

TOURISM AND LOCAL ECONOMIC DEVELOPMENT: ISSUES FOR LOCAL GOVERNMENT

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INTRODUCTION

- **Local economic development is one of the core functions of local government in South Africa**
- **Support for local development comes from a range of government departments, including dti, DCOG, and NDT.**
- **Traditionally LED in South Africa has been focussed around increasing PRODUCTION in localities... ie expansion of production of industry, agriculture, mining etc.**
- **One alternative driver for local economic development is tourism**

INTRODUCTION (2)

- **Tourism planning is about creating localities as centres for CONSUMPTION**
- **This presentation seeks to highlight issues for local government in planning tourism as a lead sector or driver for LED in South Africa.**

KEY ARGUMENTS

- **Successful tourism spaces emerge out of various circumstances**
- **Successful tourism-led development requires certain pre-conditions in terms of having certain assets for tourism development.**
- **From international experience of successful tourism-led development ten principles can be identified for South African local governments to inform planning for tourism.**

SUCCESSFUL TOURISM LOCALITIES

- * Localities can emerge as successful tourism spaces for essentially three reasons**
 - First, many localities, such as beach resorts or spas, are 'discovered' by private sector entrepreneurs or developers who identify in these places, certain opportunities for development, triggering the growth of accommodation and recreational facilities, tourist attractions or conference centres.**
 - Second, other localities become tourism spaces as a result of local initiatives which sometimes are driven out of necessity for new economic opportunities.**

SUCCESSFUL TOURISM LOCALITIES

- * Examples would be the growth of urban tourism or tourism routes**
- Finally, other localities emerge as tourism spaces by default as particularly in developed countries certain localities have become tourism spaces, if not against the will of the local inhabitants then at least often without their direct encouragement, as a result of much enhanced levels of personal mobility.**
- For example, many coastal and rural areas, mountain and wilderness spaces, have become tourism spaces by default often because of improved levels of mobility and of an increased search by people for new experiences in places previously untouched by tourism**

PRECONDITIONS FOR SUCCESS

- * For a locality to be successful in terms of tourism as a driver for development, certain preconditions need to be met.**
- * Tourism asset base - there is a fundamental requirement for localities to develop a total tourism product or portfolio of products which will attract visitors.**
- * The competitive position of any tourism destination is determined to a significant extent by the diversity and quality of its resources and services. In particular, considerable emphasis is given to the importance of QUALITY OF ASSETS as a factor in impacting upon the competitiveness of tourism spaces.**
- * Assets can be natural beauty (mountain, beach), heritage resources, unique wildlife etc and socio-cultural resources (including festivals, sports events).**
- * Overall, the attractiveness of particular tourism spaces arises from its blend of resources and services. Davidson and Maitland (1997, p. 23) observe: “Without such a mix, a place will not work as a destination”.**

PRECONDITIONS FOR SUCCESS

- **A second critical precondition for success is appropriate and effective planning and management of tourism at destinations.**
- **The need for visitor management planning arises from the fact that whilst the private sector driven tourism industry may be successful at attracting visitors to destinations, it is often less successful at protecting destinations from the negative effects of tourism development. The visitor management planning process is concerned with how to accommodate visitors whilst minimizing the adverse impacts that they may cause.**
- **International experience points to the need for local partnerships between local authority and private sector and development of local tourism plans.**

TEN KEY PRINCIPLES FOR SUCCESSFUL TOURISM-LED LOCAL ECONOMIC DEVELOPMENT

- **From the existing international experience in both developed and developing countries a series of key lessons can be extracted that can be useful for South African policy makers**
- **10 key principles are presented here for achieving successful tourism-led local economic development.**
- **These can be viewed as ‘good practice’ for local government and tourism planning**

PRINCIPLES FOR SUCCESS

THEME 1: BE REALISTIC

***There is a need for realism by policy-makers as to whether tourism is a viable option for particular localities, whether in urban or rural areas.**

- **Unless the locality has an adequate total tourism product or portfolio of products, tourism-led LED is not a viable option.**
- **Areas that would not have the basic requirements for tourism would be those which are in combination (a) intrinsically physically unattractive, (b) lack infrastructure, (c) not perceived as safe or secure; and/or (d) inaccessible by road or rail (and increasingly air).**

PRINCIPLES FOR SUCCESS

THEME 2: DO NOT DIVORCE ECONOMIC DEVELOPMENT FROM SOCIAL DEVELOPMENT AND THE ENVIRONMENT

*** Economic development cannot be divorced from environmental, and particularly social development.**

- As well as job creation, enterprise development and environmental management, there is a need for stable communities, a well trained and educated workforce, safe environments and a healthy population.**
- Tourism cannot create these social benefits but it cannot survive long without them – initiatives by local government are crucial.**

