

FOR USE IN THE LIBRARY ONLY

**THE SUSTAINABILITY OF THE TOURISM SECTOR IN
ECONOMIC DEVELOPMENT: A COMPARATIVE CASE STUDY
OF KENYA AND SOUTH AFRICA, 1980-2002.**

BY KUSA VELMA.

**A PROJECT PRESENTED IN FULFILLMENT OF THE
REQUIREMENTS OF THE AWARD OF MASTER OF ARTS
DEGREE IN DIPLOMACY AND INTERNATIONAL STUDIES.**

JANUARY 2005.

**UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION**

University of NAIROBI Library



0444834 6

DECLARATION

This project is my original work and has not been submitted for award of degree in any other university.

Velma Kusa

14/1/05

Velma Kusa

Date

This project has been submitted for examination with my approval as the university

Supervisor.

Mr. Mudida Robert

14/1/05

Mr. Mudida Robert

Date

DEDICATION

TO DAD, one great accountant ‘ you must do a masters degree’ those were your last words to me, its because you saw in me the potential to do this. I embarked on this endeavor when still in deep pain over your demise but your words of inspiration provided the strength to go on when the going was tough.

TO MUM, one great teacher, without your support, encouragement, and your great sacrifices towards my education, this dream could not be a reality; you are indeed the **WORLDS GREATEST**.

TO BOTH, this is your precious moment!

ACKNOWLEDGEMENTS.

My foremost thanks goes to the Gandhi Smarak Nidhi Fund for awarding me the scholarship that enabled me to pursue this degree, without your support, this endeavor could have been just a dream, you made it a reality.

Thanks to my supervisor Mr. Mudida Robert for your guidance in this worthy endeavor, your dedicated advice and thoughtful guidance throughout the study period was very helpful. You read all drafts of this project and made constructive criticism. I am grateful to your invaluable comments during the initial stages of this study.

This also goes to my Uncle Eng. Weche Okubo, without your financial support and sacrifices, this could not have been possible. You made my burden lighter, May God bless you and your family abundantly.

I extend my thanks to my brothers: Frank, Oliver and Victor and sisters: Caroline and Nancy for their continued support. It is also my belief that this work will motivate the young ones Oliver, Victor, Faith, my nephew Meshack, niece Wilkister and my unborn children.

My thanks to all my classmates, the great men and women of the MA2002, (happy slaves!) for all the support and encouragement that they provided throughout the course. Kudos to you!

It will be a mistake not to mention one dear friend, Miss Nancy Wanjiku Gichanga, you were there for me at all times, you encouraged me during hard times and tickled my sides when academics made me sad and gloomy, thanks kavindu and lets keep the smiles alive.

To a special friend and confidant Mr. Mwambu Malamba for your patience, assistance and understanding that enabled me accomplish my dream, may God bless you abundantly.

Above all, am really indebted to the almighty God who gave me the life and the strength to pursue this endeavor.

ABBREVIATIONS AND ACROYNYS.

CBS	Central Bureau of Statistics.
CITES	Convention on International Trade in Endangered Species.
CRS	Computer Reservation Systems.
CWS	Community Wildlife Services.
COBRA	Conservation of Biodiversity Resource Areas Project.
DEAT	Department of Environmental Affairs and Tourism
EAC	East African Community
EIA	Environmental Impact Assessment Studies
EATTA	East African Tourist Travel Association
GATS	General Agreement on Trade and services.
GOK-	Government of Kenya
GDP	Gross Domestic Product
GDS	Global Distribution Systems
ICC	International Convention Centre.
ITB	International Tourism Board.
ITTT	Interim Tourism Task Team.
JICA	Japanese International Cooperation Agency.
KATO	Kenya Association Of Tour operators.
KITE	International Tourism Exhibition.
KTDC	Kenya Tourist Development Corporation.
KTB	Kenya Tourism Board.

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

KUC	Kenya Utalii College.
KTF	Kenya Tourism Federation.
NEAP	National Environmental Action Plan.
NGOs	Non-Governmental Organizations.
RETOSA	Regional Tourism Organization of Southern Africa.
RDP	The Reconstruction and Development Programme.
USAID	United States Agency for International Development.
SAPs	Structural Adjustment Programmes.
SADC	Southern African Development Community.
SATOUR	South African Tourism Board.
SMME's	Small and Micro- Medium Enterprises.
TTC	Tourism and Transport Consult International.
UNCTAD	United Nations Commission on Trade and Development
VAT	Value Added Tax.
WTTC	World Travel and Tourism Council.
WTO	World Tourism Organization.

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

Definition of Key Concepts.

An internationally agreed upon definition of tourism has been elusive for a long time. Recently, however, the United Nations and World Tourism Organization (WTO)¹ has adopted the following definition of **Tourism**:

“... The activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes” (UNCTAD 2000)²

The World Tourism Organization defines **Sustainable Tourism** as: “Tourism development, management and any other tourism activity, which optimizes the economic and other societal benefits available in the present without jeopardizing the potential for similar benefits in the future.³ In this regard any tourism activity should be aimed at the preservation of the current tourism attractions so that the revenues that are presently accrued from the tourism product and increase and not deteriorate over time due to over exploitation”.

Responsible tourism refers to tourism that promotes responsibility to the environment through its sustainable use; responsibility to involve local communities in the tourism industry; responsibility for the safety and security of visitors and responsible government, employees, employers, unions and local communities.⁴

¹ World Tourism Organization: Tourism Highlights 2000. 2nd edition, (Washington DC: August 2000.) Pp.12-14.

² UNCTAD “Proposals Submitted by WTO member States on Transport Services during the Preparatory Process for the 3rd WTO Ministerial Conference WT/GC/W/372. (1999).

³ World Tourism Organization. Tourism Highlights, op.cit.

⁴ World Tourism Organization, Ibid.

LIST OF TABLES

1. Kenyan Sectoral shares in real GDP as a % 1980-2002.
2. South African Sectoral shares in real GDP as a %1992-2002
3. Kenyan International tourists arrivals by purpose of visit, 1980-2002.
4. Kenya's indicators of the tourism performance, 1980-2002.
5. Projected Kenyan tourist arrivals, 2004-2010.
6. South Africa international tourist arrivals by purpose of visit, 1980-2002.
7. South African tourism performance, 1980-2002.
8. A comparison of Kenya and South Africa sectoral shares in real GDP as a % 1998-2002.
9. Comparison of the tourists' arrivals and earnings in Kenya and South Africa.
10. Comparative analysis of the relative competitiveness and appeal of Kenya and South Africa.

LIST OF FIGURES.

1. Direct Foreign Investment in South Africa, 2002.
2. Tourist accommodation establishments in South Africa.
3. Tourists' markets in Kenya.
4. Tourists' markets in South Africa.
5. Levels of citizen participation in Community based tourism.
6. Community Based tourism- A conceptual Framework.

LIST OF GRAPHS.

1. Comparison of hotel bed nights in Kenya and South Africa, 1980-2002.
2. Hotel occupancy rates in Kenya and South Africa 1980-2002.

TABLE OF CONTENTS.

CHAPTER ONE

	Page
1.1 Introduction	1
1.2 Overview of the Kenyan and south African tourism sectors	3
1.3 Problem statement	10
1.4 Literature review	11
1.5 Justification	30
1.6 Objectives	31
1.7 Theoretical statement	32
1.8 Hypotheses	36
1.9 Methodology	36.

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

CHAPTER TWO: KENYA'S TOURISM POLICY FRAMEWORK SINCE INDEPENDENCE AND THE EMERGING POLICY CONCERNS.

2.1 Introduction	38
2.2 Tourism development and challenges in Kenya	39
2.3 Review of the tourism policies in Kenya	41
2.4 A critique of Kenya's tourism policies sine independence	84
2.5 Emerging policy concerns	92
2.6 Summary	94

CHAPTER THREE: THE DEVELOPMENT AND PROMOTION OF TOURISM IN SOUTH AFRICA-RESPONSIBLE TOURISM POLICY GUIDELINES.

3.1 Introduction	96
3.2 Responsible tourism in South Africa	97
3.3 Vision, objectives and principles of the tourism sector in South Africa	100
3.4 Igniting the engine for tourism growth-tourism policy issues	102
3.5 Summary	136

CHAPTER FOUR: A CRITICAL COMPARATIVE STUDY.

4.1 Introduction	137
4.2 Comparison of Kenya and South Africa's approach to tourism policy issues	137
4.3 Tourism markets in Kenya and South Africa	138
4.4 Kenya and south Africa-Comparative analysis of sectors shares of real GDP %	141
4.5 Kenya-South Africa comparison of tourist arrivals and earnings	142
4.6 Kenya-South Africa comparative analyses of hotel bed nights and occupancy rates	144
4.7 Kenya-South Africa comparative analysis of tourism attractions	147
4.8 Kenya- South Africa comparative analysis of policy issues	149
4.9 Kenya-South Africa-Relative competitiveness and appeal	152

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS FOR THE KENYAN TOURISM SECTOR.

5.1 Conclusion	157
5.2 Recommendations	162
5.3 Emerging policy concerns	186
Appendix	189

ABSTRACT.

Developing countries usually attach importance to the development of the tourism industry because it is wrongly or rightly often regarded to as “The passport to Economic Development”. In this regard, the South African government has engaged in a number of strategies and programmes that aim to stimulate sustainable economic growth based on tourism development. A number of these programmes are related to developing tourism in natural, rural areas, and addressing the state’s priorities in reducing poverty and promoting opportunities for the historically disadvantaged. In addition to land-oriented programmes, South Africa also has a number of educational and business related programmes strategies that aim to improve the capacity of the country to capitalize on tourism opportunities through joint ventures policies that are government led, private sector driven and the involvement of the local people in tourism development in South Africa.

Kenya, like South Africa regards tourism as an important and integral aspect of its development strategies due to the benefits that arise from tourism. For this reason recognition is gradually being given to the urgency of developing tourism in an integrated manner that sustains its resources for perpetual use, economic gain and helps conserve and not deteriorate natural areas and cultural heritage. This is to ensure that the Kenyan tourism industry can effectively compete with its South African counterpart.

The fundamental approach to tourism development in South Africa unlike in Kenya, seeks to involve stakeholders in knowledge exploitation and technology transfer, embracing tourism product development, promoting community-based tourism with emphasis on capacity building, promoting domestic regional and intra-regional tourism and the fostering of tourism research and consultancy.

The study involves a comparative analysis that provides the basis for policy shifts in the Kenyan industry. This is because it is difficult to make a definite assessment of tourism given that Kenya’s sectoral planning for tourism is weak in marked contrast to its good

negotiating ability and its high strategic ambitions, hence a rational evaluation of a tourism strategy is necessary, based on the knowledge of the goal it is intended to further and alternative ways of furthering them from other countries. This, coupled with increased concern for environmental protection, following the adoption of agenda 21 for the Travel and Tourism Industry, has led to the need for revision and harmonization of existing policies upon which further development and diversification of the tourism sector of Kenya may be based.

A key element brought about by the need to improve the Kenyan sector is the introduction of the Tourism Trust Fund, a joint venture between the government and the European Union, which accounts for the bulk of visitors to the country. The study concludes by suggesting the policy shifts that Kenyan sector borrow from the South African sector in order to beat the South African competition and suggestions on the review of the national policy on the industry through consultative policy with the stakeholders to make the sector as competitive and successful as the sector in South Africa.

CHAPTER ONE.

1.1 INTRODUCTION.

Tourism is regarded an important sector in the development of both Kenya and South Africa because of its role in creating employment, alleviation of poverty, earning of foreign exchange among other benefits. Currently the sector ~~and~~ is ranked third, in both countries and contributes over half of each country's GDP. As such both countries have been on the forefront in the African continent in attempts to gain as much as possible from the industry and be the leading tourist destination in Africa. They are thus looking for ways of achieving this ambition, especially given that they share almost similar tourist products and hence the stiff competition between them.

Any assessment of the role of tourism should be eclectic and each country case should be considered separately because the balance of advantage is greatly dependent upon the policies pursued with regard to a particular form of hotel and tourist development¹ and hence the need to have this comparative study of the Kenyan and the South African tourism sectors.

Tourism, like entertainment, sells an experience, "...its a way for people to enjoy their free time".² The travel industry is often treated as part of tourism because of its role in facilitating the movement of tourists. From a broad perspective, there are two types of tourism: mass tourism and 'alternative' tourism. High-volume or mass tourism emphasizes "... large corporations, unfettered free markets, high-density development, short-term profits, and the like"³ and is therefore widely perceived as unsustainable in the

¹ D.G. Reid, Ecotourism Development in Eastern and Southern Africa. (London: Weaver press, 1999) p.44-48.

² The East African Standard. (Nairobi, The Standard limited: 1999) January 10, pp.23-24.

³ D.G.Reid, Op.cit.

long term. However, the increasing environmental and social awareness of tourists is gradually forcing mass tourism to adopt sustainable practice.

“Alternative tourism”, on the other hand, is locally controlled, small-scale, and associated with consumption of more local goods and greater local participation. Alternative tourism is associated and at times considered synonymous with ecotourism and sustainable tourism, as it is viewed as being largely sustainable. Even alternative tourism could become unsustainable, however, when “... penetration into host society is too intrusive, or when the local elite monopolizes the destination’s tourism industry”⁴.

There are also other levels of tourism, “In bound or International tourism” involving visitors from other countries traveling to and holidaying in the host country where there is need for consumers to cross the national borders in order to satisfy their demand.

There is also the “Internal /Domestic tourism” which involves residents traveling outside their normal domicile to other areas within their home country. Invariably, domestic tourism is a substitute for foreign travel, so it saves foreign currency for the country of residence of the domestic tourist and reduces income for the countries that would have been visited.⁵

There is ongoing debate on whether or not tourism is an industry. Smith⁶ reviews this debate and presents a convincing case why tourism should be considered as an industry. He shows that tourism has a generic product and a production process, the prerequisites for an activity to be considered an industry. Consequently, we consider tourism as an

⁴ D.B. Weaver, “Magnitude of Ecotourism in Costa Rica and Kenya.” *Annals of Tourism Research* 26(4): (London: 1999) pp.792–816.

⁵ Weaver, *Ibid.*

⁶ S.L.J. Smith, “The Tourism Product.” TTC (Tourism and Transport Consult International). “Impact of Tourism on the Economy of Kenya.” The EDF Kenya Tourism Development Project, (Kenya: East African Educational Publishers: 1998) *Annals of Tourism Research*, 21(3): pp.582–595.

industry as well as an economic sector: "...the constellation of businesses, public agencies, and non-profit organizations that create products to facilitate travel and activity for people away from their home environment"

1.2. OVERVIEW OF THE KENYAN AND SOUTH AFRICAN TOURISM SECTORS.

1.2.1 KENYA.

It is becoming increasingly evident in Kenya that the successful development of the tourism sector of the economy has an important impact on the overall rates of economic growth. Once a vibrant industry, tourism in Kenya has floundered over the last 10 years as a result of a combination of government action and inaction, poor strategies, short sighted rivalry among major players, lack of regulation and promotion, as such a new and determined focus by industry leaders is required to turn this trend around.⁷

Foreign exchange earnings from tourism increased considerably from 393.1 Kenyan pounds in 1980 to 1790 million pounds in 1998 and to Kenyan pounds 21734 million in 2002, a nominal average growth of 8.4% per annum. This represented 1103% growth. There was an increase in tourist arrivals in the subsequent years with international tourist arrivals hitting the 1,002.3('000) mark in 2002, thereby earning the country K21734 billion.⁸ This growth was based on trends in various tourism indicators for example, tourism arrivals which rose from its early beginnings of 393.1 in 1980 to 540.6 in 1985, 814.4 in 1990 to 764,000, in 1997 to 1,160,000 in 2001, and 1002.3 million pounds in 2002, an arrival average growth of 11% per annum while bed occupancy rose at an average annual rate of about 6% per annum over the same period.⁹

⁷ Institute of Economic Affairs, Our problems. Our solutions-An Economic and Public Policy Agenda for Kenya, 2000, pp. 113-114.

⁸ Economic Survey, 2002 (Nairobi: Government printers, 2002) p.16-20

⁹ Economic Survey, Ibid.

However, there has been a decline in international tourism due to the 1997, ethnic that violence swept through Mombassa, which attracts 60% of the country's tourism leading o travel bans to Kenya. In addition, the deterioration of the road aggravated by the El Nino rains in 1997 and the terrorist bombing of the American Embassy in Nairobi in August 1998¹⁰, the uncertainty associated with the elections euphoria, bad publicity and marketing among others. The performance in 1991, 1992, 1993, 1994, and 1997 was not successful. This was partly due to the World recession of 1993 especially in the main tourist generating markets in Europe, the Gulf crisis and the appreciation of the Kenyan shilling, which made Kenya an expensive tourist destination, compared to her competitors.¹¹

1.2.2 SECTORAL SHARES OF REAL GDP%1980-2002

Table 1

Year	1980-89	1990-95	1996-2002
Agriculture	29.8	26.22	21.94
Manufacturing	12.8	13.6	15.57
Tourism	11.5	12.04	12.49

Source: Development Plans-various issues.¹²

The service sector (including the public sector) contributes over half of Kenya's GDP and well over two thirds of the total modern wage employment. It also provides support to other sectors especially in manufacturing. Tourism's contribution to GDP has remained high between from 1980-2002 with a growth rate of 5.09% over the same period¹³ (Table

¹⁰ Daily Nation, October 25th 1997,p.3, November 28th, 2002,p.6. (Nairobi: Nation Media Group publications)

¹¹ Economic Survey, 1998 (Nairobi, Government Printers: 1998) p. 9.

¹² Government of Kenya, Development Plans-Variou issues. (Nairobi: Government printer)

¹³ Economic Survey, 2001 (Nairobi: Government Printer: 2001), pp.24-25.

1). It provides direct employment to about 140,000 people and to 280,000 people in directly¹⁴. This accounts for about 12% of the total workforce outside agriculture and is capable of absorbing well over 25%. Recent WTO statistics ranked Kenya in the sixth position in Africa in terms of tourist arrivals after Morocco, Tunisia, South Africa, Algeria and Zimbabwe. Her major tourist assets are excellent wild life resources, magnificent scenery, delightful beaches, admirable climate, historical and cultural attractions.¹⁵

Another important aspect of tourism development in Kenya is ecotourism, the balancing of the need of tourists and the preservation of the natural environment. This is because tourists are showing increasing demand for environmentally respectful destinations. In this connection development of community-based tourism projects away from the traditional tourism circuit areas continue to be supported through various entities for example, the Kenya wildlife Society.¹⁶

However, tourism brings with it economic impacts which are perceived by the locals as harmful due to their cultural traits because of being environmentally unfriendly.¹⁷ Since Kenya is totally committed to the ideas of environmental conservation as stipulated at the 1995 United Nations Conference on the environment, the development of tourism should be properly harmonized to ensure a high degree of satisfaction to different types of tourists while preserving our natural resources and promoting the aesthetic beauty of the country.

¹⁴ International Labor Organization (London: 2000) p.123.

¹⁵ World Tourism Organization, Tourism Highlights, 2nd edition (Washington DC: 2000) pp.56-62.

¹⁶ Kenya Wildlife Society (Nairobi, Government printer: 1999) p.35, see also the Kenya Tourism Policy Framework, (Nairobi, Tourism Trust Fund: 2003) p. 25.

¹⁷ R. Naronha, Social and Cultural Dimensions of Tourism. World Bank Staff Working Paper No 326, (Washington DC: The World Bank 1999) p.106.

In Kenya, and in line with the 2020 vision contained in the first phases of Sessional Paper No 2 of 2000¹⁸ on “Industrial Transformation to the year 2020,” a sustained flow of tourists will contribute and support industrial development through generation of foreign exchange, creation of income earning opportunities, expansion of markets for industrial goods, induced investments in supporting infrastructure and related services and development of local entrepreneurship.

