



REMARKS BY THE DEPUTY MINISTER OF TOURISM, FISH MAHLALELA DURING TOURISM PUBLIC LECTURE AT UKZN ON 14 OCTOBER 2022

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Ladies and Gentlemen

Programme Director, it is a privilege and honor indeed to be part of this inaugural Public Lecture to share and exchange ideas with key sector stakeholders, policy makers, practitioners and academics on emerging issues in the recovery of the sector with a view to enhance strategies, planning, programmes and policy decision-making within the sector.

Gradually, we are emerging from the brink of a catastrophic pandemic and therefore South Africa's domestic tourism market is bouncing back with a renewed focus and determination.

Tourism was one of the first economic sectors to be deeply impacted by the pandemic with measures to contain its spread, including restrictions on movement. Operations were halted under various phases of lockdown and tourism revenues were severely diminished. The sector is thus facing profound and simultaneous demand and supply shocks.

Historically, the tourism sector has demonstrated resilience through global financial meltdowns and health pandemics. However, the scale and depth of the disruption caused by the COVID-19 health and economic crisis suggest that the road to tourism recovery will be long and highly uncertain. It is for this reason that the United Nations World Tourism Organisation expects the sector to return to pre-crisis levels only in 2023.

In line with theme of this Tourism Public Lecture “Rethinking Tourism: Opportunities Await in Rural and Community-Centric Tourism”, we will seek to explore the impact, opportunities and challenges in rural and community-centric tourism.

The Public Lecture is not an end in itself but it will encourage continuous engagements around rethinking tourism for the future and opportunities for sustainable and inclusive growth, by providing a platform for inclusive dialogue to identify solutions to realise rural and community-centric tourism’s potential as one of the drivers for recovery and transformation.

It will also stimulate the cooperation of government, private sector and civil society to ensure that rural and community-centric tourism is key in policy making and to support the recovery of the sector, as well as encourage academia to conduct research to inform policies, programmes, and strategies with a view to guide and inform the sector’s recovery towards a more sustainable, resilient and inclusive tourism economy.

We view this Public Lecture as a significant event on the tourism calendar because it affords the Department and sector stakeholders to engage and share ideas on critical

issues affecting tourism in the country, I am hopeful that the outcomes and recommendations of these discussions will be communicated with relevant implementers to be taken forward.

Therefore, developing the Tourism Sector Recovery Plan was a response by the sector and its constituent partners to the multiple challenges brought on by the pandemic.

The Plan acknowledges the need for targeted, coordinated action to mitigate the impacts of the crisis and sets the sector on the most optimal path to recovery, transformation and long-term sustainability.

Our country is pursuing an integrated global approach to tourism recovery as well as draw lessons from global best practices. The Plan outlines a set of interventions to ignite the recovery anchored in three strategic themes namely: protecting and rejuvenating supply, re-igniting demand and strengthening enabling capability for long term sustainability.

Government is intending to implement seven strategic interventions in order to support the revival of the sector:

- Implement norms and standards for safe operation across the tourism value chain to enable safe travel and rebuild traveller confidence;
- Stimulate domestic demand through targeted initiatives and campaigns;
- Strengthening the supply-side through resource mobilisation and investment facilitation;
- Support for the protection of core tourism infrastructure and assets;
- Execute a global marketing programme to reignite international demand;
- Tourism regional integration; and
- Review the tourism policy to provide enhanced support for sector growth and development.

A further set of key enablers have been identified namely: forming targeted, strategic partnerships between government and industry; partnering with relevant departments to ensure improved travel facilitation through the implementation of e-visas, tourist safety, airlift capacity and quicker turnaround times in the processing of tour operator licences; deployment of the vaccine to frontline workers, attainment of population immunity and participating in global efforts to facilitate safe travel; and stimulating domestic demand through government consumption expenditure.

Defining the scope of rural tourism

The scope and concept of rural tourism is viewed as a serious challenge and highly contested to an extent that there is no clear agreement to the definition of rural areas or rural tourism and a variety of meanings are always attached to the terminology.

The Location, therefore, remains the most common denominator and is the most widely applied defining characteristic in most reviews undertaken of rural tourism by scholars.

In the classic study by Lane (1994) it is argued that it be located in rural areas, be functionally rural and rural in scale in respect of being anchored upon small-scale enterprises, traditional social structures, ways of life, agrarian economies and natural settings.