PRINCIPLES FOR SUCCESS

THEME 3: LINK TOURISM DEVELOPMENT TO PRO-POOR INITIATIVES

- * Successful LED means bringing tangible benefits to poor communities.**
- In developing economies, therefore, LED must be firmly linked to a commitment to pro-poor tourism policies.**
- Pro-poor interventions in LED strategies must seek to enhance opportunities and expand the impact of tourism widely in local communities.**
- In addition, tourism taxes or spin-offs might be used to improve local schools, health facilities or community development projects.**

PRINCIPLES FOR SUCCESS

THEME 4: DO NOT PLAN TOURISM IN ISOLATION – CREATE SYNERGIES WITH OTHER SECTORS

- **It must be acknowledged that tourism does not exist in isolation of other economic activities.**
- **In planning a holistic approach is required in LED programming which recognises the linkages between tourism and other economic activities, seeks synergies and complementarities.**
- **Linking tourism and local agriculture to support local sourcing**

PRINCIPLES FOR SUCCESS

THEME 5: PLANNING SHOULD TRY AND AVOID TOURIST ENCLAVES OR GHETTOS

- **Attempts in local planning should be made to avoid the ghettoisation of tourism in destination regions.**
- **Tourists should be encouraged to venture away from the 'tourist oases' and instead participate in a richer learning experience in destination areas.**
- **Encourage tourists to meet local people, take part in everyday local events or even to visit local work places.**
- **Encourage a geographic spread of tourism within destinations**

PRINCIPLES FOR SUCCESS

THEME 6: PLAN OPPORTUNITIES FOR TOURISM DEVELOPMENTS LED BY SMALL BUSINESSES AS WELL AS LARGE ENTERPRISES

- * Large tourism investors must be welcomed**
- But there is a strong case for seeking to move away from large-scale and prestige projects and instead focus upon smaller scale projects, which growing organically over time and under local managerial control, where possible.**
- Smaller tourism projects potentially might offer greater opportunities for local enterprise and especially for SMME development.**

PRINCIPLES FOR SUCCESS

THEME 7: DO NOT JUST PLAN FOR GROWTH IN VISITOR NUMBERS – INSTEAD PLAN TO MAXIMISE LOCAL IMPACTS

- **Local networks and networking should be encouraged as far as possible in order to ensure that the requirements of the tourism industry are maximised for local suppliers, reducing leakages from the local economy.**
- **Build and support local supply chains to tourism establishments especially accommodation establishments**

PRINCIPLES FOR SUCCESS

THEME 8: ESTABLISH RESEARCH AND MONITORING SYSTEMS

- **For successful tourism development local governments must establish data systems and monitoring of performance of local tourism economies.**
- **Constant and objective monitoring and performance indicators need to be put in place.**

PRINCIPLES FOR SUCCESS

THEME 9: COMMUNITY PARTICIPATION IS IMPORTANT BUT BE REALISTIC

- **Community participation within and support for a tourism-led local economic development initiative must be maximised.**
- **Nevertheless, in developing countries, the limits of community participation also need to be recognised.**
- **It is naïve to assume that a participatory tourism development approach will alter the existing structure of the tourism industry without changing the dominant socio-economic and political structure of a locality.**

PRINCIPLES FOR SUCCESS

THEME 10: GOOD GOVERNANCE

- **Tourism-led development cannot succeed in an environment of inefficient local government, corruption, over-regulation etc.**
- **There is a critical need for good governance, cooperation and institutional thickness in order for the effective implementation of tourism-led LED.**

CONCLUSION

- **The challenge of developmental local government and the promotion of LED is one that must be mainstreamed in the activities of South African local government.**
- **The international record shows that tourism can be a critical driver for local economic development for some (but not all) localities.**
- **In terms of achieving successful tourism-led local development 10 principles for success and lessons for local government have been identified**

CONCLUSION (2)

- **Realism is needed as to viability of tourism to be a lead sector.**
- **Plan tourism-led economic development together with achieving social development and environmental management.**
- **Maximise pro-poor impacts through searching for pro-poor tourism opportunities**
- **Do not plan tourism in isolation – create synergies with other economic activities.**
- **Try to avoid tourism enclaves in destinations by encouraging local geographical spread of tourists wherever possible.**

CONCLUSION (3)

- **Large investments are welcome but keep the welcome mat in place for tourism development led by small enterprises.**
- **Maximise local supply chains to key tourism products**
- **Establish local research and monitoring systems**
- **Maximise within its limits the opportunities for community participation.**
- **Local governments must take responsibility for good governance in order to achieve and maximise possibilities for tourism-led local economic development.**

THANKS FOR
LISTENING!

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