1.2.3 SOUTH AFRICA.

It is clear that the end of apartheid, and the re-entry of South Africa into the global market, has shaped the policies and programmes that are now seen. Policy makers have two primary goals: to promote the country itself on the global stage and encourage investment and trade private sector investment in tourism, and increased interaction between the private sector and communities.¹⁹

A major initiative to reopen the ‘new South Africa’ for international tourism business has resulted in vastly increased numbers of foreign visitors - over six million annually in the early years of the 21st century. The state has placed tourism at the center of economic development strategies, and enthusiasm for ‘community tourism’ is of paramount importance.²⁰

Tourism in 2000 accounted for more than R 130 billion in foreign exchange. As a percentage of total earnings, GDP contribution to tourism, both domestic and international amounted to 5% against a world’s average of 10%. Between 1995 and 1994, there was 67% growth in the hotel bed nights²¹. The country’s scenic beauty and the political change and wildlife were the main attractions. However North America and

¹⁸ Sessional Paper No 2, (Nairobi, Government printer: 2000) p.13.

¹⁹ South Africa Reserve Bank Quarterly Bulletin, 2001, p. 45.

²⁰ South Africa Tourism Board, 2001, p.28.

²¹ South Africa Bank Quarterly Bulletin, 2001, p.80.

Europe's markets share increased at the expense of all other continents especially Asia.²². The World Travel and Tourism Council has valued the South Africa tourism sector at more than R60 million with growth in revenues from internal and foreign tourists expected to average 10% a year.²³

Overseas visitors in 2000 increased by 2.7% to 1.53 million. Air arrivals from all sources including Africa more closely reflected 'real' foreign tourists-1.8million (up by 3.6%)incoming and internal air services (the later mainly South Africa air ways and British air ways) are top quality and reliable though the hospitality industry is demanding many more seats for tourism.

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

South Africa offers visitors and investors long list of advantages, it is the ecotourism destination of choice. Foreign investment in eco-tourism is climbing sharply with more Europeans and Americans buying into private game ventures and associated activities. Investment has mainly been around the Kruger and other national parks in the Western Cape and in the Karoo hinterland of the port Elizabeth where farmers have teamed up to develop game farms²⁴.

The tourism sector is the fourth largest generator of foreign exchange in South Africa and lies third, after manufacturing (24.4%) and mining and quarrying (8.6%), in its contribution to the economy at 8.2%. Although South Africa attracted just 0.9% of the total world tourism arrivals internationally in 1998 (ranking it 25th in the world as a tourism destination), it represents the economic sector of most significant growth in the country²⁵

²² South Africa's Central Statistical Service. 1999,pp.56-58.

²³ South Africa Tourism Board, Op.cit. p.89.

²⁴ South African Tourism Board Op.cit

²⁵ Department of Environmental Affairs and Tourism 'Tourism Fact Sheet', Department of Environmental Affairs and Tourism, Pretoria (Www.environment.gov.za/, tourism/ factsheet99/index.html, August: 1999.).

1.2.4 SECTORAL SHARES OF REAL GDP%

Table 2

Sector	1992-1997	1998-02
Agriculture	25.5	24.4
Mining	12.0	10.3
Tourism	13.9	14.8

Source: South Africa Tourism Board 2002²⁶

Tourism plays crucial role in its contribution to GDP and thus an important sector in economic development over the period from 1992-2002. The statistics shown in the above table are much higher than the Kenyan statistics over the same period, showing the need for further developments in the Kenyan sector to effectively compete and match these statistics.

In 2000, South Africa received 5.8 million visitors, of which 1.9 million were from overseas. Around 67% of the South African tourism industry can be attributed to domestic tourism, contributing R16 billion of the R24 billion generated from the combined domestic and foreign tourism spend²⁷. Between April 2000 and May 2001, an estimated 34 million domestic trips were taken, during which 10.9 million people spent R4.5 billion.²⁸

²⁶ South African Tourism Board. Op. cit

²⁷ South Africa Tourism 'New Survey unlocks true value of Domestic Tourism'. (South African Tourism Media Release, Sandton, 18 September 2001, <http://satour.com/media/releases/messages/77.html>, last updated, 12 January 2002).

²⁸ South Africa Tourism 'South Africa Domestic Travel and Tourism Survey) April-May 2001'. [www.environment.gov.za/Documents/Audiovisual/DomesticTravel Tourism Survey](http://www.environment.gov.za/Documents/Audiovisual/DomesticTravel%20Tourism%20Survey) last updated, 12 January 2002).

The vision of the government's Department of Environmental Affairs and Tourism (DEAT) is to manage tourism in the interests of sustainable development in such a way that it improves the quality of life of all South Africans. DEAT's approach to achieving this combines integrating tourism growth with sound environmental management, while linking job creation, rural development and poverty alleviation. The potential for tourism is to generate foreign exchange and create export markets while providing opportunities for linkages across industry and the government needs to perceive the roles and responsibilities of different stakeholders in relation to tourism development. The private sector is in a position to promote the involvement of local communities in tourism ventures by establishing partnership tourism ventures with them.²⁹ Through such a voluntary system, enterprises are likely to achieve market advantage over their competitors by being demonstrably 'responsible', and increasing profits by decreasing overheads.

The key to South Africa's survival is to become part of a Regional Tourism Organization of Southern Africa (RETOSA) whose members are the SADC states of Angola, Botswana, Lesotho, South Africa, Swaziland, Mauritius and Mozambique. This is because a regional market will open up investments opportunities in the neighboring states. The WTO believes that the most important new source markets for tourists for the period upto 2010 will be from the developing nations. This will be most marked in respect of the newly industrializing economies of the East and Southern Asia, South America, Middle East and Africa.³⁰ To this end the WTO has identified individual tourist generating countries that will outperform others. China, Japan, Pakistan, Saudi Arabia, Kuwait, Latin American countries and South Africa have been singled out.³¹

²⁹ Department of Environmental Affairs and Tourism, 'The National State of the Environment Report'. Department of Environmental Affairs and Tourism, Pretoria, (www.ngo.grida.no/soesa/nsoer last updated February 2002).

³⁰ South Africa Central Statistical Service. Ibid.

³¹ South Africa-The Journal of Trade, Industry and Investment Vol 2, issue No 34,1999,pp.45-48.

From an overview of the sector in both countries, the South African industry is way above the Kenyan, in terms of earnings, contribution to GDP, employment, policy orientation and developments since independence and the potential growth targets of both sectors. The two countries face almost similar constraints to the sectors' development and sustainability, such as insecurity, HIV/AIDS, policy unsustainability, terrorism threats among others. However, tourists still consider South Africa as favorite destination to Kenya.

1.3 PROBLEM STATEMENT.

Kenya has been a force to reckon with in the African tourism industry. In Sub-Saharan Africa, it is arguably the most developed tourist destination. However this prime position has now been usurped by South Africa, with Kenya in the second position. Kenya might have maintained its position ahead of post-Apartheid South Africa had certain factors been taken into account. Little effort has been made towards aligning tourism to global developments and, as a result, Kenya's tourism industry began to experience a downturn in the 1990s.

Tourism development remains a haphazard undertaking with no clear guidelines or regulations. Kenya's plight has further been compounded by over-reliance on international tourists, undeveloped ecotourism, recent terrorists activities resulting in travel advisories and even travel bans. The main problem is not only making Kenya a secure destination, but also how to respond to potential bad publicity. South Africa and Egypt are potentially more insecure than Kenya, yet their tourism industries remain vibrant.

Kenya also relies on single tourist markets, which makes the industry very vulnerable. In the United Kingdom, the domestic market turnover exceeds the international market. South Africa is now emulating this approach to tourism development and the domestic market has grown considerably. The development of domestic and regional tourism

markets should be enhanced in Kenya because a country must have a culture of domestic tourism as a basis for international tourism.

The problems afflicting the Kenyan tourism sector boil down to two major issues that need attention, first is the consistent reluctance or inability of the industry to maintain strategic direction in the face of apparently endless and uncontrollable chain of external events, and secondly, a consistent lack of serious attention by the government to addressing the well known and often repeated problems of security, infrastructure and negative publicity³². As result, the increasing competition for the attention of the holidaymakers on the continent is capitalizing on the Kenyan shortcomings.

The Kenyan tourism sector cannot be compared to its South African counterpart that is flourishing under the same global situations despite the high insecurity levels. The Kenyan tourism sector should strive to implement the research findings on policy issues to match the dynamism of the industry globally. Of great importance is also the need to incorporate policies aimed at introduction of sustainable community development projects, private sector involvement, develop good marketing strategies for the industry, development of both the formal and the informal sectors in tourism development, promotion of domestic tourism. South Africa has incorporated the above in its tourism policies with considerable success; Kenya should also strive to achieve the same.

It is thus the purpose of this study to question and possibly answer this question “to which extent has the policies that have been passed and redefined improved or impaired the status of the prolific tourism sector”?

1.4 LITERATURE REVIEW.

The literature review is divided into two, the first part dealing with the Kenyan tourism sector while the second will analyze the South African tourism sector.

³² Institute of Economic Affairs, Op.cit.

1.4.1. THE KENYAN TOURISM SECTOR.

As a guide to the analysis of this section, the literature review will be analyzed under the following themes:

- a.) The role of tourism in the Kenyan economy.
- b.) The economic, social and cultural impacts tourism to the Kenyan economy.
- c.) Policies for planning and regional development.
- d.) The Marketing of domestic and international tourism.

✶ a.) The role of Tourism in the Kenyan economy.

Mitchell³³ investigated the costs and the benefits of tourism in Kenya. He noted that tourism is able to generate multiplier effects which results from the fact that incomes earned from the initial tourism expenditure will be respent partly on the domestic factors of production and those receipts will be respent in turn in a particular region. He also notes that many tourism investments are not specific to tourism and could be used for alternative purposes e.g. roads and airports and also support other economic activities.

Ouma³⁴ analyzed the role of infrastructure in promotion of tourism and argued that during 1890-1938, tourists found the sea journey to East Africa too long and expensive and the attractions were undeveloped and there were no transport and accommodation facilities. The great depression of the 1930s prevented a further expansion of tourism from Europe and North America but tourism was limited to the white settlers of the Kenya highlands to coastal places for example, Malindi.

In 1938 there was an attempt to promote tourism by forming the East Africa publicity association, but the second world war never gave it a chance to gain momentum as observed further by Ouma. In 1948 the East Africa publicity association was recognized

³³ F.H. Mitchell, Costs and Benefits of Tourism in Kenya. A paper presented for the Tourism Development Corporation, (Nairobi: 1996).

³⁴ P.B.M Ouma, Evolution of Tourism in East Africa, (Kenya Litho: 1970).

thereby changing its name to East Africa Tours and Travel Association and it attracted the Britons, continental Europeans, Americas and the South African. It however dissolved itself in November 1965.

Soon after independence, the Kenyan government realized the potential of the tourism industry and upgraded the infrastructure and encouraged the local and foreign entrepreneurs to invest in the tourism and hospitality industries. The Kenya tourism attractions included the sun, sand and safari. However despite this, the tourism industry has not been able to achieve its optimal performance, this is attributed to its continued reliance on the traditional tourist attractions.

Wakawiti³⁵ posited that tourism in Kenya helps in economic growth and contributes 11.8% to the country's GDP. It is a reliable revenue source for the central government and certain local authorities. Revenue is generated through the customs and excise duty, VAT on tourism services, license fees, entry fees and income tax levied on employees in the tourism industry. The revenues play a vital role in the overall development of the country. Tourism is labor intensive and generates employment opportunities at semi skilled, technical and managerial levels. The tourism sector currently employs approximately over 140,000 people directly and 280,000 people indirectly, representing approximately 11% of the total work force in the country³⁶. He argued that tourism is also a major promoter of international good will and understanding and contributes positively to nurturing and exploitation of cultural heritage of the nations for example, the Maasai culture.³⁷

³⁵ B.C Wakawiti, Factors that Affect the Demand for Domestic Tourism among Professionals in Nairobi: An Application of the AIDA model. (Nairobi: 2000).

³⁶ Economic Survey (Nairobi, Government printer: 2000) pp.45-47.

³⁷ B.C Wakawiti, Op.cit.

b.) The Economic Impact of Tourism on the Kenyan economy.

Mitchell, in his subsequent study³⁸, assessed the economic impact of tourism in Africa. He concluded that there were certain benefits gained from tourism for example, increase in revenue, foreign exchange, employment, increases trade due to demand for goods and services through redistribution of wages and urbanization which results in increase in domestic tourism activities and therefore increase in income. He however cautioned on over dependence on the industry because of its unstable nature, which has some adverse economic and non-economic consequences. He suggested a number of strategies for example, integrated planning and an increase in the government's role in the industry, sound management of tourism activities to reduce leakages, which minimizes the overall benefits.

Britton³⁹ identified the economic impact of tourism and noted that it encouraged extension of international transport and communication networks and the upgrading and expansion of local infrastructure. This has not however been the case in Kenya, especially with the infrastructure that has continued to deteriorate over the years.

Milne⁴⁰ in his study identified both the negative and the positive impacts of tourism but asserted that it is the way in which tourism is managed that determines the degree to which the impacts are negative or positive, and noted that this is a challenge to the national governments. He further noted that ownership dominated by foreigners lead to minimal local participation, generated less income and few linkages thereby reducing economic activity and income generation. This was attributed to historical influences which have allowed foreign firms to gain an advantage within the industry, influences

³⁸ F.H. Mitchell, The Economic Value of Tourism (Los Angeles California: 1982).

³⁹ S. Britton, Tourism and Underdevelopment. (Japan United Publishers Services: 1983).

⁴⁰ S. Milne, The Impact of Tourism Development in Developing States. (An Overview in the New Zealand Journal of Geography, Vol 89:1990). Pp.67-72.

associated with the incorporation of the local industry into the international tourism network (especially with the growth of the package tourism), a unequal access to development finance.

The study reveals the need to consider not only the economic impact of tourism when planning for the industry but also the way in which local people can participate in and receive benefits from the continued development of tourism. There is need to let the local people have access to finance, discourage package tours and big hotel accommodation and embark on nationalization campaigns a to enable the local peoples participation and gain from tourism. Milne concludes that if tourism is well managed and local participation encouraged, greater benefits could be realized and the government in this regard has to play a limited role in the industry for it to have direction, this is yet to be done in Kenya.

Othoche⁴¹ tried to establish the economic impact of international tourism on the countrys' economy realizing that international tourism has grown over the years even in developing countries and came up with suggestions for appropriate policies. He posited that more developing countries are fully aware of the potential benefits to be derived from tourism and most of them with suitable tourism resources are on the way of exploiting them as a major catalyst for economic and social development. He further noted that tourism has been widely accepted as a vehicle for economic development and therefore strategies and policies have been laid down to promote its growth. The Kenya development plan (1997-2001)⁴² recognized that a statistical flow of tourism would contribute to the industry's development through foreign exchange, expansion of markets and development of infrastructure

⁴¹ B.A. Othoche, The Economic Impact of International Tourism on the Kenyan Economy: A Case Study of the Lake Victoria region. (Nairobi: 1997).

⁴² Kenya Development Plan. 1997-2001(Nairobi, Government printer: 1997).

c.) Policies for Planning and Regional development.

Ogolla⁴³ in his study called for the importance of formulating policies for regional tourism development that sets broad and specific tourism objectives and assess the regional tourism potential before actual development is undertaken. He noted that a functional tourism system consisting of the demand (market) rate and supply (plant) side components which are interrelated in a dynamic way is important. Thus in the development of tourism, consideration should be given to the quality and quantity of services. This system requires identification and planning and management of physical developments and programs that provide visitor satisfaction in tourist attractions and the forms of tourism development in the region.

Bauchmann⁴⁴ argued that tourism in Kenya was restricted to a number of adventures until the Second World War and deliberate tourism planning started after the Second World War. Until then, the tourists that visited Kenya arrived by ship. He further noted that the introduction of schedule charter flights in 1965 made fares from central European to Kenya quite cheap and improved the tourism offer in terms of more hotels beds, better transport facilitates and new game parks and a general improvement in the quality of the tourism product.⁴⁵ The trend in tourism in Kenya has been upward even though there has been decline in certain years. The slump in tourism has adverse effects on the Kenyan economy and agriculture has suffered since the farmer is not able to sell his proceeds to the hotelier, the allied industries e.g. breweries, soft drink, detergent industries have also suffered as a result of the slump. The hotels, tour and travel operations, car, taxi hire have also suffered. The findings of this paper will be useful to the ministry of tourism, KTB

⁴³ R. Ogolla, The Quality of the Tourism Product in Attracting Tourists. (Nairobi: 1994).

⁴⁴ P. Bauchmann, Tourism in Kenya: A Basic Need for Whom? (Peter Lang Berne Publishers: 1987)

⁴⁵ The quality of the visitor services, including International and internal air access is part of the tourism product, but these are treated separately under the sections dealing with Human Resource development and infrastructure, respectively. The improvement of standards of service is crucial to the sustainability of the Kenyan tourism and a cornerstone of its image.

and the tourism sector as a whole since it will provide information relevant in policy making in with the aim of attracting tourists to Kenya.

Myrdal, argued that tourism plays an important role in regional development's it creates cumulative and circular causation⁴⁶. This implies a situation whereby one activity leads to an increase of similar kinds of activities in same direction, that is investment in tourism industry leads to development of other economic activities for example, the development of companies and therefore an increase in trade, creation of new jobs and an increase in incomes.

d.) The Marketing of Domestic and International tourism.

Sindiga⁴⁷ argued on the need to focus on the marketing of domestic tourism because international tourism is vulnerable to bad press publicity, internal security and poor tourism infrastructure and also competition from South Africa, Tanzania and Uganda. He observed that domestic tourism could be a substitute for foreign tourism because it is easy to manage due to the existence of a common language, currency and lack of documentation barriers required for foreign travel which is dictated by occurrences on the global scene. He further noted that research data is required to illuminate the various aspects of domestic tourism e.g. the demand for tourism, attitudes towards tourism, affordability of tourism product and the investment vs. the returns.

Dieke⁴⁸ argued that over dependence on tourists from certain countries implied that Kenya ran the risk of reduced tourist receipts occasioned by a fall in demand, he further stated that certain countries in which foreign tourism dominates for example, Gambia makes tourism seasonal and thus most hotels close down and 50% of the staff are laid off

⁴⁶ C. Myrdal, Economic Theory and the Underdeveloped Region. (Methuen, London: 1957).

⁴⁷ I. Sindiga, Domestic Tourism in Kenya. Annals of Tourism Research Vol 23, (Nairobi, 1999) pp.45-60.

⁴⁸ P.U.C Dieke, Tourism in Sub-Saharan Africa: Development Issues and Possibilities, Tourism, the State of Art. (United Kingdom, John Wiley and Sons: 1994)

during low season.⁴⁹ This seasonality is also a major factor that affects the Kenyan tourism sector due to over reliance on the international tourists and the undeveloped domestic tourism sector.

Nkare⁵⁰, focused attention on the marketing of Kenya's tourist attractions and their potential attractions to the tourists, he however failed to realize that over dependence on these attractions has led to their overuse hence reducing their attractiveness. This is one of the factors that have led to the decreased number of tourists to Kenya over the years.

Gakuru⁵¹ studied the marketing of domestic tourism in Kenya and suggested the need for more research of the industry aimed at understanding the local market to ensure that the right marketing mix is developed and appropriately applied. Despite that, the marketing strategies that have been put in place have not succeeded in portraying a better picture of Kenya to the outside world as safe tourist destination

Waguku⁵² studied the performance of the tourism industry in Kenya and tried to prioritize the factors that have contributed to the slump in tourism, key among the factors he came up with were security, infrastructure and poor tourism marketing. He argues that as the stakeholders consider tourism promotion and marketing, they should bear in mind that tourism promotion experts have maintained that the most effective way of promoting tourism is by tourists themselves talking positively to their friends colleagues and relatives back home. He therefore calls for political stability, sound fiscal and monetary policies, hospitality of Kenyans to visitors, increased efforts for conservation and sound management of tourism related resources, maintenance of high-level security and personal safety for the tourists.

