same motivation, namely profit, and that everybody's doin' it, doin' it, doin' it" (Wheeller, 1996:8).

* The message from virtually all the case studies in terms of the planning framework is consistent. Tourism developments and tourism developers/operators have the potential to readily/willingly cross the sustainability threshold - in order to achieve (their) perceived short term benefits. All tourism developments are going to have impacts, and tourism development is about making money. Within this context, it is absolutely imperative that there is a defined planning and development framework, as well as related procedures, within which tourism development takes place. Such a framework must include basic control measures (building heights, building lines, architectural standards, access for locals to beaches) as well as specific controls and standards in respect of (the very commonly cited) violations that impact on the natural environment (including waste disposal, potable water supplies, and so on).

No less important is that the local government has the capacity and the political will to ensure compliance in terms of this framework, and it's procedures. There seems little doubt that Government has a central role to play in ensuring that such a framework is in place, and that it is agreed to with the local communities. In terms of the case studies considered it is worth noting that the two countries which are most often cited as having got this aspect right are Bhutan and the Maldives, and that both governments have adopted an essentially top down approach in ensuring compliance.

7. CONCLUSIONS

The above highlights only a few of the key issues which need to be considered in taking the Wild Coast SDI process forward. These issues come up time and again as key impediments to sustainable tourism led development strategies. If appropriately addressed, they also make very good sense from the perspective of mobilising local and international investors - providing a much less risky investment environment. This reduced risk should also in turn result in much improved tenders/bids for the anchor projects and thereby potential returns to the beneficiary communities.

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