The UNWTO acknowledges rural tourism as “a type of tourism activity in which the visitor’s experience is related to a wide range of products generally linked to nature-based activities, agriculture, rural lifestyle/culture, angling and sightseeing”.

Yachin (2019) maintains that rural tourism is manifested by small enterprises, who deliver tourism experiences that are rooted in local nature and culture. Important work by rural geographers suggests the need to acknowledge a rural-urban continuum and differentiate between places which are ‘remote’ (and sometimes exotic) as opposed

to 'fringe' and a group of neglected 'in between' rural spaces. Therefore, there is a need to differentiate between these different rural tourism contexts.

Challenges of rural tourism development and rural Establishments

The essential foundations for the prospects of rural tourism are issues of enhanced product and destination development in order to create well-coordinated, appealing and meaningful experiences as well as development opportunities which maximise endogenous resources or 'countryside capital'.

Entrepreneurship and rural enterprise are critical for the development of rural tourism. Typically, rural tourism firms are owned and managed by individuals who are highly involved in most aspects of the business and whose personal capital is at risk. Small tourism businesses in rural areas must be recognized as heterogeneous in character.

A number of operational issues affect the establishment and development of rural tourism businesses and that is

- accessibility issues especially in remote areas,
- the need for rural business owners to make arrangements for multiple land use
- the integration of tourism businesses into the locality,
- the question of seasonality, high costs of running a business, labour supplies, retaining authenticity by preserving rural ambience, and
- potentially of infrastructural issues with regards to insufficient electricity, water, roads, communication systems and internet connectivity.

At one level the challenges facing the development of rural tourism can be differentiated into internal and external categories.

The group of internal challenges relate to limitations of internal resources, especially of countryside capital and could encompass social and political barriers, limited quality workforce, poor planning and management resulting in an inability to capitalise local

assets, lack of marketing strategies, inadequate financial support, limited physical amenities, and absence of sustainable strategies.

The second group of external challenges relate to elements outside or apart from rural resources, such as unstable tourism demand, threats from competitors and potential conflict with external resources, such as investors outside the destination.

Rural tourism in the Global South: African perspectives

The trajectory of rural tourism development in the Global South has been markedly different to that occurring in the Global North. The literature on the Global South often is dominated by issues of the dependency relationships that challenge rural areas.

Several scholars underscore the need for the separate treatment and research issues of rural tourism in the context of the Global South. It is argued that the literature and debates about 'rural tourism' in sub-Saharan Africa underscore the problematic nature of the concept.

The South African experience exhibits a historical developmental pathway with a substantial element of domestic tourists engaging in rural tourism. While local government is recognised as an institution which is central to the success of rural tourism, there is lack of capacity at local government level to assume its responsibilities in the rural tourism space.

There is clear evidence that there is lack of appreciation of tourism's contribution to economic welfare at local government. Tourism is not prioritised in the local tourism development and planning

Lack of communication to create awareness of rural tourism projects is a further limitation that has been highlighted by empirical evidence here in KwaZulu-Natal. The situation is worsened by inept management, and politics and corruption" which permeate municipal decision-making.

Besides the local government challenges, there are difficulties of community-based tourism in relation to dearth of entrepreneurial expertise, management skills, lack of networking and poor or ill-maintained infrastructure to support local tourism development.

1.1 COVID-19 and the Demand for Rural Tourism

The COVID-19 pandemic catalysed changes in consumer demands as well as necessitated a paradigm shift for research on tourist behaviour and decision making. Demand intensified for safe spaces where social distancing is possible. The large group movement of people, and therefore the phenomenon of 'mass tourism', was severely compromised as it imposed great health risks with travellers vulnerable to health hazards and points to opportunities in alternative niche forms of tourism.

The COVID-19 pandemic has triggered a paradigm shift in the psyche of tourists which is linked to risk perceptions around safety, health and travel. One outcome has been a growth in consumer demand for open spaces and for rural destinations. Rural tourism is dominated by car travel and the pandemic clearly has accelerated the growth of auto-mobilities and of drive tourism.

The UNWTO is unequivocal that the role of tourism in rural development is more relevant than ever in the context of the COVID-19 pandemic. It argues that tourism in rural areas offers critical opportunities for recovery as with changing demands tourists look for less populated destinations as well as open-space experiences and activities.