⁴⁹ www.tourism/gambia/ac.za/org.

⁵⁰ I. Nkare, The Marketing of Kenya's Tourist Attractions, (Nairobi: 1985).

⁵¹ W. Gakuru, The Marketing of Domestic Tourism in Kenya, (Nairobi: 1993).

⁵² J Waguku, The Performance of the Tourism Industry in Kenya: The Priotisation of Determining Factors, (Nairobi: 1998).

1.4.2 LITERATURE REVIEW-SOUTH AFRICA

As a guide to the analysis of this section, the literature review will be analyzed under the following themes:

- a.) The involvement of the Private sector in tourism in South Africa.
- b.) Tourism as tool for development.
- c.) Impact of tourism on the economy of South Africa.
- d.) Tourism and the environment.
- e.) Role of tourism in the South African economy.
- f.) Constraints to the South African tourism industry.
- g.) Tourism and the poor in South Africa.
- h.) Promotion and marketing of domestic tourism in South Africa.

a.) The Involvement of the Private Sector in Tourism in South Africa

Sharpley⁵³, examined the overarching question and argued that in very general terms, the private sector is oriented towards generating revenue and profit from selling tourism products and services and that the tourism private sector is playing an increasingly important role in nature conservation and ecotourism in South Africa.

Spenceley⁵⁴ emphasized that tourism should be government-led, private sector-driven, community-based, and labor conscious. She suggests that a tourism law reform process is required to identify legal obstacles, gaps and changes that are required for tourism development to prosper. She cautions that there are fears and concerns within parts of the

⁵³ R. Sharpley, Tourism and Development: Concepts and Issues (New York, Channel View Publications: 2002)

⁵⁴ A. Spenceley, 'Sustainable Nature-Based Tourism Assessment, Pretoriuskop Camp, and the Kruger National Park'. (Unpublished Draft report to Kruger National Park: 2001).

state conservation sector regarding the 'creeping incrementalism' of private sector tourism development and the fickleness of the tourism industry and an unwillingness to relinquish control over conservation management of protected areas to parties whose priorities are different (for example, the tourism sector, whose priority is generally profit, or local communities, who may desire natural resources from protected areas) .She argues that relinquishing the enterprises would develop the industry further.

Maynard, ⁵⁵ posits that while tourism development programmes in South Africa have increasingly focused on encouraging the private sector to operate tourism enterprises responsibly, it is being called upon to address national empowerment and poverty alleviation objectives through sustainable economic growth through the preferential allocation of wildlife concessions to operators with strong economic empowerment proposals that focus on uplifting marginalized and historically disadvantaged people

b.) Tourism as Tool for development.

Turner ⁵⁶ investigated on whether tourism is a universally applicable development option, the suitability of different forms of tourism development to South Africa, whether or not tourism can contribute to development on its own, or in combination with other economic sectors; the scale at which tourism is likely to contribute most to development; and the forces that determine the extent to which tourism can play an effective development role. He argued for the promotion of domestic tourism and the increased role of the private sector in tourism development in addition to improved infrastructure and security for tourism to contribute effectively to economic development in South Africa.

⁵⁵ T. Maynard, Commercialization of South African National Parks and the National Responsible Tourism Guidelines Report to DFID/SANParks in South Africa'. (Unpublished report to IIED, (Final Draft), June: 2002).

⁵⁶ S. Turner, Conservation by the people in South Africa: Findings from Transform Monitoring and Evaluation'. Research Report 7, PLAAS, (University of the Western Cape, Cape Town: 2001)

Saayman⁵⁷ Challenged the popular assumption, and implicit assertion within much of the tourism literature, that tourism is generally an effective vehicle for development. He introduced the concept of development and established a relationship between development theories and tourism theory. He observed that factors in the host country such as the level of economic development, the propensity to import, the external sources of investment capital and international or foreign ownership of tourism organizations can all mitigate the economic benefits of tourism. He concluded that though tourism development projects in developing countries can contribute to the establishment of a new world order by reducing the gap between developed and less developed countries, it often overlooks these mitigating factors.

c.) Impact of Tourism on the Economy of South Africa.

Smith⁵⁸ observed that the focus of development has shifted from economic benefits of tourism to exploring the social and environmental impacts of tourism; he therefore explored the question of whether the concept of sustainable tourism has promoted economic development in South Africa and the use of tourism as a developmental tool in the reduction of regional imbalances in wealth and opportunity. He examined the concepts and models of regional development, such as growth poles, agglomeration economies and competitive clusters in a variety of tourism regions. The question he raises surrounds tourism as a regional development tool and whether or not there can be real regional economic dispersion of the benefits of tourism. The general argument put forward is that while tourism may help to modernize a region, it may also cause the region to become dependent on external organizations which come in to fund projects such as community based projects that are aimed at promoting pro-poor tourism in south Africa.

⁵⁷ A. Saayman, The Impact of Tourist Spending in South Africa: Spatial Implications. Paper presented at the Regional Science Association International (RSAI) International Symposium on Regional Development in South Africa. (Port Elizabeth Technikon, Port Elizabeth, 25 January: 2000).

⁵⁸ J. Smith, Treasure Through Leisure? International Tourism and Sustainable Development. Paper delivered as part of an inaugural lecture at the University of South Africa, (Pretoria, 12 June: 1997).

Rhodes⁵⁹ posited that an increase in the number of tourists visiting an area leads to the growth in the demand for local products and services and also created the demand for investments in infrastructure and superstructure. Infrastructures provided by the government served more than purely touristic purposes, while investment in suprastructure are normally made by the private sector. These investments, he argues create employment opportunities and generate income in the country.

Neto⁶⁰ examined the main economic benefits and environmental impacts of tourism, in South Africa and reviews the development of the international sustainable tourism agenda. He focuses on the economic development of the industry in South Africa and concludes that new approaches to sustainable tourism development should not only seek to minimize local environmental impact, but also give greater priority to community participation and poverty alleviation. He argues in particular, that more emphasis should be given to a pro-poor tourism approach at both national and international levels.

d.) Tourism and the Environment.

Lambrechts⁶¹ addressed the relationship between tourism and the environment. After tracing the evolution of sustainable development he argues that sustainable tourism development has failed as a result of environmental managerialism inherent in sustainable development principles. Indeed, he argued that attempts at imposing a universal blueprint for tourism development, or the use of a set of 'meta-principles'

⁵⁹ J.A Rhodes, Economic Implications of Domestic Tourist Spending in the North West Province, MCom Dissertation. (Potchefstroom: PU for CHE: 2000).

⁶⁰ F.Netto, A New Approach to Sustainable Tourism Development: Moving Beyond Environmental Protection. Natural Resources Forum; Vol. 27 Issue 3, p11 (www.wits./ed/research/env. Last updated, on August 16th, 2003).

⁶¹ A.V.W. Lambrechts, 'Report of the Environmental Impact Assessment for the Vilanculos Coastal Wildlife Sanctuary (Interim report); part II (Main report', www.ids.ac.uk/ids/env, September 2001.)

which are founded on mainstream planning and designation processes, is inappropriate within the complex developmental contexts and the needs of tourism destinations particularly in developing countries such as South Africa. He raised the question on whether the debates on sustainable tourism in South Africa have not perhaps reached something akin to saturation point.

Gordon,⁶² In his study, shows that there is a clear demand for nature-based tourism with around 60% of all foreign visitors experiencing wildlife in a game or nature reserve during their visit. This sub-sector demand coupled with the increased interest among visitors in placing their money with responsible tourism enterprises is a factor driving the increased emphasis on corporate social responsibility and black economic empowerment within the private sector.

e.) Role of Tourism in the South African economy.

Paton,⁶³ analyzed the connection with the local community under the alternative development paradigm by examining issues related to empowerment and local participation in the tourism planning process. He argued that community-based grassroots tourism, based on cultural, historical and social themes, is a more sustainable form of development than conventional mass tourism, as it allows communities to break away from the hegemonic grasp of tour operators and the oligopoly of local elites.

Brown⁶⁴ raised the fact that tourism is meant to alleviate unemployment in South Africa to a certain extent but questions on which tourism-related jobs are best suited to

⁶² G.Gordon, 'Tourism: Putting Ethics into Practice: A report on the Responsible Business Practices of 65 UK-Based Tour Operators' (London, Tearfund: 2001).

⁶³ S.G.Paton, Tourism and Local Economic Development: Factory Outlets and the Reading SMSA.

Growth and Change. (Pretoria, Yithethe publication: 1985).

⁶⁴ F. Brown, Tourism Reassessed: Blight or Blessing? (Guildford: Butterworth-Heinemann: 1998).

generating development in different countries. Unlike the general blind faith many government policy developers have in the creation of employment through tourism development, this investigation provides pertinent arguments that the type of employment enabled by tourism development is as important to the objective of development, as the fact that it creates employment. There is however the need to minimize leakages to the rest of the world and establishment of forward and backward linkages.

Matlou⁶⁵. Argues that tourism could provide the nation with an 'engine of growth, capable of dynamising and rejuvenating other sectors of the economy'. He recognizes the potential economic importance of tourism due to its ability to generate jobs, labor-intensive nature, requirement of a multiplicity of skills, and its potential to bring development to South Africa.

Nayyar⁶⁶ considers that state development policies and their linkages with trade are an important part of dealing with poverty. However, he cautions that it is also important to realize that policy has the potential to produce multiple, indirect and unintended impacts in the country thus careful planning and implementation are paramount in any undertaking relation to policy issues on the tourism sector.

Shankland⁶⁷. Concurs with the observation that there is also a risk that the government

⁶⁵ P. Matlou, 'The Potential of Ecotourism Development and its Partnership with Spatial Development

Initiatives (SDI)'. Presentation at the Seminar on Planning, Development and Management of Ecotourism in Africa, Regional Preparatory meeting for the International Year of Ecotourism, 5-6 March, (Www.ccon.org/1/capetown: 2001).

⁶⁶ D. Nayyar, 'Globalization and Development Strategies'. Paper prepared for High-Level Round Table on Trade and Development: Directions for the Twenty-First Century, February 2000, (UNCTAD X, Bangkok: 1999).

⁶⁷ A. Shankland., 'Analyzing Policy for Sustainable Livelihoods'. Research Report 49, (Institute of Development Studies, Brighton: 2000).

may miss its target completely by relying on simplistic or incorrect assumptions on policy issues. This may be due to over reliance on the market information, which in most cases is incorrect and also incomplete implementation of the policy choices by the stakeholders involved.

f.) Constraints to the South African Tourism industry.

Mathieson,⁶⁸ argued that tourism is a form of consumption, which militates against societal development and that tourists are an integral part of the tourism production process and, as a result, tourism is not only influenced by the industry, but is also a product of the needs, motivations, expectations of people. Tourism is thus presented as an egocentric social activity by 'avoidance/escape and ego- enhancement/reward'. He considered hurdles to tourism development as impediments that limited the potential for tourism to contribute to the overall development of a destination, he concludes that the characteristics of tourism product themselves present some of these barriers. Focusing in particular on the structure of the global tourism industry. He suggests that the manner in which tourism – be it eco, green or sustainable – is consumed, contributes little to the development process beyond financial considerations.

Rachel,⁶⁹ looks at the key achievements, gaps and constraints and opportunities within South Africa's biodiversity sector since the Rio Earth summit in 1992 and some of the difficult tradeoffs in attempting to bring together the countries pressing development needs with those of conservation of the environment in tourism promotion. She calls for clear criteria and principles for quantifying environmental loss through tourism in the long term against socio economic gains in the short and medium term, the success of which requires political commitment and leadership. She examines the gap between the concepts of socioeconomic development and sociocultural impacts of tourism

⁶⁸ A. Mathieson, Tourism: Economic, Physical and Social Impacts. (London: Longman Scientific. & Technical: 1982).

⁶⁹ W. Rachel, South Africa Journal of Science, Vol 98 No 5 (6 may/june, www.sun.sc.za/research: 2002).

development and the complex nature of the relationship between the positive and negative impacts of tourism. She argues that the applicability of measuring socioeconomic development based in a western framework needs to be questioned. She raises the question of how tourism can be singled out among many in determining impacts on a host society and what frameworks can gauge socioeconomic development outcomes in South Africa when a mountain of evidence suggests a necessary divorce from western development theories.

Liu ⁷⁰ offered a critique of some of the weaknesses in the tourism literature in South Africa. In particular, he explores six issues that are often overlooked but must be addressed in research: the role of tourism demand, the nature of tourism resources, the imperative of intra-generational equity, the role of tourism in promoting sociocultural progress, the measurement of sustainability, and forms of sustainable development. Finally, he argues that in order to transform research on sustainable tourism to a more scientific level, a systems perspective and an interdisciplinary approach are indispensable and need to be applied to the South Africa case.

g.) Tourism and the Poor in South Africa.

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

Carney⁷¹ argued for the need to involve the poor in the development of sustainable tourism aimed at the reduction of the poverty levels in South Africa. He therefore advocated for “pro-poor tourism” that addresses mechanisms for sustainable rural livelihoods approaches, and stress on rural risk management in order to reduce the vulnerability of the poor that would result into tourism that generates net benefits for the poor rather than expanding the overall size of the tourism sector.

⁷⁰ M. Liu, Sustainable Tourism Development: A Critique. Journal of Sustainable Tourism: Vol. 11 Issue 6, (London, Macmillan: 2003).

⁷¹ D. Carney, 'Approaches to Sustainable Livelihoods for the Rural Poor'. Poverty Briefing 2, (London, Overseas Development Institute: 1999).

Ashley⁷² posits that within the overall drive for economic development, there is need for emphasis on various pro-poor or pro-empowerment elements. She calls for the management of natural resources by local residents and the increased interaction between the rural residents and the private sector. This she says can be achieved through market and private sector investment in making the markets work for the poor through liberalization of the markets, encouraging investment while ensuring fiscal restraint and monetary stability. She points to the fact that the role of the state is still needed and attention should be paid to institutional development, market development and sequencing of liberalization through black power empowerment which aims at increasing the share of non-white participation in the economy at every level, from share owning and senior management to procurement and small, medium and micro enterprises.

She however posits that these are not always in harmony but they have been intertwined and underpin many of the new arrangements involving the poor and the private sector and that while all these are open to dispute, they are worth noting that they include an element of community benefit though they rarely have a core focus on poverty and the people.

Wade⁷³ argues that increasing the area of land and natural resources under the control of the private sector has fundamental implications for the rural poor whose livelihoods are most dependent on access to wild resources. The pro-poor tourism approach can therefore potentially be applied to tourism enterprises in order to focus the type of business developed from safari lodges across Africa, to family-run bed and breakfast establishments, to community guides. The process has involved active consultation with the private sector in order to ascertain what changes to legislation, or new legislation are required to facilitate economic growth.

⁷² C. Ashley, 'Transformation or Tinkering? The Changing roles of Private, Community and Government

Actors in the Management of Tourism and Forestry in Southern Africa'. *Sustainable Livelihoods in*

Southern Africa Research Paper No. 18, (Brighton, Institute of Development Studies, www.ids.ac.uk/envb/slsa/index.html: 2003).

⁷³ R.H. Wade, 'Is Globalization making World Income Distribution more Equal?' (London, Institute Development Studies: 2001).

h.) Promotion and Marketing of domestic Tourism in South Africa.

Melville⁷⁴ argued that in as much as the global tourism is the largest and fastest growing industry, the market potential of domestic tourism has however been downplayed in favor of international tourism despite the fact that domestic tourism contributes significantly to regional growth and development in South Africa. He posited that international tourism has always been promoted by developing countries for its positive effect on the balance of payment and the much needed foreign exchange thus ignoring domestic tourism, (marketed by provincial authorities, worth an estimated R3 billion Rand and worth more because of the multiplier effects in expenditure) in favor of international arrivals marketed by the South Africa tourism board. This underestimation means that the domestic tourism contribution is not always seen as an important area of potential economic growth and development and is always incorporated mainly in private consumption expenditure. He concluded that a high demand for domestic tourism created a favorable environment and conditions that are favorable for the development of international tourism, as such transport and accommodation superstructure are established and natural, historic and cultural sites are developed to satisfy this demand.

Christie⁷⁵ argues that though tourism in Africa is small in international terms, it is a very current and potential economic sector and one of the sectors that stood the benefit from the reversal of South Africa's international fortunes from pariah to favored destinations suited to South Africa's natural assets and international comparative advantage. She however argues that tourism is still talked about as a white mans industry in which the white elite caters to pamper the leisure interests of the rest of the elites and formal tourism in South Africa remains exclusively a white owned industry. As such it is

⁷⁴ J. Melville, Domestic Spending and Economic Development, Development in Southern Africa, Vol 18, No 4 (www.ids.ac.uk/SLSA :October 2002).

⁷⁵ I. Christie, Tourism in South Africa. AFTPS Report, Africa Region, (Washington, World Bank, DC: 1999).

perceived as a less important industry for national development than for example industrial development or agricultural processing, this calls to a strong emphasis and the need for transformation.

Inskeep ⁷⁶ looks at the role of the government in the development and promotion of domestic tourism as well as international tourism in regulation, monitoring, co-ordination planning and implementation of the tourism industry. He further posits that in as much a donor funding can help community based organization grow, they bring with it new requirements that have the potential to change the character of the projects. Thus expansion of organizational overheads on the basis of donor funding, rather than self-generated revenues, may distort organic growth and jeopardize their sustainability in the longer term.

From the literature review, it is observed that South Africa has taken the direction towards more private sector involvement, community based tourism projects, improving on tourism products, good marketing, ecotourism promotion geared towards environmental protection and the enhanced call for the promotion of domestic tourism as the background for the development of international tourism. Kenya on the other hand has shown reliance on attracting international tourists the expense of diversifying ways of making the industry more competitive and has concentrated on looking at the benefits already accrued, at the expense of ways of increasing the potential benefits from the industry and aligning it towards the global tourism market. Kenya certainly needs an overhaul of its policies aimed at promotion of tourism in order to reach the level at which it can be sustained and contribute more towards economic development.

⁷⁶ E. Inskeep, Tourism Planning: An Integrated and Sustainable Development Approach in South Africa.

(New York: International Thomson Publishing: 1991)

1.5 JUSTIFICATION.

A vibrant tourism sector is a necessary condition for sustained socioeconomic development. A flourishing industry will transform the economy for the benefit of all Kenyans through direct job creation and also through backward linkages to food markets, infrastructure, cultural, environmental conservation and most importantly improvement on the security in the country.

This study seeks to illustrate the fact that despite South Africa being a late arrival in the global tourism market, it has surpassed Kenya in the continent in terms of earnings despite that fact that the two share almost the same tourist packages and both lie along the coast. South Africa has integrated the private sector, and developed both the informal and the formal sectors in addition to increased promotion of domestic tourism; this is not well developed in the Kenyan case hence the need to have the study and borrow from the South African experience.

This study seeks to establish what the driving force behind South Africa's vibrant industry and propose strategies that can be adopted to revive the industry in Kenya to enable it become more competitive and re-capture its position as the number one tourist destination in the African continent.

The study yearns to assess the sustainability of both the domestic and international tourism in the competitive global tourism industry. This is because many studies have only concentrated on attracting international tourists at the expense of domestic tourism, with the later being very well developed and a strong backbone for South African tourism sector. Kenya should strive to improve its domestic tourism segment to increase the productivity of its tourism sector, the segment is still unexploited and hence cannot realize its potential.

This study seeks to fill the gap by conducting a comparative study of the Kenyan and the South African tourism sectors and see whether the research findings can be applicable to Kenya. The studies carried out do not provide adequate information to policy makers on

how to increase the tourism potential for the Kenyan tourism sector for purposes of economic growth and development in the future. This is because there is scarcity of literature on comparative studies on different countries tourism sectors for generation of data and indicators, which could be used as basis for the need to market Kenya more. The study is therefore useful in assessing the factors leading to the deteriorating tourism standards and possibly borrow a leaf from the findings from the South African experience.

This study hopes to highlight on the pitfalls and opportunities in the sector, efforts towards the reformation of the sector to enhance its competitiveness and also serve as a reference point in policy matters, especially so with the challenges facing the industry today in the light of the unfolding global, social and economic transformations. While we are not advocating for elitist tourism, we must caution that tourism is not a quantity thing; it's all about quality. Thus a more specific sectoral comparative-based study is needed for elaboration of issues researched on by other scholars in a bid to fill the existing literature gap and contribute to this body of knowledge.

1.6 OBJECTIVES.

Broadly the study aims at investigating the potential that the tourism industry has in terms of growth and its sustainability in economic development. It also hopes to propose measures that can inform the policy making process in the Kenyan tourism sector. The specific objectives that will guide this study are:

1. To analyze the policy framework of Kenya and its impact on the development of the tourism sector.
2. To analyze the policy framework of South Africa and its impact on the development of the tourism sector.
3. To understand strategy and policy challenges facing the industry in Kenya and South Africa.
4. To compare the tourism policies in Kenya and South Africa and how they impact on the tourism sector in both countries and assess the level of applicability of the of the South African policies to the Kenyan sector.

5. To inform the Kenyan policy makers of the alternative policy options of intervention that can make the industry compete effectively with the south African counterpart

1.7 THEORETICAL FRAMEWORK.

As a guide to this study, I propose to use two models, first is the tourism space model proposed by Oppermann and the second one is the model proposed by Stiglitz, in which he advocates for the right balance between the government and the market forces in development.

1.7.1 The Tourism Space Model.

The model acknowledges the influence of the existing socio-economic structures at all stages of tourism development, differentiates the tourism industry's two sectors and recognizes the spatial segregation and the different economic impacts of the sectors. It also divides the tourism sector into its various components; these are accommodation, travel and tour, tourist shopping, tourist handicraft, tourist entertainment sectors. This model has been proposed by Opperman⁷⁷ and is applicable to developing countries.

It recognizes the formal and the informal sector and gives characteristics of each. The later is characterized by the high integration into the local economic structure that results into low leakages thereby generating higher multiplier effects because it generates higher income and employment for each dollar spent by tourists.

The formal sector is symbolized by the open structure and a high proportion of its expenditure is lost from local economy due to high linkages towards national capital. The zones of tourist influence in least developing countries are generally confined to a number of locations and the connecting corridors while other areas are hardly visited by

⁷⁷ M. Oppermann, and K.S Chon, Tourism in Developing Countries. (London: International Thomson

Business Press: 1995) pp.67-76.

international tourists. As such the actual balance of the economic impact of both sectors is dependent on; relative number of tourist in both sectors, the leakage rate in both sectors, length of stay and percapita expenditure of their clientele from both sectors.

According to this model, the major cities in a country are seen to have a dominant role in the tourism industry especially during the early phases of its development. The model points to certain planning implications for developing countries to invest much more in the informal sector while it is well integrated into the local economy and hence a wide range of benefits for the local people.

It also advocates for the empowering of the local people financially so that they can participate more in tourism activities. Investment in both formal and informal sectors should be controlled so that leakages are discouraged by producing goods and services that would otherwise be imported and the training of local manpower to reduce the use of expatriates.

The model recognizes six phases of the development of the industry.

1. Before the arrival of international mass tourism.
2. Arrival of pleasure tourists.
3. Additional supply of tourist facilities is provided for in the capital.
4. Expansion of the informal sector.
5. Formal sector expands to areas already discovered by the informal sector.
6. Both formal and the informal sectors are well established.

Thus the most important factor affecting economic development in a country is the efficient organization of the domestic economy itself, because economic growth and development is only spurred by the free flow of services, capital goods and adoption of novel technologies among countries.⁷⁸

⁷⁸ R.Gilpin, The Political Economy of International Relations. (Princeton University Press: 1987) pp.145-47.

This model is important in this study as it advocates for the diversification the tourism sector from the major cities that are often hardest hit by the global shocks to other parts of the country. It also calls for the involvement of the local people in tourism generating activities in order to maximize the tourist outputs and more importantly investment in both the formal and the informal sectors to boost the tourism earnings. Such measures are well incorporated into the South Africa's tourism policy framework and have yielded good results thus the need to look into ways of implementing the same in Kenya.

1.7.2 The Stiglitz model.

The Stiglitz model, whose essence is its implications for resource allocation, complements the Tourist Space Model. Stiglitz⁷⁹ proceeds from the critique of the free market ideology attributed to Adam Smith⁸⁰ who argued that the competitive market forces and signals that are profit oriented drive the economy to efficient outcomes through effective resource allocation and hence no need for governments intervention. Stiglitz, however posits that these conditions are highly restrictive because whenever the information is imperfect and markets incomplete, the invisible hand works imperfectly, and is often a source of inefficiency, especially in the developing countries where the requirements for the market system such as property rights, an efficient judiciary system, competition and perfect information are not developed.

Stiglitz therefore argues that there are desirable government interventions, which in principle can improve upon the efficiency of the market forces, this is because the restrictions on the conditions under which the markets result in efficiency are important

⁷⁹ J. Stiglitz, Globalization and its Discontents, (London, Penguin Press: 2002) pp.73-75.

⁸⁰ A. Smith, The Wealth of Nations, 1776 in which he put forward the idea that markets by themselves lead to efficient outcomes, however the idea was criticized and the basic result, showing that when information is imperfect or markets are incomplete, competitive equilibrium is not efficient, see J.

Stiglitz, Externalities in Economies with Imperfect Information and Incomplete Markets. Quarterly Journal of Economics 101(2), pp 229-64, May 1986.

and many of the key activities of the government can be understood as responses to the resulting market failures.

Amartya Sen.⁸¹, concurs with Stiglitz with his observation that the market economy does not work by itself in global relations, and not even within a given country, this is because free markets are also dependent upon state power in terms of political stability, solid legal framework and significant amount of social capital influenced by public policies.

In his argument for an appropriate balance between the government and the market forces, Stiglitz maintains that strong markets require significant state and transnational intervention, stable social relationships and an environment of trust for them to be organized, framed and sustained over time, the benefit of people throughout all societies.

This model is useful in this study as it calls on the government to play its appropriate role in the revival of the tourism industry in Kenya through efficient publicity, marketing, promotion of domestic tourism, development of infrastructure, curbing insecurity and formulation of sound policies and avoid undue reliance on global market forces. Government involvement would reduce reliance on the use of imperfect information in international markets for attracting tourists, which is affected by global shocks and impact negatively on the tourism industry, such as terrorism threats and the subsequent travel advisories by governments to their citizens against visiting certain countries thereby affecting the industry's performance.

The role of the government, markets and the private sector has to be encouraged to make the tourism in Kenya more competitive in line with the sector in other countries. This tends to rationalize the government's major role in the marketing, development and reformation of the key tourism institutions in implementing new policy issues.⁸² This

⁸¹ A. Sen, How to Judge Globalization, The American Prospect Online, (<http://www.prospect.org/print>. Vol 13/1/Sen-a.html: 2002).

⁸² J. Browett, On the Necessity and Inevitability of Uneven Spatial Development under Capitalism, London, International Journal of Urban and Regional Research: 1984) Vol 8 No 2, pp.78-82.

will in this case, provide adequate economic linkages with other private sector policy engagements in South Africa for exchange of policy ideas and research findings. This interdependence is of paramount importance in carrying out this comparative study especially in search for lessons to be learnt and incorporated into the Kenyan tourism policy framework.

1.8 HYPOTHESES.

As a guide to the achievement of the stated objectives, the following hypothesis are proposed:

1. The quality of the tourism product, (good recreational facilities, security at tourist resorts) and competition with other countries determines the growth and sustainability of the tourism sector.
2. Appropriate government policies and intervention strategies in the Kenyan and South Africa's tourism sectors promote the growth and sustainability of the tourism sector.
3. A sustainable tourism sector acts as a catalyst for the economic development of the Kenya and South Africa.
5. The private sector through NGOs and community based groups play a crucial role in the growth and sustainability of tourism in the economic development of Kenya and South Africa

1.9 METHODOLOGY.

This study will draw from both primary and secondary sources of information.

Primary data will be derived from interactive interviews with stakeholders in the sector, such as The Kenya Tourist Development Corporation (KTDC), The Kenya Tourist Board (KTB), The Kenya Wildlife Service (KWS), the officials from the Investment Promotion Center, Ministry of Tourism officials in the Ministry of Tourism and Information (MTI),

the Kenya Tourism Federation officials (KTF) and Trade Counsel at the South African High Commission.

The secondary data will be sourced from the collection and review of published and unpublished material, journals, periodicals, academic papers, government papers (development plans and sessional papers), electronic and print media. These will be taken through intensive and critical analysis.

CHAPTER OUTLINE.

Chapter 1. Consisting of the Introduction, Problem statement, Literature review, Justification of the Study, Objectives of the Study, Theoretical Framework, Hypothesis and the Methodology.

Chapter 2. Policy Framework of Kenya's Tourism sector since Independence and the Emerging Policy Concerns.

Chapter 3. The Development and Promotion of Tourism in South Africa: Responsible Tourism policies.

Chapter 4. A Critical Comparative Analysis.

Chapter 5. Conclusions and Recommendations for the Kenyan Tourism sector.

CHAPTER TWO

KENYA'S TOURISM POLICY FRAMEWORK SINCE INDEPENDENCE AND THE EMERGING POLICY CONCERNS.

2.1 INTRODUCTION.

This chapter seeks to analyze the policy framework that has guided the tourism sector in Kenya since independence, focusing primarily on how policy formulation and implementation have performed. Areas that need policy improvement or more policy research are also identified. To achieve this objective, the analysis will cover the following pertinent issues

- a) Tourism development and challenges in Kenya in relation to the policy framework.
- b) Review of the tourism policy in Kenya.

Like in many developing countries, tourism is important in Kenya's economy. Tourism contributes to economic growth and development by expanding the market for locally produced goods and services and by inducing investments in infrastructure and other services. It is not only the country's third largest foreign exchange earner but also an important generator of direct and indirect employment. Expanding foreign exchange earnings and employment have been Kenya's two main goals of economic development since independence in 1963.⁸³ The performance of the industry has been hampered by many factors, which has led to a decline in receipts and tourist arrivals. The erratic performance of tourism must be stemmed given its importance in the economy. What role can policy play in this regard?

⁸³ Tourism Policy Framework Report. Op.cit.

2.2 Tourism Development and Challenges in Kenya

2.2.1 Tourism Development in Kenya.

Factors essential for tourism development can be divided into primary and secondary factors.⁸⁴ Primary factors, which are the main determinants of whether tourists will visit a given destination, are the tourist attractions themselves, such as unique animal and plant species; physical features like beautiful beaches, mountains, lakes, and rivers; legendary manmade or natural features; pleasant climate; and unique culture.⁸⁵ Kenya is competitive among other long-haul destinations on account of its variety of tourist attractions. For example, the Masai Mara game reserve and the Amboseli national park are two of the country's world-famous attractions.

Secondary factors cover mainly infrastructure and other facilities developed to facilitate tourism, such as protection and development of tourist sites; conservation of nature in national parks and reserves; establishment of museums; provision of infrastructure such as roads, communications, hotels, campsites, water, and other services; and marketing of tourism products. The media, advertising and information technology in general are crucial inputs in marketing, and they influence the tourists' knowledge of and desire to visit a destination. Policy has little influence on primary factors, but has a big role in the development of secondary factors.⁸⁶ A unique natural resource will be of no value to tourists if the infrastructure and facilities necessary for its exploitation are not put in place.

Consequently, an important criterion by which the tourism policy could be appraised is by evaluating its contribution to the development of the secondary factors required to support the primary factors. Kenya has not developed its tourism infrastructure

⁸⁴ M.S Mwaura, Forecasting International Tourist Inflows in Kenya, 1964-1996 (Nairobi: 1998) p.35.

⁸⁵ F. Bulungula, "Tourism: Creating an Image." *The Business and Finance Journal* January, 2000, pp. 8-10.

⁸⁶ Bulungula, *Ibid.*

adequately, a factor that has prevented the full realization of the potential offered by its primary factors and where the infrastructure is available there is also the issue of maintaining the infrastructure in good condition. In this regard policy formulation and implementation should be geared towards making the tourist attractions more attractive to tourists and provide a conducive environment for them to stay for longer periods of time.

2.2.2 Challenges to Tourism in Kenya.

The key challenges to tourism in Kenya and other developing countries are: Stiff competition from other countries, (as the number of destinations is growing and the global capacity is expanding,) demand-related constraints such as the industry's high sensitivity to the quality of service, communications, and human resources, political and economic instability, negative image of the country, poor marketing, undeveloped public-private sector partnerships, insufficient and weak institutional and regulatory frameworks, insufficient data and information on tourism trends and impacts, environmental degradation and decline in wildlife populations, expensive airfares and insufficient air routes.⁸⁷

The World Tourism Organization⁸⁸ notes that tourism performance is heavily affected by political and economic instability and by the unavailability of transport facilities. Other imperatives include integration of socio-cultural and environmental issues into strategies for sustainable tourism, formulation of policies to promote sustainable tourism growth, and development of tourism into an instrument for environmental protection.

Tourism policy should be formulated and be evaluated by its response to these challenges. In specific terms, evaluation criteria ought to include such considerations as

⁸⁷ Tourism Policy Framework Report. Ibid.

⁸⁸ World Tourism Organization "Tourism Services." Background Note Prepared by the WTO Secretariat. S/C/W/51. 23 September 2000, pp.24-28.

how well policy-makers have conceptualized the problems facing (or development needs) of the sector and how effectively the policies have been formulated. Another approach would be to assess whether the policies have achieved the objectives they were formulated for. It should be kept in mind, however, that failure to achieve the objectives does not depend only on the appropriateness of the policy but also on whether the policy is implemented at all, the extent to which it is implemented and whether the implementation is done correctly, at the right time and under the right circumstances.

2.3 Review of the Tourism Policies in Kenya since Independence.

Tourism is perhaps Kenya's only important sector without a coherent and comprehensive national policy in the form of a recent sessional paper. This is possibly because the sector had always performed well, at least until after the 1990s when the industry began to experience a downturn. It is arguable that sectors that rely predominantly on the private sector investment such as tourism do not need a national policy, as they are more dependent upon the overall macroeconomic policy. This should not be the case: every important economic sector deserves a cohesive policy to bring its special needs and challenges into proper focus. It is only then that the implications of the macroeconomic policy on the specific sector become obvious.⁸⁹

The fact that tourism is not adequately distinguished as a separate sector in national accounts is another manifestation of the official neglect of the sector in Kenya. This is probably because of the complex linkages between tourism and such diverse economic sectors as agriculture, food processing, public utilities, the textile industry, real estate, transport, manufacturing and retailing. This is also partly due to the difficulty of estimating the service sector export revenues. Consequently, official statistics do not cover all tourism activities.

⁸⁹ Tourism Policy Framework Report, Op.cit.

To analyze Kenya's tourism policy, a critical look at the policies adopted since independence in 1963 is important to establish whether they were abandoned or retained as the country developed.

The tourism policy adopted at independence is clearly presented in Sessional Paper No. 1 of 1963 on 'Observations on the Report of an Economic Survey Mission from the International Bank for Reconstruction and Development' and the development plans for 1964-1970 and 1965/66-1969/70.⁹⁰

The independent government started off with a sound tourism vision. Policy-makers at the time demonstrated awareness of sustainability issues; the critical role that efficient air transport services play in tourism; the advantage of rich, up-market tourists as opposed to mass tourists; the unrivalled role of coordinated planning in tourism; the potential adverse effects of unplanned tourism development on protected areas and local cultures; and the huge potential that lay in developing tourist circuits that connected the East African countries. Today, these among other considerations are the leading considerations in tourism development the world over.

(a) Tourism Development Policy.

Since independence, the country's tourism development strategy has focused on the gradual increase in tourist numbers, and tourists who visit the country for various purposes as shown below. With mass tourism and coastal beach holidays receiving strong support.⁹¹ Tourists arrivals have thus increased considerably since 1980, as shown below, but with variations in some years due to a number of factors such as the uncertainty associated with the elections euphoria, bad publicity and marketing, terrorism threats among others.

⁹⁰ Government of Kenya, Development Plans, 1964-1970. (Nairobi, Government printer: 1964) pp.34-40.

⁹¹ Government of Kenya, Development plan, 1964. Op.cit.

Table 3. INTERNATIONAL TOURISTS ARRIVALS BY PURPOSE OF VISIT**('000) 1980-02**

<u>Year</u>	<u>Holiday</u>	<u>Business</u>	<u>Transit</u>	<u>Others</u>	<u>Total</u>
1980	290.7	48.9	53.7	-	393.1
1981	273.9	51.6	43.3	-	362.2
1982	294.0	47.9	39.0	11.2	392.1
1983	284.3	45.0	35.7	6.3	373.3
1984	253.4	56.5	44.7	7.6	462.2
1985	413.2	64.3	52.3	11.1	540.6
1986	469.2	75.3	58.9	12.8	614.2
1987	529.1	78.8	62.4	12.1	661.3
1988	555.9	69.5	61.4	8.1	694.9
1989	642.1	53.8	34.5	4.3	734.7
1990	695.6	73.7	35.6	9.5	814.4
1991	673.3	77.6	38.8	15.4	943.7
1992	606.7	109.3	50.8	14.7	721.5
1993	679.2	97.6	46.8	2.0	862.4
1994	679.2	122.6	58.1	3.5	863.4
1995	537.9	96.1	53.9	2.6	898.6
1996	558.2	98.7	57.9	2.6	907.9
1997	816.3	89.9	72.3	21.8	764.0
1998	696.6	74.0	101.9	18.7	984.3
1999	771.4	70.0	107.5	20.3	969.2
2000	796.5	80.0	138.5	21.5	1036.5
2001	747.0	73.0	152.5	20.2	1160.0
2002	748.1	72.0	163.2	19.0	1002.3

Economic Surveys Various Issues⁹²⁹² Economic Surveys, various issues, Op.cit.

In general, these objectives have been achieved. Since the 1989–1993 Development Plan⁹³, however, a shift is discernible in the focus of tourism development, favoring spatial diversification of tourist destinations and reduction of the adverse environmental impacts of tourism. There is also the increasing trend towards marketing the non-traditional tourist attractions and products for example, eco-tourism

One of the tourism policies favored by the government at independence was

“Increasing the flow of middle-income tourists as well as catering for the ‘luxury trade’ [with the former] attracted primarily to the game parks and reserves while] hunting *safari* should remain a high-priced, exclusive venture for the upper-income tourist”⁹⁴.

This policy was continued in the first post-independence Development Plan (1964–1970). However, the second Development Plan (1965/66–1969/70) had an explicit goal to tap masses of tourists from the American and European markets.

This was ill advised: up-market tourists are preferable to middle-income tourists because they have higher per capita expenditure, allowing the opportunity to maximize revenue receipts while simultaneously protecting the resource base, including the environment, wildlife, and culture. Moreover, competition for mass tourists is very strong the world over and the real control of the global mass market rests with overseas tour operators. In such a situation, it is difficult for developing countries with low efficiency levels to compete in global mass tourism.

The policy of attracting mass tourists was continued until 1994. The 1994–1996 Development Plan⁹⁵ introduced a clear shift in focus to promote up-market tourism based

⁹³ Government of Kenya, Development Plans 1989-1993. (Nairobi: Government printer: 1989) pp.26-33.