South Africa's diverse landscapes, rich natural and cultural heritage, and traditional knowledge can lay a breeding ground for the promotion of alternative tourism within the country. The COVID-19 crisis forced a renewed attention on both the potential opportunities and challenges of different spaces for rural tourism development in South Africa and of the need for evidenced-based research to inform future policy. The

pandemic further underlines the importance of developing interventions that are targeted to the requirements of specific niches.

2. RURAL AND COMMUNITY-CENTRIC TOURISM, OPPORTUNITIES FOR RECOVERY

In the National Tourism Sector Strategy, pillar 5 which is “Broad Based Benefits” and its Outcome Statement calls for the Promotion and empowerment of previously marginalised enterprises and rural communities to ensure inclusive growth of the sector.

The strategy further states that the development and growth of the tourism industry should take place at grassroots level and not exclude poor communities. This could be unlocked by the sector working together and looking at priorities that present good growth opportunities that will ensure inclusive participation of more Black people – especially women, and young entrepreneurs.

This pillar therefore focuses on transformation, rural and township tourism development, enterprise development and investment – none of which is mutually exclusive. Improvements are required in all of these areas to strengthen the realisation and decentralisation of broad-based benefits from tourism to rural communities.

In response to this outcome and as part of recovering the tourism sector, the Department is currently planning and implementing a number of infrastructure projects aimed at uplifting rural communities and these range from community projects, maintenance of national parks and provincial tourism assets and destination enhancement initiatives which are in the main located adjacent to rural communities.

These projects are primarily funded through the Expanded Public Works Programme. However, some projects have been funded through the Presidential Employment Stimulus Programme. These projects are now at different stages of implementation.

The infrastructure projects fall into the following categories:

- Community Based Tourism Projects – the bulk of which are the development or upgrading of accommodation facilities.
- Maintenance of National Parks or Provincial Tourism Assets - this work involves maintenance, beautification and enhancement e.g. rehabilitation of terrain, landscaping, paving, painting, fencing, electrical etc.
- Destination Enhancement initiatives which include new developments, the upgrading of facilities or the implementation of universal accessibility initiatives.

The strategy continues to state that enhancing rural areas for sustainable and inclusive tourism development also ties into the broader area of enterprise development and support, and business and investment growth.

In an effort to meaningfully increase local benefits, particularly within host communities living in areas where tourism potential exists, effective business and enterprise development is required. Developing rural areas for tourism needs a clear approach and understanding of the barriers that have restricted this to date.

This should include considerations such as challenges with integrated planning, infrastructure provision, access to land, leases, and community partnership models. There is now significant experience of both successful and less successful investments involving community partnerships in rural tourism businesses. The lessons learned and critical success factors need to be well documented and communicated.

This could include the identification and provision of support to land reform projects with tourism potential as part of the strategy to promote rural and community-based tourism. This would require the grooming of a team of tourism entrepreneurs amongst neighbouring communities as opposed to the notion of community tourism which in most cases leads to infighting and subsequent abandonment of great tourism infrastructure invested in communities.

The White Paper on the Development and Promotion of Tourism in South Africa (1996) states that one of the key constraints that limit the effectiveness of the tourism industry is the “the lack of inclusive, effective national, provincial and local structures for the development, management and promotion of tourism in South Africa.” Provincial governments are responsible for promoting tourism investment opportunities, however, these are insufficient to drive the national tourism development agenda.

Therefore, a coordinated intergovernmental effort led at national level is essential in maximising the attraction of limited investments into the sector through a targeted approach.

The South African Economic Reconstruction and Recovery Plan (ERRP) highlights that, “The Challenges in the South African economy, have over time been worsened by the unsustainable levels of investment and growth.” The situation is compounded by revenue leakages that negatively affected the mobilisation of resources since the outbreak of COVID -19.

Furthermore, the ERRP states that, “Given the extent of the COVID-19 devastation, the economic response required should match or even surpass the scale of the disruption caused by the pandemic”.

The tourism sector has been adversely affected by the pandemic and is expected to play a critical role in the recovery process. The sector has the potential to contribute towards the identified priority areas, for example, the Tourism White Paper (1996), states that, “Tourism provides enormous potential to create linkages with other sectors of the economy such as agriculture, manufacturing and services.