⁹⁴ Government of Kenya, Sessional Paper No. 1 of 1963 On Observations on the Report of an Economic Survey Mission from the International Bank for Reconstruction and Development. (Nairobi: Government Printer: 1963) pp. 11.

on ecotourism and wildlife safari. Unfortunately, this change was true only in spirit, and no concrete measures were taken in that direction. Furthermore, the most recent policy document, *Poverty Reduction Strategy Paper 2000–2003*⁹⁶ stipulates that Kenya's tourism will continue relying on a blend of mass and luxury tourists, the same policy the country had at independence.

In its commitment to expand tourism, the government had by the time of releasing the Sessional Paper of 1963 already embarked on an integrated and comprehensive development programme for tourist amenities. This involved the establishment of several tourist circuits, including regional ones; road development; and increasing lodge capacity in various parks and reserves. This programme was continued in the first post-independence development plan (1964–1970), which spelt out a programme for construction of lodges in game parks, road development in tourism resource areas, and provision of hotel accommodation by the private sector outside national parks and game reserves. Construction of lodges in game parks could have been more efficiently handled by the private sector provided that this was regulated to prevent the development of excess capacity that the government feared.

The 1979–1983 Development Plan presented another significant shift in the way tourism development was visualized in the country. The plan sought to strike a balance between exploiting tourism resources for economic development (especially wildlife) and their conservation⁹⁷. Even though the term 'sustainability' was not mentioned explicitly, this development plan marked the shift towards the sustainable management paradigm for Kenya's tourism. The main objective was stated as that of maximizing net returns⁹⁸

⁹⁶ Government of Kenya, *1994-1996 Development Plan*. Op.cit

⁹⁷ Government of Kenya. "*Poverty Reduction Strategy Paper 2000–2003*." Draft Report. March. (Nairobi, Government Printer: 2000.) Pp.15-17.

⁹⁷ Government of Kenya, *Development Plan 1979–1983*, (Nairobi: Government Printer: 1979) pp.56-65.

⁹⁸ *Government of Kenya*, Ibid.

Achieving this required balancing demand and supply forces, dispersal of tourist flows to different destinations within the country, and balancing investment in direct tourist facilities and in the infrastructure without which the facilities could not be used. For the first time a development programme was explicitly aimed at minimizing the adverse effects of tourism at the coast.

This shift of focus was necessitated by resource constraints and by the realization that tourism resources such as beaches, rangelands, water, and wildlife were highly vulnerable to overexploitation and had high opportunity costs, all factors that underscore the critical role of careful planning in the sustainable use of tourism resources. Beginning with the 1979–1983 Development Plan there was increasing attention to environmental considerations in the country's tourism policy, and proposals were made to introduce environmental impact assessment (EIA) studies and 'green certification' as prerequisites for approving new tourism-related projects⁹⁹

The 1994–1996 Development Plan¹⁰⁰ continued with this vision and contained plans to restructure the KTDC into a Tourism Development Bank and to prepare a national tourism development master plan. Consequently, a very comprehensive plan was produced in 1995. This plan has not been implemented consistently. But the government is committed to fully implementing it as a way of establishing a sustainable tourism base¹⁰¹. The tourism development bank has however, not yet been created.

The expansionary policy is still being pursued. The current official policy, 2001-2005, aims to i) increase tourist numbers, visitor days, tourist expenditure, the proportion of visitor nights spent in registered hotels, the number of local tourists, especially in the low season, and hotel occupancy; ii) improve capacity utilization; iii) promote viable

⁹⁹ Government of Kenya, Development Plan 1994–1996, Op.cit.

¹⁰⁰ Government of Kenya, Ibid.

¹⁰¹ Government of Kenya, Development Plan 1997–2001. (Nairobi: Government Printer: 1997) pp.45-60.

commercial investments and iv) generate more bed capacity, especially by the private sector.

Even before independence the government had pursued a policy aimed at enhancing and preserving the country's tourist attractions. The reason for this was the substantial role that tourism played in the economy even at that time. In 1962, for example, tourism earned K£ 5.2 million in gross foreign exchange, the country's third largest after coffee and tea¹⁰². It was estimated that about 25% of these earnings were attributable to imported items. Increase in the tourist arrivals was due to the aggressive promotion of the tourist's attractions by the public and the private sector.

The hotel occupancy rates have decreased(as shown below) considerably from 56.7% in 1980 to 42%in 2002, showing a decline of 14%. Hotel bed nights have also decreased by 12.8% over the same period but despite this trend, the earnings from tourism have increased from 88.5 million to 21734 million over the same period. However due to the seasonal nature of international tourism, tourist attractions in Kenya are currently operating below 60% capacity.¹⁰³

¹⁰² Government of Kenya, Development Plan 1964–1970.Op.cit.

¹⁰³ Japanese International Corporation Agency. Op.cit.

Table 4. INDICATORS OF TOURISM PERFORMANCE 1980-2002

Year	Total Int. Tourists (000)	Earnings In K millions	hotel bed nights (000)	hotel occupancy rate as %
1980	393.1	88.5	4717	56.7
1981	362.2	96.2	4691	55.0
1982	392.1	122.9	4629	51.6
1983	373.3	130.0	4472	48.6
1984	462.2	157.6	4684	50.9
1985	540.6	196.6	4819	53.4
1986	614.2	247.9	5010	53.5
1987	661.3	292.6	5031	53.1
1988	694.9	343.0	5135	52.9
1989	734.4	432.0	5317	55.2
1990	814.4	533.0	6046	57.6
1991	804.6	93.0	6519	59.1
1992	721.5	713.0	5526	48.2
1993	862.4	1222.0	6189	52.0
1994	863.4	1405.0	5110	43.0
1995	898.6	1250	4998	44.0
1996	907.9	1280	5062	45.0
1997	764.0	1132	4 910	51.0
1998	894.3	17509.2	2813	35.0
1999	969.5	21367.0	2951	34.0
2000	1036.5	21533.0	3688	39.0
2001	1116.0	24256.0	3355	40.0
2002	1002.3	21734.0	3438	42.0

Economic Surveys and Statistical Abstracts-several years.

This focus on the maintenance and development of tourism attractions and accommodation establishments gave the country an early lead over competitors in East Africa and the entire African continent. Despite that fact the other countries have surpassed Kenyan terms of earnings, the country is making progress towards recovery of the industry as has been seen in the years 2003 and 2004, in which the earnings from tourism increased from 22,510 billion in 2003 to 30 billion in 2004, this represented an increase in the number of tourists from 1002.3(000) to 1120.6(000) in 2004 with the hotel bed nights increasing to 4534 in 2004, and the hotel occupancy rates hitting 52% in 2004.¹⁰⁴

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

Moreover, most tourism policy statements have pointed to the government's plans to improve tourism planning through measures such as: Strengthening the Ministry for Tourism Development, its planning division, and its institutions charged with research, planning, monitoring and evaluation, marketing and promotion, and regulation of tourism using external technical assistance, funding consultant studies such as the one that produced the national tourism development master plan in 1995, ensuring statistics are accurate and up to date for efficient planning and monitoring of tourism, developing a tourism forecasting model, matching destination planning, development of infrastructure and management of tourism resources with changes in consumer expectations and quality and price of tourism products, strengthening regulations and other policy instruments to deal with the negative impacts of tourism, such as social and cultural pollution and environmental damage.

All these policies are appropriate considering the critical role of planning. Indeed, there were significant improvements in data quality up to the mid-1970s not just in tourism but in other sectors as well. Later on, however, performance deteriorated even when policy remained focused, indicating that policy implementation was lethargic. Lack of tourism data and their poor quality and analysis are serious obstacles to tourism development. To

¹⁰⁴ The Standard, Tuesday, January 11, 2005, p.9.

date Kenya does not have a forecasting model even though the intention to develop one was announced in the mid-1970s. Worse still, the institutions responsible for training, research, promotion, development, and regulation are still weak and poorly coordinated. There is still no evidence that tourism policy planning and development in Kenya reflect either the expectations of consumers or the global trends in the quality and price of tourist products, yet policy to move down that path was adopted in the subsequent development Plans.¹⁰⁵

(b) Infrastructural Development Policy.

Infrastructure development is one of the contributors to enhanced tourism development since independence. This is commendable since no tourism industry can develop without infrastructure. Development of infrastructure to support actual tourism resources has proceeded alongside that of lodge and hotel accommodation. However, in recent years, infrastructural development has tended to lag behind the growth of hotel accommodation and other tourist facilities.

The following specific activities and objectives have been adopted with respect to infrastructure development: Increasing the quantity and quality of roads (stipulated in the 1964–1970 Development Plan), improving existing roads to all-weather standards or constructing new ones¹⁰⁶, improving the road network and airports¹⁰⁷, Providing infrastructure and vesting responsibility for the maintenance of roads within national parks with the administration of the parks¹⁰⁸, increasing the number of all-weather up-country roads and developing beaches in new locations¹⁰⁹ expanding radio network

¹⁰⁵ Government of Kenya, Development Plan 1994–1996, Op.cit.

¹⁰⁶ Government of Kenya, Development plans 1965/66–1969/70, Op.cit.

¹⁰⁷ Government of Kenya, Sessional Paper No. 8 of 1969. (Nairobi: Government Printer: 1969) p.27.

¹⁰⁸ Government of Kenya, Development plan 1970-74, Op.cit.

¹⁰⁹ Government of Kenya, Development Plan, 1974–1978 (Nairobi: Government Printer: 1974) p.37.

services to remote areas¹¹⁰ providing and maintaining desirable infrastructure, especially transport and communications¹¹¹ emphasizing development of infrastructure¹¹². Controlling land use for tourism development, as proposed in Sessional Paper No. 8 of 1969 and the 1974–1978 Development plan, which could be viewed as one of the aspects of infrastructure development that the country pursued albeit with little commitment.

However, this was abandoned from 1978 until the 1994–1996 Development Plan when studies were proposed to determine the optimal use of land to avoid conflicts between wildlife and human activities. Other infrastructure development plans that the country has adopted for tourism include i) maintaining existing national parks and game reserves and the roads within them and developing new roads; ii) establishing quality standards for travel agencies and tour operators and procedures for their registration, as proposed in the 1964–1970 Development Plan, and iii) setting up a system for classifying hotels, enhancing the Tourist Licensing Office, and establishing a central registration system¹¹³

Infrastructure development policies have failed to a large extent, particularly in the last two decades, which have been characterized by unprecedented deterioration of roads and other infrastructure. Deterioration of infrastructure currently ranks among the most important obstacles facing the tourism sector. Some of the reasons for this failure have been corruption the tendering process, the El Nino rains, poor building materials and lack of enough budgetary allocations to cater for building of new roads and the repairing of the existing infrastructure. Tackling corruption and generally improving the management of public resources must address the existing resource constraints.

¹¹⁰ Government of Kenya, Development Plan, 1984–1988 (Nairobi: Government Printer: 1984) pp.35-45.

¹¹¹ Government of Kenya, Development Plan, 1989–1993. Op.cit.

¹¹² Draft Poverty Reduction Strategy Paper, 2000–2003. Op.cit.

¹¹³ Government of Kenya, Development Plan, 1979–1983. Op.cit.

(c.) Policy on Sustainable Tourism Development in Kenya.

The manner in which tourism development is carried out is important, as it does not only determine the net benefits a country receives from the enterprise but also how sustainable those benefits become. Tourism policy in Kenya should therefore be appraised on the basis of how closely it steers the industry towards the development path considered ideal. It is now widely acknowledged that ideal tourism is that which is socially, economically, culturally and environmentally sustainable.

The concept of Sustainable Tourism Development reflects the fact that there is no 'zero-impact' tourism. Thus, given that tourism development is accompanied by environmental and social change, those who must live with the change should be the ones to set the maximum level of change allowed.¹¹⁴ The Kenyan tourism projects and policies should therefore be appraised on the basis of not only economic feasibility but also social, cultural and environmental sustainability. Likewise, the Kenyan tourism policy should be appraised on the basis of its contribution to sustainability.

The country's sustainable tourism policy started off very well at independence, steering the sector along the ideal development path of sustainable tourism. Indeed, according to the Minister for tourism, Kenya had been involved in ecotourism long before the term came into being.¹¹⁵ The fact that Kenya's tourism policy has contained sustainable development features for many years is demonstrated by the introduction in the 1965/66–1969/70 Development Plan¹¹⁶ of the policy of long-term planning to preserve the beauty of the country and to avoid such dangers as pollution, traffic congestion and the destruction of the environment, including wildlife, the concern expressed by Sessional Paper No. 1 of 1963¹¹⁷ encouraging wildlife hunting through low license fees would lead

¹¹⁴ World Tourism Organization, Tourism Highlights.2000. Op.cit.

¹¹⁵ Personal Interview with Raphael Tuju, Minister for Tourism, 17th June 2004.

¹¹⁶ Government of Kenya, Development Plan, 1964-1997,Op.cit

¹¹⁷ Sessional paper No 1.1963,Op.cit.

to rapid depletion of Kenya's wildlife, the policy announced in Sessional Paper No. 8 of 1969¹¹⁸ and the 1974–1978 and 1994–1996 Development Plans of establishing mechanisms to allocate each piece of land its best use.

The desire expressed in the 1974–1978 Development Plan¹¹⁹ to control the non-citizen share of the tourism industry and the rate at which Kenyans were exposed to foreign consumption and spending habits. The setting in the 1979–1983 Development Plan¹²⁰ of the main objective of tourism and wildlife development as that of maximizing net returns subject to important social, cultural and environmental constraints. The goal in most of Kenya's wildlife policy statements is to involve local communities in managing wildlife resources and ensuring that they receive some of the benefits from the wildlife to ensure onweship. Though this has been the objective, its implementation and its success is still very limited.

Other policies that demonstrate the country's commitment to sustainable tourism include focus on: Conservation, protection and improvement of the environment and wildlife, minimization of conflict between wildlife and other land uses, cropping of wildlife to achieve optimum populations, special protection of endangered species such as the rhino, elephant, Grevy's zebra, Hunter's antelope, leopard and cheetah, use of regulations and other instruments to ameliorate the negative impacts of tourism such as social and cultural pollution and damage to the environment in parks and reserves, harmonization of private gains from tourism development with its social costs, promotion of ecotourism as a tool for achieving rational utilization of environmental and cultural resources, possible introduction of environmental impact assessment studies and 'green certification' as prerequisites for the approval of proposed tourism projects, sustainable use of wildlife

¹¹⁸ Sessional paper no 8.1969, Op.cit.

¹¹⁹ Government of Kenya, Development Plan. 1974-1978, Op.cit.

¹²⁰ Government of Kenya, Development Plan 1979-1983, Op.cit.

resources for national economic development and for the benefit of people living in wildlife areas and diversification of tourism products and market segments.¹²¹

Little has been achieved in implementing these policies to realize sustainable tourism development. There is little evidence that tourist arrival targets are based on comprehensive carrying-capacity studies. Worse, policies promoting sustainable tourism development have not been consistently pursued in the country: they appear in one development plan, are omitted in the following one or two, and then reappear in a later policy statement. The lack of consistency creates uncertainty about policies and indicates lack of political commitment.

(d.) Training Policy.

Being labor intensive, it is imperative that as the tourism industry expands, basic skills training and re-training are provided to the tourism workforce so that they become productive employees and also to ensure that the tourists obtain good value for their money. This is because the improvement of standards of service is crucial to the sustainability of Kenya's tourism and a cornerstone of its image. Thus the need for formal, in-service training, refresher courses, workshops, seminars, study tours and an increase in private sector involvement in this area.

When Kenya attained independence in 1963, it did not have adequate numbers of trained personnel. Because of this and the focus on 'Kenyanizing' the economy, education and training occupied a central position of the independent country's development policy. In tourism, policy on this was spelt out as early as 1965 in the 1965/66–1969/70 Development Plans¹²². The government itself, in cooperation with the then East African Hotel Keepers' Association, was involved in training, offering both full- and part-time courses in hotel and catering operations. Recruitment of foreign personnel was to

¹²¹ Draft Report for Poverty Reduction Strategy, 2000-2003. Op.cit.

¹²² Government of Kenya, Development Plan. 1964-1970. Op.cit.

continue as training of Kenyans proceeded. The government has continued to train tourism personnel, although the specific policy measures adopted since 1965 have changed slightly.

Sessional Paper No. 8 of 1969¹²³ contains the first, appropriately articulated policy regarding tourism training in post-independence Kenya. That policy provided for i) the training of couriers, guides and 5,500 hotel staff; ii) the establishment of a training school for hotel management; iii) the introduction of foreign language classes for tourism operators; iv) the involvement of the private sector in in-service training; and v) the introduction of an apprenticeship programme.

This policy formed the early basis for tourism development, and subsequent training policies revolved around these issues. This policy was apt and it led to the inception of the Kenya Utalii College (KUC) in 1975 and the subsequent constitution of the Catering Levy Trustees (CLT) to administer the training levy, which comprises 2% of the gross incomes of hotels and restaurants. In the current era of structural adjustment in which cost sharing is an element in basic services such as education, there is no conceivable reason why training at the KUC cannot be offered on a cost-recovery basis. The expectation of potential employment is adequate incentive to attract paying trainees. This would improve the quality of training at the college. The 1970–1974 and 1974–1978 Development Plans announced the policy of cooperation with other East African countries in joint training, among other activities. But training of personnel at the KUC for some of the neighboring countries has been the only instance of cooperation among these countries.

The 1974–1978 Development Plan promulgated the government's goal of organizing and financing training of tourism staff on an industry-wide basis with the objective of facilitating the employment of Kenyans in tourism. The plan also announced the intention to establish a multidisciplinary tourism center in conjunction with the University of

¹²³Sessional Paper No 8, 1969, Op cit.

Nairobi. The center, which would have been the only one of its kind in Africa, was expected to carry out research and training on travel and tourism to improve the local sensitivity and relevance of tourism policy. This policy was implemented to some extent when the Faculty of Tourism and Wildlife was established at Moi University. Training is going on at the faculty but research capacity is not yet fully developed. It is doubtful that this faculty can completely assume the role that had been envisaged for the center, especially because it is located far from the heart of the tourism industry. Either Nairobi or Mombassa would be the ideal location for such a center for easy access of the industry participants.

In the Development Plan for 1984–1988¹²⁴ the Ministry of Tourism and Wildlife was expected to consider developing and offering training and extension services to the tourism industry to upgrade the skills of the personnel. And in July 1991 the government announced plans to establish a tourism college to cater for the training requirements of the middle and lower level hotels, which cannot afford to employ KUC graduates or to train their staff at the KUC. This noble idea has not been turned into reality up to now. Training of staff involved in wildlife management continues to be a key pillar of Kenya's wildlife policy.

The excellent policy announced in the 1994–1996 Development Plan to intensify training and to establish a branch of the KUC at the coast has not been implemented. The Development Plan of (1997–2001) is silent on issues relating to training for tourism, as is the most recent policy statement, the *Poverty Reduction Strategy Paper for the Period 2000–2003*¹²⁵ Since the training requirements of the tourism industry are still unsatisfied, training should remain a key element of tourism policy. The government should establish a framework to control the standards of private tourism training institutions to give them credibility and thus stimulate the shifting of some training demand from the KUC to these

¹²⁴ Government of Kenya, Development plan, 1984-1988, Op.cit.

¹²⁵ Poverty Reduction Strategy Paper for the Period 2000–2003, Op.cit.

institutions. There is also the need to upgrade infrastructure and upgrading of Utalii College.

To achieve this objective, there is need for stricter licensing, regulation and monitoring of tourism training institutions to both the private and the public sector to ensure the training of quality staff. In addition, the government and the private sector shall implement continuous public awareness activities at all levels of society in partnership with the local media and NGOs to make tourism more acceptable in the eyes of the public, and in particular to establish tourism awareness educational campaigns in newly designated tourism areas to familiarize local populations with tourism opportunities, and how they can be involved in the tourism industry.

(e) The Pricing Policy.

In general, pricing has not been a prominent component of the country's tourism policy. Nevertheless, elements of a pricing policy were visible as early as 1964 in the first post-independence Development Plan¹²⁶ (1964–1970). Even before this, price discrimination distinguished the high-priced and exclusive hunting safari venture from wildlife viewing and photography by mass tourists. This policy has been pursued to date in more or less the same way.

The government shall continuously review the taxes and fees levied on the tourism sector and on visitors (including park entry fees, visa fees, airport service charges and air passenger service charges etc) in order to remove or modify any charges, which may hinder tourism growth. In particular, it shall encourage the continued use of differential fees for peak and off peak times in congested parks and reserves, the introduction of differential charges for citizens, residents and non-residents at national parks and hotels, the use of air licensing to reduce jet fuel prices and work with fellow member countries

¹²⁶Government of Kenya, Development Plan, 1964–1997, Op.cit.

of the East African community towards eliminating visa requirement or bona fide visitors from the major source markets.

The 1970–1974 Development Plan¹²⁷ viewed reduction of airfares as one way of boosting the tourism sector. Unfortunately, individual countries have little or no leverage on airfares. Moreover, such adjustments would involve an undesirable distortion of prices.

The 1974–1978 Development Plan¹²⁸ provided for the control and increase of hunting fees even on private land, and the initiation of an ingenious scheme of setting differential fees for peak and off-peak times in congested parks and reserves. The idea was that prices would be reduced during the low season to improve activity. This policy has been pursued ever since, and it is often affected by the private sector. The parks are now categorized, with each category having a unique entry fee.

The increases in taxes and prices proposed in the 1974–1978 Development Plan¹²⁹ were designed to increase revenue receipts per visitor and facilitate Kenyanization of employment in tourism. This plan, like the previous one, lacked specificity. It did not indicate the taxes and prices to be targeted and the level to which they were to be increased. Moreover, such increases—unless they are based on market forces and considerations of optimal utilization—could adversely affect the competitiveness of the country as a tourist destination. The 1979–1983 Development Plan¹³⁰ announced that a study had been commissioned to look at tourism pricing. The findings of this study were expected to aid formulation of tourism pricing policy. The goals to attract tourism investment and increase competitiveness of the sector were cited as the objectives of the pricing policy¹³¹

¹²⁷ Government of Kenya, Development Plan, 1964-70, Op.cit.

¹²⁸ Government of Kenya, Development Plan, 1970-1974, Op.cit.

¹²⁹ Government of Kenya, Development Plan, 1974-1978, Op.cit.

¹³⁰ Government of Kenya, Development Plan 1974-1978, Ibid.

¹³¹ Government of Kenya, Development Plan 1979-1983, Op.cit.

The fees and taxes levied on foreign tourists were to be revised over the 1989–1993 period, as they had been found to be too low to cover the true cost of wildlife conservation¹³², this was also partly to cater for high inflation rates that the country was experiencing. This was implemented when park entry fees were increased hundredfold in 1995, rising from only Ksh 20 in 1979 to Ksh 2,000 in 2001 for an adult foreigner visiting a category A (the most expensive) park. The policies to increase park entry fees to a level that would induce optimal visitation and utilization, and to differentiate the rates for congested and non-congested parks and reserves were steps in the right direction. Such policies ought to be fully implemented and supported with detailed studies to determine the optimal pricing levels.

The government continues to differentiate charges for citizens, residents and non-residents, both at national parks and in hotels. This is aimed at increasing tourism activity especially during the low season. This is a positive approach when viewed from the perspective of helping Kenyans to appreciate their natural resources. But very low prices could affect sustainability through overexploitation and reduced quality as this could mean that the attractions will be less attractive to foreigners thus less receipts from tourism.

The reduction the jet fuel price could be considered as part of the tourism pricing policy since the quality and cost of air transport are key determinants of the performance of any country's tourism industry. It should be noted, however, that the price of jet fuel is still high in Kenya relative to neighboring countries. Moreover, the recent increase in the air passenger service charge to US\$ 40 has made Kenya less competitive, as most other countries charge US\$ 20 or less. South Africa charges only US\$ 18. Visa charges have been identified as a key impediment to tourism¹³³

¹³² Economic Survey, 1998, Op.cit.

¹³³ Government of Kenya, Development plan, 1994-1996, Op. cit

(f) Policy on Participation of Foreign Investors and Personnel.

Kenya has pursued more or less an open-door policy with respect to foreign investors, except in the mid-1970s when a policy restricting the share of non-citizens in tourism was attempted. In fact, the country has often offered attractive schemes to woo these investors. One of the key components of the country's tourism policy has been the encouragement and facilitation of private investment (including investment from foreigners) in tourist facilities, such as hotels, tour operating companies, safari outfitters and air safari firms. Furthermore, the government encouraged the recruitment of foreign personnel in the local tourism industry before an adequate number of Kenyans had been trained¹³⁴. In 1964; the Foreign Investments Protection Act was introduced to encourage foreign investment in tourism and other sectors of the economy. In addition, special tax relieves on hotel construction, such as accelerated depreciation on buildings, and was introduced soon after independence.

These favorable policies resulted in substantial foreign investment in Kenya's tourism industry and the domination of key sectors of the industry by foreigners. It was estimated, for example, that about 80% of all tourists who visited Kenya over the 1993–1994 period were attributable to foreign tour operators¹³⁵. The Chief Executive of the KATO Mr. Kaigwa¹³⁶ posits that there is need to tap into the wealth of knowledge of tour practitioners for ideas on how to market Kenya abroad. He adds that Kenya is still the most popular destination and moved up two places to the 6th among the top 10 destinations for Britons in 2002, it's the 4th most popular honeymoon destination and the 7th most popular wedding station.

¹³⁴ Government of Kenya, Development plan. 1994-1996, Ibid.

¹³⁵ Government of Kenya, Development Plan 1978-1983. Op.cit.

¹³⁶ Personal interview with Mr. Kaigwa, The Chief Executive of the Kenya Association of Tour Operators, 30th June 2004.

The 1974–1978 Development Plan was emphatic on the need to control the non-citizen share in the tourism industry. In line with this, the government introduced a policy on investment that required citizen ownership for at least 51% of the equity in lodges located inside national parks and county council game reserves¹³⁷ and non-hotel tourist service establishments regardless of their location. Majority foreign ownership was allowed for hotels located outside parks and reserves. This policy was laudable as it provided opportunity for Kenyans to enter into useful joint ventures with foreign investors, serving to facilitate transfer of technology and the policy of Kenyanization.

The 1974–78 Development Plan¹³⁸ introduced a foreign exchange control policy to curb illegal siphoning out of foreign currency. The Central Bank and the Income Tax Department were requested to introduce new reporting requirements for tourist firms, and the tourism sector was subjected to existing foreign exchange control procedures and penalties. To facilitate control of foreign exchange, more facilities were provided for legitimate exchange, such as foreign exchange bureaus, at all major border points and main tourist centers. Foreign exchange controls remained in place until the early 1990s when the foreign exchange market was liberalized and import restrictions removed. Foreign exchange control adversely affected the performance of the country's tourism industry, as foreign investors could not freely repatriate their profits. This served as a disincentive to foreign participation in tourism. In addition, the control affected the quality of service, since hotels could not get easy access to imported inputs. Foreign exchange control was unnecessary when ownership of tourist facilities by foreigners was controlled, policy measures should be geared towards ensuring that foreigners should not repatriate all their profits but should be ploughed back into the industry to develop it further.

¹³⁷ Government of Kenya, Development Plan, 1974-1978.Op.cit.

¹³⁸ Government of Kenya, Development Plan, 1974-1978.Ibid.

(g) Policy on Local Participation in Benefits.

The government has pursued a serious policy of Kenyanizing not only employment but also business ownership and management. This continues to date. County councils were given control over game reserves (albeit under government policy direction) through which they collect revenue and provide social and infrastructural services such as education, health, water, and roads to the local communities living near game reserves. Public education was one of the policies adopted at the time to secure enhanced wildlife protection by an informed citizenry. This continues to be a key pillar of wildlife policy in the country.

The government negotiates agreements with landowners in wildlife dispersal areas so that these people undertake to limit their non-wildlife activities in exchange for the right to earn direct revenues from wildlife and/or to receive grazing fees from the government. This policy, together with that of distributing wildlife benefits to the local people by locating lodges and other facilities outside but near parks and reserves, was continued in the 1979–1983 Development Plan.¹³⁹ The KWS has a Community Wildlife Services (CWS) programme that is involved in distributing wildlife benefits to local communities and in community training.

It was not until the 1970–1974 Development Plan that the encouragement of local participation in the tourism industry was first spelt out as an explicit component of tourism policy. The same plan proposed the establishment of traditional villages as cultural tourism centers. This was one of the first concrete proposals to facilitate local participation in tourism. The following Development Plan (1974–1978) placed greater emphasis on local participation. There was a desire to facilitate Kenyanization in employment in tourism through the KTDC. The lack of data makes it difficult to show how successful these policies have been, a problem that could be addressed by collecting primary data.

¹³⁹ Government of Kenya, Development Plan, 1979-1983.Op.cit.

Indigenization of ownership and management of tourism enterprises was a key policy in the 1979–1983 Development Plan, although no specifics were provided on how this goal was to be achieved. The 1994–1996 Development Plan continued with this vision and viewed promotion of ecotourism as a tool for achieving locally directed and participatory rural development that rationally utilized environmental and cultural resources. Moreover, diversification of tourism products and markets was expected to promote local employment and the spatial distribution of tourism-generated income to local communities¹⁴⁰. Promotion of domestic tourism was geared to achieve the twin goals of enhancing the sustainability of tourism and creating an understanding and appreciation of tourism benefits among citizens. Furthermore, capacity building was adopted as a policy for expanding Kenyan participation in and ownership of tourism establishments.

The Development Plan (1997–2001) continued from this point with a strong policy focus on local participation in the benefits from tourism, especially wildlife resources. The CWS is expected to provide community training, and the KWS is to find ways of devolving user rights to district wildlife associations and to increase user rights of local communities in order to provide economic benefits to them. On the broader tourism sector, a key strategy of the current development plan is to provide support for and encouragement of community participation in tourism activities¹⁴¹. This is also reflected in the *Poverty Reduction Strategy Paper for 2000–2003*¹⁴² which proposes to rationalize tourism responsibilities amongst all stakeholders to improve participation. The paper identifies infrastructure development, diversification, community participation and security as the areas for overall emphasis in tourism development.

Local ownership and control of tourism revenue, which are key prerequisites for wilderness conservation, are already being implemented but on a small scale. Some community groups such as the Olonana Cultural Centre, Kimana Group Ranch, II

¹⁴⁰ Government of Kenya, *Development Plan, 1994-1996*. Op.cit.

¹⁴¹ Government of Kenya, *Development Plan, 1997-2001*. Op.cit.

¹⁴² *Poverty Reduction Strategy Paper for 2000–2003*. Op.cit.

Ngwesi, Namunyak in the Mathews Mountains, and Shompole (south of Lake Magadi) are now in charge of revenue accruing from the areas they control. This suggests that the policy of promoting the participation of local people in tourism activities has had a measure of success. However, this policy is weak in that it does not contain strategies to build management skills among the local communities. Without these, the ability of local communities to establish profitable enterprises to maximize tourism revenue, which is a key incentive for nature conservation, will remain constrained.

h) Marketing and Promotion policy.

Kenya has always been aware of the critical role of marketing and promotion in the performance of the tourism sector. Therefore, the two have always been a part of the tourism policy. Intensive publicity, together with natural attractions and political stability, as an important vehicle to achieve rapid growth in tourism¹⁴³ Promoting the country as a travel destination for domestic and foreign tourists through strengthening the KTB and intensifying public relations services to propagate a positive image is a key policy objective of the tourism sector in the current development plan¹⁴⁴. Between the first and the current development plans, several development plans and policy documents have highlighted the necessity of marketing and promotion. Only details have differed among the documents.

The strategy propagated in the 1964–1970 Development Plan was to mount a major publicity effort in developed countries by continued and increased support for the then East African Tourist Travel Association and by enlisting the support of selected international air and shipping lines. Sessional Paper No. 8 of 1969 proposed several promotional activities: i) information campaigns abroad, ii) encouragement of direct selling or advertisement by the private sector, iii) nationwide campaigns, iv) encouragement of charter flights, v) improvement of airport service, vi) introduction of a

¹⁴³ Poverty Reduction Strategy Paper for 2000–2003.Ibid.

¹⁴⁴ Poverty Reduction Strategy Paper for 2000–2003,Ibid.

central hotel booking system, vii) increase of licensing power, and viii) establishment of a trade testing union.

The 1970–1974 Development Plan proposed that Kenya cooperate with the other East African countries in joint promotion. Initial promotion campaigns were quite successful, going by the fact that Kenya is traditionally associated with safari tourism.

The 1974–1978 Development Plan had a more specific policy on tourism promotion. For the first time since independence, emphasis was placed on the effectiveness of promotional spending, the use of professional techniques, the close coordination of public and private sector efforts, the provision of technical and financial assistance to regional publicity associations, and the promotion of conference tourism¹⁴⁵ Also proposed as part of the strategy were the promotion of up-country safari as part of package tours, and the targeting of areas such as North America, Japan and Oceania, which have high proportions of tourists who prefer safari to beach holidays.

The objective of improved cost-efficiency in promotion and marketing was retained in the 1979–1983 and 1984–1988 Development Plans. The target was to rely on selected, resource-efficient promotion and marketing programmes and to continue with the policy of providing off-season incentives to lure domestic tourists¹⁴⁶ The key elements of Kenya's tourism promotion and marketing policy over the 1984–1988 period were i) penetration of the non-metropolitan areas of the tourist-generating countries, ii) improvement of the tourist facilities and resources to attract and retain tourists, iii) promotion of conference tourism in new markets such as North America, iv) use of market research to reduce promotional overheads, v) joint promotion with the private sector, and vi) emphasis on the promotion of domestic tourism¹⁴⁷

¹⁴⁵ Government of Kenya, Development Plan, 1997-2001, Op.cit.

¹⁴⁶ Government of Kenya, Development Plan, 1979-1983, 1984-1988, Op.cit.

¹⁴⁷ Government of Kenya, Development plan, 1970-1974, Op.cit.

Like with the previous development plans, the tourism promotion and marketing policy introduced the 1989–1993 Development Plan had a key element of promoting domestic tourism alongside international tourism. This was to be achieved through the Domestic Tourist Council. Better-targeted publicity in the overseas market was envisaged for cost-efficiency reasons. Package tourists were encouraged less during this period on account of their relatively low revenue generation.

Key policies in the mid-1990s were the promotion of up-market based ecotourism and wildlife safaris, as opposed to mass tourism¹⁴⁸ the diversification of tourism products and markets; and the promotion of international, regional and domestic tourism. Domestic tourism was promoted through local organizations, youth groups, and institutions such as schools. Regional and international tourism were promoted through joint efforts of the government and industry institutions such as KATA and KATO, and through the Domestic Tourism Council. One of the most important promotional activities in Kenya is the annual Kenya International Tourism Exhibition (KITE).

Table .5 PROJECTED TOURISTS ARRIVALS 2005-2010

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

PROJECTED INT. TOURISTS ARRIVALS 2004-2010('000)		
YEAR	LOW CASE	HIGH CASE
2005	1477	1817
2006	1557	1945
2007	1628	2081
2008	1709	2226
2009	1795	2382
2010	1885	2549

Low case-assumes compound growth rate of 5% per annum.

High case assumes compound growth rate of 7% per annum

¹⁴⁸ Government of Kenya, Development plan. 1979-1984.1984-1988.Op.cit.

Source: Own computation based on Economic surveys –various years.

From the trends that tourism has shown in the past, it is projected that with favorable conditions and appropriate policies in the sector, the number of tourists visiting the country will increase considerably over the given time. This would result in increased employment, earnings and an increase in the GDP contribution to the country. This would be in line with the World Tourism Organization prediction for the tourism industry in Kenya¹⁴⁹

While it is certain that the country has made some effort in tourism promotion and marketing policy, promotional programmes have been ineffectual. The most serious shortcoming of the policy has been the failure to recognize that image development involves much more than promotion and marketing activities: the perception of the tourists themselves of the destination as offering value for money is the key determinant of the image. Even though the country has good name recognition, it is largely perceived as a mass tourist market with some negative features, a perception that can be corrected only by a gradual improvement of the fundamentals of policy in the industry.

(i) **The Aviation Policy.**

Kenya has always appreciated the critical role that efficient and sufficient air transport services play in the tourism industry. Soon after independence the government started negotiations with aviation bodies and governments that had restricted charter flights to the country¹⁵⁰. Air charter package tours were also encouraged early as a way of improving tourist activity in the low season. Moreover, the improvement of the Nairobi and Mombassa airports was a prominent part of infrastructure development. An air-licensing policy that aimed at reducing airfares and improving accessibility of the remote

¹⁴⁹ World Tourism Organization, Tourism Highlights, Op.cit

¹⁵⁰ Government of Kenya, Development plan. 1979-1984.1984-1988.Ibid.

parts of the country was pursued in the 1970s¹⁵¹ This was done through supporting the policy of the East African Civil Aviation Board to grant licenses in the required numbers to in-bound charters, and promoting local charters by cooperating with the other East African Community (EAC) partners with a view to dismantling restrictions on air services. (Traditionally, the air services policy of the EAC did not allow local operators on the domestic routes that East African Airways operated. This was enforced through price controls and denying licenses for passenger aircraft with more than 10 revenue seats

152
A more specific aviation policy focusing on tourism was announced in the 1979–1983 Development Plan. The policy hinged on i) making the Kenya Airways routing and timetable consistent with the needs of the tourism and modern civil aviation sectors, ii) increasing the share of the country's tourist traffic controlled by Kenya Airways, and iii) facilitating cooperation with foreign airlines through an open-skies policy with a view to attracting more carriers to the country and gaining access for Kenya Airways in the tourist generating markets. At that time Kenya Airways was fully owned by the government. Its operations could therefore be easily molded in tandem with government policy. Now Kenya Airways is a private airline largely driven by commercial principles, and the only way the government can influence it is through economic incentives. So far, such incentives have not been used to persuade Kenya Airways to fly new routes for the purpose of penetrating new tourism markets, routes that may initially not be commercially viable.

The 1993/94-budget speech,¹⁵³ abolished VAT and duty on imported aircraft and reduced jet fuel price. These were good policies and have had a positive impact on the country's civil aviation industry. Measures such as the reduction of the jet fuel price, however, need

¹⁵¹ Government of Kenya, Development plan, 1994-1996, Op.cit.

¹⁵² Government of Kenya, Development plan, 1964-1970, Op.cit.

¹⁵³ The Daily Nation, The 1993/94 Budget Speech, June 15th. (Nairobi, Nation Media Group: 1993.) Pp5-7.

to be constantly assessed to enhance the competitiveness of the country as a destination. Wrong policies such as the recent doubling of the air passenger service charge to US\$ 40 affect the country's competitiveness.

The initial practice of explicitly including aviation issues in tourism policy appears to have been lost. No development plans since 1983 has incorporated aviation policies in the tourism policy. This appears to be a serious loss of focus given the central role of the aviation industry in tourism. The open-skies policy should be emphasized not only for tourism but also for horticultural export promotion, alongside the use of economic incentives for Kenya Airways. The latter is necessary to improve commercial viability of routes to rich tourism markets that may not be serviced even with an open-skies policy. Mr. Kaigwa¹⁵⁴ calls for the expansion of Malindi airport to cater for direct flights from outside the country, this will attract tourists and save time spent on connecting flights from the Moi and JKIA airport and for the Italian market, Malindi's major source of tourist, it's time to fight the image created of Kenya as a cheap destination-we are not the less expensive alternative to unaffordable vacations in south Africa, Seychelles and Mauritius.

(i) The Wildlife Policy.