Tourism generates demand and production in other sectors of the South African economy.” Tourism response to the ERRP is guided by the Tourism Sector Recovery Plan.

The South African Government has introduced a number of incentives to attract investors, however, some of those incentives are seen not to be applicable in the

tourism sector. For instance, in the Department's engagements with the Critical Infrastructure Programme (CIP) of the Department of Trade, Industry and Competition, to support investment in manufacturing, a demonstration of how a hotel will benefit manufacturing was deemed adequate to qualify the project for funding.

The Municipal Infrastructure Grant (MIG) administered by the Department of Cooperative Governance provides funding for infrastructure including municipal roads and airports. However, project owners or municipalities will need to demonstrate how will this support the poor. One of the challenges is that most tourism project are often not included in the integrated development plans (IDPs) of relevant municipalities, which is one of the conditions for funding.

Tourism officials also tend to limit tourism to accommodation facilities and destination marketing at the expense of support for infrastructure that is critical to the development of the sector.

The three spheres of Government need to provide conditions that are conducive for the development of key economic sectors including tourism. These are investment regulatory frameworks that includes incentives or inducements for investors thereby providing the required elements of transport and delivery infrastructure as well as skills training support or financial support/subsidy.

There has been a perception for some time that public sector marketing initiatives need to be substantially enhanced or upgraded:

Marketing should focus on a full range of attractions available in the country and the region, rather than narrowly on South Africa's game parks. The Tourism Investment Mobilisation Strategy argues that to date, there has been a weak image of South Africa and the region as a tourism destination capable of satisfying the requirements of an extensive range of tourist market segments. A view that remains valid after almost two decades.

Some investors have also indicated that Government often issue licences for the building of new hotels and resorts without any supporting evidence that a destination

can sustain those additional products. One investor indicated that in this instance, the country would need to reduce supply or intensify its marketing efforts.

Local investors have also indicated that some municipalities require traffic studies before issuing a permission for a hotel, even though, municipalities themselves should have the demand scenarios that will guide development within their jurisdiction.

A tourism development process that does not result in benefit gains (in terms of community economic empowerment) is unlikely to be sustainable in South Africa:

Strategically it is important to change the perception that the tourism industry offers nothing for the poorer sections of the community.

There are numerous programmes implemented by different spheres of government to empower communities to take advantage of opportunities presented by the tourism sector. However, these might be inadequate with local municipalities expected to play an even more prominent role in exposing local residents to opportunities across the tourism value chain, which include businesses that are not touristic in nature but supply the sector with different products and services.

Communities and developers often need to navigate regulations that relate to the environment (national Environmental Management Act), water use (Water Use Licence Act), land use (Spatial Development and Land Use Management Act), agricultural land (Sub-Division of Agricultural Land Act). The InvestSA One Stop Shop has centralised the applications for the regulations from these Acts of Parliament, however, the impact has not been felt in underdeveloped areas with high tourism potential.

In conclusion

Responsible tourism is of importance to the tourism sector as we re-think and re-build the tourism sector in the wake of the adverse impacts of the COVID-19 pandemic. The community-based tourism programme was designed to be a catalyst in realising the

mandate of tourism transformation, fostering much needed change in the tourism sector and recalibrating the balance of power between marginalized communities and established business.

The role of communities in South Africa is strongly emphasised in a series of national policies and instruments that were established over the past two decades. The National Tourism Sector Strategy identifies community beneficiation as a tool that can help alleviate poverty and create jobs.

The strategy also highlights that the growth of tourism has not yielded genuine benefits for communities due to a number of challenges that negatively impacted on sustainable tourism development in communities.

The 1996 White Paper on the Development and Promotion of Tourism in South Africa stressed that communities were expected to play a vital role in tourism development. This ground-breaking policy called on communities to identify potential tourism resources and attractions, to use them as a basis for exploring tourism development opportunities, and seek partnership opportunities with the private sector, while supporting and promoting responsible tourism and sustainable development.

Let me once again express my heartfelt appreciation to the University of KwaZulu Natal and all academics involved especially the Deputy Vice-Chancellor Prof. Mosa Moshabela, Prof. Urmilla Bob and Dr Julia Giddy for the sterling work, you are doing with the Department for the people of this country.

I thank you all