Wildlife is Kenya's principal tourism resource. Therefore, tourism policy cannot be complete without addressing wildlife issues. Policy-makers have been well aware of this, going by the fact that wildlife issues have consistently been a part of the overall tourism policy. Two key elements of Kenya's wildlife policy since 1945 have been enhanced wildlife maintenance and protection and exploitation of its tourism value. The 1979-1983 Development Plan¹⁵⁵ struck a very balanced approach of integrating wildlife development and management policies with the objectives of tourism. The plan explicitly stated that any wildlife utilization policy would be assessed largely on its potential contribution to

¹⁵⁴ Personal interview with Mr. Kaigwa, Chief Executive of the Kenya Association of Tour Operators.
Op.cit.

¹⁵⁵ Government of Kenya, Development Plan 1979-1983. Op.cit.

the well being of tourism. In more recent years, conservation and sustainable use of wildlife resources have been key policies.

Wildlife policy in Kenya has consisted of the following elements: Increases in the number of and area covered by wildlife sanctuaries, Special protection of endangered species, and direct government responsibility over national parks, including the construction and maintenance of roads within parks. Initially, this was the task of two government departments: the Game Department and the National Parks Administration. These were combined to form the KWS in 1990. The KWS is responsible for planning, developing, and managing protected areas and resolving conflicts between wildlife conservation and the interests of landowners and local communities living within or close to wildlife areas.

There has been the placement of responsibility and authority over game reserves on county councils, but under government policy direction. A policy allowing the government to manage game reserves on behalf of county councils was adopted in the mid-1970s. Following this, two game reserves are now under the management of the KWS. The current policy aims at strengthening the administrative machinery of game reserves to make it as effective as that of the national parks. Controlled hunting on trust and private land through licensing and high hunting fees to prevent depletion of wildlife resources, and setting by the KWS of permissible off-takes and minimum fees for landowners. Policy with regard to the consumptive use of wildlife, particularly hunting, has been very erratic. For instance, a hunting ban was imposed in 1977 and followed a year later with a trophy ban.

The 1979–1983 Development Plan¹⁵⁶ indicated the intention of the government to review the bans. In 1990, a total ban on ivory trade was imposed and to demonstrate commitment to the ban Kenya burnt 27 tonnes of ivory. In 1997, following intense campaigns by several Southern Africa countries, limited trade in ivory was allowed. The

¹⁵⁶ Government of Kenya, Development Plan, 1979–1983. Op.cit.

KWS is seriously opposed to this and has cited increasing poaching activity as the consequence of the relaxation of the ivory trade restrictions. Kenya strongly campaigned for and pushed through a total ban on ivory trade at a meeting of the Convention on International Trade in Endangered Species (CITES) held in Nairobi in March 2000.

Vigilance against poaching through measures such as the establishment of a strong, mobile, anti-poaching field force; expansion of the radio network to remote areas; public education to awaken Kenyans to the dangers of decimating wildlife populations; strong support for the ivory trade ban; and provision of economic incentives in other activities to would-be poachers.

Public education and training by the KWS and other agencies on the importance of wildlife conservation to tourism and in the maintenance of the ecological balance. This is expected to secure public support and participation. The KWS provides community training and other services through its CWS programme. Resolving the conflict between wildlife and human activities, including agriculture.

Human-wildlife conflicts over land use were evident as early as 1965. For example, there was serious competition between livestock and wildlife in the Amboseli reserve ¹⁵⁷. Attempts to resolve such conflicts have been made through: Protecting human beings and their property from injury or damage by wildlife through measures such as construction of game-proof barriers, translocation, and extermination of animals, Instituting plans such as those proposed in Sessional Paper No. 8 of 1969¹⁵⁸ and the 1974–1978 Development Plan for the formation of a land-use committee to ensure the best use of land. As a follow up, the 1994–1996 Development plan ¹⁵⁹proposed studies to determine the optimal use of land among various alternatives.

¹⁵⁷ Government of Kenya, Development Plan, 1864-1970, Op.cit.

¹⁵⁸ Sessional Paper No. 8 of 1969, Op.cit.

¹⁵⁹ Government of Kenya, Development plan, 1994–1996, Op.cit.

There has been a shift in focus and emphasis from preservation to conservation and utilization, introducing a programme of wildlife cropping in which off-take quotas are allocated for commercial ranchers, providing economic incentives to landowners in the wildlife areas, (for example allowing them the right to direct revenue from wildlife and/or charging grazing fees to encourage them to limit their non-wildlife activities in the wildlife dispersal areas,) introducing compensation schemes for loss of life and personal injury arising from wildlife activities, extending wildlife benefits to local people by locating staff facilities and hotels outside but close to parks and reserves to facilitate the provision of social services not only to the staff and their families but also to local people living near the parks and reserves, permitting the consumptive use of wildlife only in areas and circumstances in which wildlife conflict with other land uses has little direct value, translocating certain species from threatened dispersal areas to parks and game reserves.

In addition the KWS is to provide assistance for the infrastructural support that NGOs give wildlife associations, devolving and strengthening wildlife user rights of local communities, for example through district wildlife associations, establishment of a trustee-run wildlife fund to solicit donations for wildlife management and conservation, encouragement of private sector operation of wildlife enterprises where feasible, including the introduction of game ranching on an experimental basis, and provision of extension services to ranchers and training and employment in parks and reserves of skilled staff such as guides and anti-poaching personnel.¹⁶⁰

The Wildlife-Training Institute established in Naivasha was borne out of the government's commitment to improve skills of tourism personnel. Others are research on various wildlife issues and construction of a detailed baseline database on wildlife to facilitate planning and management, a pricing policy for setting differential fees for peak and off-peak times in congested parks and reserves, legislative reforms to accommodate changes in the nature of wildlife management and conservation. Such reforms include

¹⁶⁰ Tourism Policy framework Report, op.cit.

frequent revision and updating of the Wildlife Conservation and Management Act to remove policy conflicts and to review land preservation orders and legislation with a view to protecting important wildlife areas and increasing the user rights of local communities. Poor conceptualization and inadequate implementation of wildlife policy have hindered conservation of the country's wildlife resources. Thus, wildlife populations, particularly those of elephants and rhinos, have declined due to poaching and encroachment in spite of policies to discourage poaching and encourage land use for tourism development. (Some estimates show this at about 2% annually. In the Maasai Mara reserve, for example, a study conducted between 1997 and 2000 estimates that wildlife population has declined by 50–80% since the 1970s¹⁶¹. There is no indication in any of the policy documents whether the country has analyzed the implications of issues such as the ivory ban, hunting fees, sale of trophies, and park entry fees.

(k) Policy on Public Sector Participation.

For many years, the government has pursued a policy of active involvement in all aspects of the tourism industry, including planning and policy formulation, setting regulations and standards, building and maintaining infrastructure, developing lodges, hotels and other facilities, promoting and marketing tourism, providing security, promoting Kenyanization and private-sector participation, promoting wildlife protection and conservation, setting prices, particularly hunting and park entry fees, research and training, seeking financial assistance from foreign governments and industry bodies for local tourism development, securing regional cooperation in tourism, protecting human beings and their property from damage by wildlife.¹⁶²

Government participation would be appropriate in services that cannot be provided adequately or efficiently by the private sector, such as planning and formulating policy; regulating the industry; setting standards; assisting small, local hotels; and providing

¹⁶¹ The East African Standard. (Nairobi, The Standard Group Limited: 2000.) May 1–7, p. 5

¹⁶² Government of Kenya, Development Plan 1989-1993. Op.cit.

infrastructure and security. However, in general the services the government has provided have been inadequate. For instance, statistics on tourism are neither properly recorded nor analyzed to inform planning and management. Furthermore, lack of controls and standards, laxity in the enforcement of safety measures, irregular licensing and classification methods, and escalation of insecurity have been identified as serious threats to tourism in the country.

State involvement in direct supply of tourism services such as running of hotels was excessive (with the public sector wholly or partly owning 12.8% of all hotels in the country in 1992) before the late 1990s when divestiture commenced as part of the broader structural adjustment programme. Direct government involvement in the development of lodges, hotels, and other tourist facilities was ill advised, as the public sector is now widely known to be inefficient in commercial undertakings. Moreover, the government lacks adequate financial and human resources to engage in commercial activities.

The government has failed to stem the escalating insecurity affecting tourists, yet security provision is one of its key roles. A tourist police force was established following a recommendation in the 1994–1996 Development Plan¹⁶³. However, the force is still bogged down by logistical obstacles. The government erred in the past in effecting marketing and promotion programmes independently without involving the private sector, as this often led to duplication of effort and wastage of the scarce resources. There is need for the strengthening, training and adequate funding of the tourist police unit to ensure visitors safety.

The government introduced two excellent policies aimed at initiating a system for classifying hotels, and for enhancing the capacity of the Tourist Licensing Office. These were aimed at raising the standard of hotel services. These policies have been implemented to some extent and are yielding positive results. In its regulatory role, the government has made minimal use of economic incentives despite their obvious

¹⁶³ Government of Kenya, Development Plan, 1994–1996. Op.cit.

advantages over command-and-control regulatory measures. However, it is encouraging that the current development plan provides for increased use of economic incentives.

There are two other laudable policy departures in the current development plan¹⁶⁴ (2001-2004) regarding the place of the public sector. First, the role of the government in the tourism industry is now seen as that of a facilitator and regulator rather than an active investor. This is expected to engender more effective environmental and wildlife protection and improve tourism promotion (but only if the management and administrative performance of the government are improved). Second, increasing the wildlife user rights devolved to local communities, in particular, and enhancing community participation in tourism activities, in general, will promote protection of the tourism resources.

(i) Private Sector Involvement Policy.

Kenya has pursued a policy aimed at increasing the participation of the private sector in economic development, with the sector often viewed as the engine of economic growth. Government policy has all along encouraged private sector participation (both domestic and foreign investors) in the provision of hotel accommodation outside national parks and game reserves¹⁶⁵. In fact, international hotel business was left largely to the private sector. Private investment in other tourist services such as tour-operating companies, safari outfitters and air safari firms was also encouraged¹⁶⁶. The Minister for tourism Mr. Raphael Tuju¹⁶⁷ urges for the need to inject private sector professionalism in the tourism industry and that the Kenya would receive 1.5-2 million tourists per year if the KTB

¹⁶⁴ Government of Kenya, Development Plan, 2001-2004, (Nairobi, Government Printer: 2001) pp.37-46.

¹⁶⁵ Government of Kenya, Development Plan, 1994-1996, Op.cit.

¹⁶⁶ Government of Kenya, Development Plan 1989-1993, Op.cit.

¹⁶⁷ Personal interview with Mr. Raphael Tuju, Minister for Tourism, Op.cit.

would receive support of 550 million instead of the 153 million allocated this years budget 2004/2005¹⁶⁸

The following are some of the measures taken to promote private sector participation: Enactment of the Foreign Investments Protection Act in 1964 and special tax relieves on hotel construction, such as accelerated depreciation on buildings, Provision by the KTDC of long-term (15–20 years) commercial loans to hotels, and Kenyanization loans and soft loans to new Kenyan hoteliers¹⁶⁹ The government introduced a policy requiring private hotel developers to provide at least one quarter of the initial capital as a prerequisite for KTDC assistance, exemption from VAT payment of small hotels and restaurants (whose annual turnover was less than Ksh 1.5 million). VAT on hotel services was raised in the 2000 budget¹⁷⁰ from 13 to 16%; a measure industry participants feel may hurt the recovery of the sector, relaxation of the rules relating to depreciation cost deductions on hotel facilities, which enabled hoteliers to lower their operating costs, extension of the waiver of import duty to inputs for all buildings related to hotel services, a bolition of VAT and duty on imported aircraft and a reduction of jet fuel prices¹⁷¹.

Private sector operation of wildlife enterprises has been encouraged through initiatives such as the government's provision of extension services to ranchers. One major weakness in the Kenya policy with this regard is the failure to allocate to landowners property rights over wildlife on their land. The KWS is still responsible for registering all private hunting lands and setting the permissible off-takes and minimum hunting fees. This has taken away the incentive for proper management and conservation and discouraged people from using their land for wildlife conservation.

¹⁶⁸ The Daily Nation, Budget Speech read on 10th June, (Nairobi, Nation Media Group: 2004) p.5.

¹⁶⁹ Government of Kenya, Development Plan 1974–1978.Op.cit.

¹⁷⁰ The Daily Nation, Budget speech read on 12th June, (Nairobi, Nation Media Group: 2000)

¹⁷¹ The Daily Nation, The 1993/94-budget speech presented on 15th June 1993,Op.cit.

The 1979–1983 Development Plan continued the KTDC loans programmes. And the following Development Plan (1984–1988) ¹⁷² expected the KTDC to generate only 5% of the targeted increase in total bed capacity: the rest was expected to come from the private sector. The Development Plan for 1984–1988 introduced a policy for regulating the integration of services provided by tour operators. This meant that their involvement in hotels, restaurants, travel agencies, curio trade and other tourism-related activities was to be controlled. This was a good policy, as it was meant to prevent excessive concentration in the tourism industry and to provide opportunity for local participation. Unfortunately, this policy was never implemented. And the result has been substantial reduction in the participation of Kenyans in the tourism industry. Providing integrated services has substantial advantages, particularly with respect to efficiency in service provision.

Kenya has been engaged in some form or other of structural adjustment since the 1980s, although implementation of serious structural adjustment programmes (SAPs) began only in 1993. SAPs are a set of governmental policies that relative to other policies have had inarguably the largest impact on the role of the private sector. The general goal of SAPs is to liberalize the country's economy and make the private sector the engine of economic growth. Mr. Raphael Tuju ¹⁷³ posits that a growing economy that can provide an environment conducive for investment and investor interest in the country will have a positive impact on tourism and improvement of infrastructure especially road leading to the manic tourist attractions.

Tourism is not explicitly addressed in the SAPs, but most of the SAP policies have a bearing on tourism performance. These include i) civil service reform; ii) capacity building; iii) reduction of the fiscal deficit; iv) privatization of public enterprises, including Kenya Airways, African Tours and Hotels, and other public enterprises in tourism; (Since 1991, the government has sold its shares in at least 15 tourist facilities, prospective buyers have been identified for another 6, and a few are either under

¹⁷² Government of Kenya, Development Plan, 1979-1988. Op.cit.

¹⁷³ Personal interview with Mr. Raphael Tuju, Minister for Tourism. Op. cit

receivership or have been liquidated. The process is still going on. The Bomas of Kenya is one facility that the government has retained as a cultural center.)(v) Formulation of the National Environmental Action Plan (NEAP); and vi) liberalization of the foreign exchange market. These policies are expected to affect the tourism industry through their impact on the quality of personnel in the MTI, public budget, priority accorded to environmental issues, and access to imported inputs and services.

Whether the private sector will be enthusiastic about implementing tourism policy designed by the public sector is a key issue.¹⁷⁴

Strong special-interest groups exist in the countries that are serious impediments to policy implementation. In addition, conflicts associated with some policies discourage their implementation by the private sector. For instance, restricting the supply of integrated services may reduce efficiency of service provision but promote some social policy aspects. Two ways of securing better private sector implementation of policy are ensuring greater use of economic incentives as a policy instrument, and reducing conflicts within policies.

(m) Public-Private Sector Partnership Policy.

One serious weakness of the tourism industry in Kenya is the inadequate cooperation between the public and private sectors. For instance, prior to the establishment of the Kenya Tourist Board (KTB) in 1996, the government and the private sector tourism enterprises undertook independent and uncoordinated marketing and promotion activities, obviously with substantial duplication and waste of the scarce resources. The KTB has members from both the private and public sectors. Even now the cooperation between the two sectors is limited to promotional and marketing activities, although such partnerships have great potential in overall tourism development. This is in spite of the fact that as

¹⁷⁴ Poverty Reduction Strategy Report, 2000-2003, Op.cit.

early as 1965 the country's tourism policy called for close cooperation between the government and the private to foster rapid and efficient tourism development¹⁷⁵

The 1974–1978 Development Plan¹⁷⁶ announced a policy to facilitate close coordination of public and private sector efforts in marketing and promotion. This was expounded again in the 1979–1983 and 1994–1996 Development Plans, which proposed cooperation between the government and leading tour operators and industry organizations in the design and marketing of tour packages and promotion of international and regional tourism in general. In a personal interview with Mr. Brian Ngwiri,¹⁷⁷ many have described Kenya a country reborn, there is certainly a great deal of positive change in the air, there is need to come together and move forward to build and promote a new Kenya to the world. The tourism industry had over in the past few years learnt the need to down play competition and unite for a common good, that is the marketing of Kenya a destination. Therefore Kenya needs to spend more time on marketing and reduction of taxation for tourism entrepreneurs so that they can have the capital to invest in product improvements.

This focus on promoting close public–private sector partnerships in tourism appears to have been lost over the years. The last two development plans (1994–1996 and 1997–2001) are silent on this issue¹⁷⁸. This and the poor record of implementation of policies on private–public sector partnerships in tourism since the 1960s are major policy weaknesses.

(n) Tourism and GATS.

Kenya has made commitments under the General Agreement on Trade in Services (GATS) that have fully opened up the tourism sector to foreign investors.

¹⁷⁵ Government of Kenya, Development Plan, 1965-1969, Op.cit.

¹⁷⁶ Government of Kenya, Development Plan, 1974–1978, Op.cit.

¹⁷⁷ Personal interview with Mr. Brian Ngwiri, Assistant Chairman, Kenya Tourism Board, 8th June, 2004.

¹⁷⁸ Government of Kenya, Development Plans 1994-2001, Op.cit.

A GAT agreement was reached in the Uruguay Multilateral Trade Negotiations in 1994 and became effective in 1995. It extends internationally agreed rules and commitments to all forms of international trade in services and provides a framework for successive rounds of negotiations to liberalize world trade in all services. Under GATS, members of WTO are required to commit at least one service sector or sub-sector for liberalization with or without restrictions. The members can choose the sector or sub-sector to commit and the extent of liberalization. Once a country makes such a commitment, it cannot change the situation until after a specified period. Consequently, thorough reflection on the pros and cons is critical before such undertakings.

Tourism and Travel-related services are two of the sectors that Kenya has committed under GATS. The specific sub-sectors affected are hotels and restaurants, travel agency, tour operator, and tourist guide services. Kenya is among the 125 out of about 140 members of the WTO that had made commitments in tourism by October 1999. Kenya also committed three (cross-border, consumption abroad, and commercial presence) out of the four modes of supply defined by GATS.¹⁷⁹ This means that foreigners can use any of these modes to supply tourism services to or in Kenya. In addition, it is no longer a requirement that foreign investors form partnerships with Kenyans. Market access for the movement of natural persons, the fourth mode of supply under GATS, is restricted except for the entry and temporary stay of natural persons employed in management and expert jobs for the implementation of ventures funded by foreign investment. These people are treated like Kenya nationals without discrimination, since Kenya did not provide in its schedule of commitments any limitations in the treatment of foreigners.

The rationale for Kenya's commitments in tourism is based to a considerable extent on the fact that the sector is the country's third largest foreign exchange earner and that local capacity to lay the infrastructure required meeting international standards in tourism services is inadequate. Furthermore, the sector was largely liberalized even before GATS. Additionally, tourism is the most popular service as far as commitments under GATS are

¹⁷⁹ National Tourism Policy Framework Report, 2003.Op.cit.

concerned, particularly for developing countries. Thus, of the 12 service sectors defined under GATS, the largest number of countries has commitments in tourism.

GATS commitments and the ensuing liberalization certainly may have benefits, but they have costs as well, and Kenya ought to approach the process carefully and strategically so as to maximize net benefits.

There is need for thorough assessment and research to determine the most beneficial commitments and the optimal level for opening up. It is not clear why Kenya did not open up tourism sectors with conditions such as local employment, partnership with locals, and preferential treatment for locally owned travel agencies and tour operators, even when increasing participation of Kenyans in the tourism sector is one of the policies pursued since independence. Besides, it is doubtful that opening up of services such as tourist guides would benefit the country. If training at the KUC were improved, the country would be able to supply skilled tourist guides who would have an advantage over their foreign counterparts because of their experience with the Kenyan environment and cultures.

(o) Policy on Security of tourists.

In general, security of tourists has never been part of the tourism policy in the country even though political stability had been cited as early as the mid-1960s as one of the prerequisites for rapid tourism growth. The reason for this is most probably the fact that it was only in the 1990s that security posed challenges to tourism. Security featured in the country's tourism policy for the first time in the 1994-1996 Development Plan¹⁸⁰ when the establishment of a tourist police force was recommended. The police force has significantly improved security especially at the coast. However, security of tourists remains a major constraint to tourism growth in Kenya, and policy must address it urgently.

¹⁸⁰ Government of Kenya, Development plan, 1994-1996, Op.cit.

(p) Tourism and Image through the Media.

A tourist contemplating travel chooses a destination from among numerous alternatives on the basis of the perception of these alternatives. The perception formed is a function of the destination's image, that is, the ideas and beliefs about the destination. Consequently, there is a positive correlation between destination image and visitation rates, with destinations that have more favorable perceptions tending to be the more preferred by tourists¹⁸¹ the media charged with the responsibility of highlighting the tourist destinations and attractions through their coverages.

Image, therefore, is a variable that can be manipulated by tourism authorities in any country to improve visitation rates. Kenya's image as a destination has been adversely affected by negative publicity resulting from escalating insecurity, ethnic violence, corruption, and crumbling infrastructure. To counter the adverse publicity, the country's tourism authorities and industry participants have been making frantic efforts to promote and market the country. These efforts have failed to take cognizance of the fact that countering adverse publicity is considered as a defensive tactic aimed at face-saving and therefore does little to improve the country's image¹⁸²

To effectively improve its image, Kenya ought to be aware that the image projected by tourism and other officials ('official image') is not the most important determinant of the perception that potential tourists form of the country¹⁸³ There are other more important, image-forming factors, such as direct experience; primary socialization whereby culture and subculture shape people's images; and secondary socialization where the image of a destination is shaped by sources of information such as the mass media, teachers, textbooks, political parties, religious teachings, and other travelers.

¹⁸¹ Government of Kenya, Development plan, 1997-2001, Op.cit.

¹⁸² National Tourism Policy Framework Report, 2003, Op.cit.

¹⁸³ National Tourism Policy Framework Report, 2003, Ibid.

It is obvious that regardless of how large a promotion budget the KTB has, the negative image the country has acquired overseas cannot be corrected without dealing with the fundamental obstacles facing tourism. Infrastructure must be improved, security enhanced, the beach boy menace eradicated, ethnic and political violence curbed, the quality of tourist service improved, local culture promoted, and taxes and service charges made competitive. Once the fundamentals are right, direct tourist experience, word of mouth, and positive news media reports will automatically lead the way in re-inventing the country's image, and KTB's role in promotion and marketing will be reduced.¹⁸⁴

Kenya needs to also initiate a campaign aimed at creating an overall brand image through advertising, public relations, films, sales promotion, and familiarization trips for tour operators, travel agents and journalists. Kenya is reputed to be inhospitable to filmmakers even though films can play a key role in creating a positive image of the country. In addition, the country needs to change its image as a sun, beach and safari destination to one emphasizing a more diversified product mix, including attractions such as culture, history, scenic beauty, archaeological sites, and activities such as golfing, mountaineering, horseback safaris, and city tours. The country ought to carry out an image study in tourist source countries to understand the prevailing perceptions of the country as a tourist destination. The findings of such a study would be critical in the country's image-improvement strategy.

(g) The Regional Co-operation Policy.

Before the collapse of the East African Community in 1977, regional cooperation was a key policy of Kenya's development. East Africa was promoted as a single unit by institutions such as the East Africa Tourist Travel Association. The aviation policy was also regional, since East African Airways was jointly owned by Kenya, Uganda and Tanzania. Cooperation with the other two East African countries for cost-effectiveness in

¹⁸⁴ Personal interview with Mr. Brian Ngwiri, Assistant Chairman, Kenya Tourism Board, Op.cit.

joint promotion, development of facilities and destinations (such as Lake Chala, Lake Victoria, and Mount Elgon), training, research, and data collection data collection, harmonization of tourism policies, cooperation in the regional and international exchange of information likely to influence the tourism industry (e.g. information on health, internal security, technology, standards and legal provisions), adoption of regional tourism health information and disease control programmes, and the easing of visa and travel restrictions for bona fide international and regional visitors was an explicit policy of the tourism sector in the early 1970s¹⁸⁵

Perhaps because of the sour political relations that led to the collapse of the East African Community in 1977, regional cooperation never featured again in the country's tourism policy until the 1997-2001 and the 2002-2005 development plans. This was an enormous missed opportunity, considering the cost-efficiency benefits that could have been leaped had the East African countries cooperatively developed and promoted tourism. The Development Plan of (1997-2001¹⁸⁶) proposed strategies to blend Kenya's traditional tourist destinations with multi-destination tourism within trading blocks and to review the barriers within the trading blocks. The barriers targeted include immigration procedures, movement of vehicles and persons, and remittance of proceeds by tour operators across countries.

It is encouraging that the East African integration was revived. The cooperation agreement provides for collaboration in i) the promotion and marketing of sustainable tourism, ii) wildlife and biodiversity conservation and management, and iii) personnel training. These policies and those on regional cooperation in tourism that are contained in the 1997-2001 Development Plan are laudable. Their implementation, however, is heavily contingent upon strong and sustained political will, in this regard Kenya needs to liaise in a stronger way with opinion leaders outside the country. The policies must also introduce a mechanism for achieving equitable revenue sharing among the partner states

¹⁸⁵ Government of Kenya, Development Plan, 1974-1979.Op.cit.

¹⁸⁶ Government of Kenya, Development Plan 1997-2001.Op.cit.

if the current competition to develop hub facilities, for instance, is to be eliminated. In this regard co-operation with other African countries (outside the EAC) shall also be encouraged.

2.4 A Critique of Kenya's Tourism Policies since Independence.

Kenya has pursued a set of tourism policies since independence. The country started off on the right foot by inviting an expert from France, the world's most visited country, to study the tourism industry and recommend directions for its future development. The expert's recommendations formed the basis for the initial post-independence tourism policy.¹⁸⁷ One of his recommendations—to develop infrastructure to allow mass tourists access up to a certain height of Mount Kenya, as opposed to the current exclusive access of expert climbers—was apt but was never implemented. Yet, this mountain could be developed into a unique product if it was marketed focusing on its special qualities.

Another example of the comprehensiveness of the post-independence tourism policy was the implicit incorporation of sustainability features into tourism policy as early as the 1979–1983 Development Plan,¹⁸⁸ long before the Brundtland Report of 1987, which is credited globally with popularizing sustainable development.

Other impressive policies include i) the leading role slated for the private sector since independence in 1963 in the country's tourism development strategy, ii) the policy of Kenyanization, and iii) the provision of government financial assistance to small, local hoteliers through the KTDC. Numerous other laudable policies have been developed, as the preceding section has demonstrated. Nonetheless, there have also been failures in the sense of missed, ignored and/or inappropriate policies. The most important ones are summarized here:

¹⁸⁷ Government of Kenya, Development Plan, 1964-1969, Op.cit.

¹⁸⁸ Government of Kenya, Development Plan, 1979-1983, Op.cit

Tourism is one of the country's key sectors whose policy has not been spelt out in a recent Sessional Paper. Perhaps the ministry in charge of tourism is to blame for not developing a coherent policy framework. The failure of the policy framework to state explicitly what the country is trying to achieve has led to contradiction in some of the policies.

In general, the policy objectives and the strategies spelt out to address them are rather sweeping and general and do not pinpoint specific interventions. For instance, stating intensifying efforts towards diversification of tourist products and market segments, without being specific about how the efforts are to be intensified does not say much. Moreover, this is a vague strategy that is difficult to implement. Lack of policy specificity is also manifested in the statement in the 1997–2001 Development Plan¹⁸⁹ of the government's desire to implement the national tourism master plan with a view to establishing a sustainable tourism base. While this is a noble policy objective, the plan does not provide details on the aspects of the master plan to be implemented or specify the time period. Furthermore, the plan does not indicate the optimal tourist numbers for sustainability in tourism. Most of the other strategies are equally general and impossible to implement.

Many policies have been formulated without consideration of human and financial resource constraints, rendering otherwise laudable policies ineffective. The performance of Kenya's tourism policy in achieving the desired goal has been mixed. Policies such as those on the diversification of tourism products and markets, which form a part of Kenya's overall tourism policy, have not yet achieved the expected results because resources for implementing them have been lacking. There are many other policies that have not yet been implemented. These include the policies focusing on i) developing a tourism forecasting model, ii) improving the data-recording process, iii) creating a tourist and travel research center at the University of Nairobi, iv) controlling the non-citizen

¹⁸⁹ Government of Kenya, Development Plan, 1997–2001, Op.cit.

share of the tourism industry, v) promoting sustainable tourism and wildlife management, and vi) coordinating tourism planning.¹⁹⁰

Nevertheless, some policies have been implemented with varying degrees of success. These include i) the development of tourist facilities and infrastructure; ii) the development of conference facilities like the KICC; iii) the improvement or rehabilitation of airports; iv) the creation of tourism-related institutions like the KTDC, KUC, CLT, Bomas of Kenya, KWS and KTB; v) the encouragement of foreign investor participation; vi) the preparation of the national tourism development master plan; vii) the promotion of domestic tourism, and viii) the creation of a tourist police force. The management of tourism in the country ought to move down this path. Some institutions and facilities that have been put in place, however, have faced resource constraints, which have affected their effectiveness.¹⁹¹

Policies for augmenting our natural attractions are weak. In other words, there has been inadequate development of secondary factors to complement the country's rich primary attractions. And some of the natural attractions have not been exploited for lack of resources. Consequently, the country continues to rely largely on a few natural attractions without improving them. South Africa is one country that is distinct from Kenya in this respect, a fact that, together with the demise of apartheid, may explain why South Africa moved from the third most successful African tourist destination in 1985 to the first position by 1994. South Africa's Table Mountain is an excellent example of how the enhancement of a natural attraction—even the not so attractive—by carefully planned, high-quality infrastructure and tourist facilities could increase its capacity to attract, entertain and please tourists.¹⁹² Such enhancement could significantly increase the

¹⁹⁰ Institute of Economic Affairs, Op.cit.

¹⁹¹ Government of Kenya, Development Plan, 2001-2005, Op.cit.

¹⁹² South Africa Tourism Board, 2001, Op.cit.

carrying capacity of natural tourism resources. Kenya should move in this direction, since the shortage of resources hinders exploitation of new primary attractions.

Lack of an effective land-use and planning policy has affected tourism, as it has led to the proliferation of hotels and other investments on fragile ecosystems and has allowed human encroachment on wildlife dispersal areas, seriously compromising conservation. Private lodges and other tourist facilities, for example, have been established near national parks. These have not only interfered with dispersal areas but also increased leakage of tourism revenue. These lodges are owned largely by foreigners, and tourists who visit them do not pay entry fees.¹⁹³

Kenya lacks policies to deal with competition and to enhance the county's competitiveness as a tourist destination, largely because the country had no competition in Africa for a long time. South Africa emerged as a major competitive force in 1993. But to date no policy has been developed to respond to this. The government and the industry are adopting a 'business-as-usual' attitude, a hangover from complacency in past. In fact, some of the policies recently developed threaten to reduce the country's competitiveness.

These include the recent doubling of the air-passenger service charge that made it at least double the rate in competitor countries like South Africa, Tanzania, and Zimbabwe. Poor infrastructure—including frequent power disruption and lack of clean water—corruption and the inferior quality of services relative to the price charged are other factors that adversely affect the country's competitiveness. Even though it is the private sector that has as the main objective the goal to compete, the government must assist it by improving infrastructure, reducing corruption and controlling quality standards. In spite of the fact that insecurity is now a major constraint to tourism growth in Kenya, it is not adequately addressed by policy. The government must not or appear to condone political violence.

194

¹⁹³ Personal interview with Mr. Charles Muthui, Head of Tourism, Kenya Wildlife Service, 28th June 2004.

¹⁹⁴ Economic Survey, 2001. Op.cit.

Undertakings with GATS may need to be studied closely to find out the implications on the country's tourism sector of the commitments Kenya has made so far, with the view to strategizing ahead of the next round of GATS negotiations. The country has lost opportunity by opening up the entire tourism sector without beneficial restrictions or conditions such as local employment, partnership with locals and economic-needs tests, yet these are permitted under GATS.¹⁹⁵

Since independence, promoting and marketing the country as a tourist destination have been key elements of Kenya's tourism policy. This policy has failed to take cognizance of the fact that marketing efforts emanating from the destination are the least effective of the destination's image-forming factors and that those efforts have no chance of success if they are not accompanied by effective policies to deal with the fundamental ills affecting tourism. Furthermore, the government policy of controlling leadership in marketing and promotion has been restrictive¹⁹⁶ For these reasons marketing programmes have been ineffectual, and the current image Kenya as a destination is negative.

Kenya's policy has failed to encourage the creation of a common voice to influence government thinking. The Kenya Tourism Federation (KTF), Major Kamunge posits,¹⁹⁷ has the potential to play this role but it is constrained by a serious resource inadequacy. Kenya's tourism policy has, in general, hardly considered the issue of whether tourism has real (net) benefits. True, there was speculation in the 1960s that about 25% of the total tourist expenditure of the country leaked back to developed countries. But, apart from the policy of maximizing tourism earnings retention within the country engendered in the 1994-1996 Development Plan,¹⁹⁸ tourism policy has been silent on the issue of minimizing economic leakage. Even the policy proposed in 1994 was not comprehensive

¹⁹⁵ Institute Of Economic Affairs, Op.cit.

¹⁹⁶ Personal interview with Mr. Raphael Tuju, Minister for Tourism, Op.cit.

¹⁹⁷ Personal interview with Major Kamunge, Chairman, Kenya Tourism Federation, 22nd June 2004.

¹⁹⁸ Government of Kenya, Development Plan, 1994-1996, Op.cit.

enough, as it encouraged up-market tourism based on ecotourism and wildlife safaris as the only strategy for maximizing the retention of tourism revenue. The actual role of tourism in the economic development of the country can only be ascertained and subsequently supported by policy after a systematic analysis of all the costs and benefits.

Tourism policy has not addressed the role of technology—such as on-line services and ticket less travel—in the industry, yet technology is gradually phasing out travel intermediaries such as travel agents. Recent technological advances such as the global distribution systems (GDS) and computer reservation systems (CRS) involve cross-border supply of tourism services. Some of these come with monopoly distribution rights. Governments at international trade negotiation forums can only resolve these issues. A pertinent concern is whether developing countries like Kenya stand to benefit or lose from technological advances. This is an area requiring urgent research to inform policy.¹⁹⁹

In spite of the focus on the role of tourism planning and coordination in the first few development plans, the numerous economic sectors involved in Kenya's tourism industry are still not well coordinated. The tourism ministry has found it difficult to coordinate the management of game reserves, which are under various local authorities. This is partly because implementation of policies is very poor and partly because the initial focus on planning and coordination was not maintained in subsequent plans.

Two glaring examples demonstrate the negative consequences of this lack of coordination. First, the KWS, which is responsible for conservation and management of the protected areas—the backbone of the country's tourism industry—is independent from the MTI, the industry's overall regulator, planner, developer and promoter. Second, protected areas and important historical and cultural resources are gazetted for conservation under the Wildlife Conservation and Management (Amendment) Act (CAP 376) and Antiquities and Monuments Act (CAP 215), respectively, without providing for

¹⁹⁹ Institute of Economic Affairs, Op.cit.

adequate participation of the MTI, yet these are gazetted primarily for tourism purposes. Even though the MTI lacks the administrative capacity, vision and policy framework to manage wildlife, cultural and historical resources, it should be closely involved in policy development for their conservation and use.²⁰⁰

Tourism planning has failed to establish a mechanism for evaluating the performance of previous policies before new ones are formulated. The result has been a policy framework without continuity or coherence. Due to inadequate implementation and poor conceptualization, wildlife policy has not achieved sufficient conservation of the country's wildlife resources. Wildlife populations, particularly those of elephants and rhinos, have declined due to poaching and encroachment, in spite of the existence of policies against poaching and for designating land use for tourism development. This is one of the reasons why Kenya's tourism declined in the 1990s. In fact, Southern Africa countries like Botswana and Namibia are now more appealing to tourists seeking exclusive and back-to-nature experiences.²⁰¹

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

Even though the Government of Kenya has had an anti-poaching strategy since the colonial period, the policy has always been watered down by the desire to collect revenue from game trophies. For instance, at one time a fee was paid to members of the public who collected game trophy for the government.²⁰² This obviously provided incentives for killing animals. The swinging of policy between allowing and disallowing game use has more or less continued to date, even under the KWS.

The lack of consistency has discouraged private landowners from considering game as a profitable use of their land. Park entry fees increased tremendously in 1995—from Ksh 20 per day in 1979 to US\$ 27 (almost Ksh 2,000) in 2002 for an adult foreigner visiting a

²⁰⁰ National Tourism Framework Report, 2003, Op.cit.

²⁰¹ South African Tourism Board, Op.cit.

²⁰² The Sunday Standard, February 28, (Nairobi, The Standard Limited: 1999) p.13

category A (the most expensive) park—largely in line with the policy of targeting a smaller number of rich tourists. This could be an appropriate approach, but if it is implemented without improving the quality of tourist services and facilities, dealing with other problems like security and the beach boy menace, and creating a fresh image of Kenya, it cannot be expected to yield the desired results. In general, therefore, the problems with wildlife policy are that it counters the existing economic incentives and it is difficult to implement.

Private reserves have not been adequately supported by government policy despite their potential in promoting tourism. They are not accorded tourism development incentives such as tax holidays or reduced taxes. Moreover, the government interferes with their pricing policies, which is a disincentive to investment. The government appears to have a phobia of commercial use of wildlife.²⁰³

This reflects ignorance of the fact that well-defined property rights to the wildlife resource and a high rate of return to investment (which wildlife exploitation would be if prices were not fixed) would not necessarily turn commercial use into overexploitation. It is possible that denying landowners the right to own wildlife may have had a more devastating impact on Kenya's wildlife populations than poaching. There is need therefore for policy to explicitly address the potential conflicts between conservation and commercial exploitation of wildlife. Economic incentives have hardly been used as a policy instrument in Kenya's tourism management despite their huge potential.

2.6 Summary.

The vision for the future of Kenya's tourism sector is predicted on the development of a set of core strategies related to sustainable development, product development, profitability and investment, marketing and promotion, which in turn will be complemented by a set of support strategies regarding information management, human resource development, organization and funding.

²⁰³ Economic Survey, (Nairobi, Government Printer: 2000) Op.cit.

The vision is contained in this statement: *'Kenya's tourism shall be an industry manned by dignified, educated and trained people dedicated to providing quality services for enjoyment by citizens and visitors while being at the same time a national instrument for promoting the economy and livelihood of the people of Kenya, with particular reference to job creation, raising human living standards, earning foreign exchange, encouraging foreign investment and sharing of benefits with local communities. In this way tourism shall become a rational base for safeguarding the sustainable conservation of Kenya's unique assets of beaches, wildlife and culture for enjoyment by present and future generations'*²⁰⁴

This need for comprehensive policies arises from the adoption of the agenda 21 for the travel and tourism industry, which calls for the revision and harmonization of existing policies upon which further development and diversification of the tourism sector will be based in attempts to regain Kenya's number one position as the most favorable tourist destination within the African continent.

²⁰⁴ National Tourism Policy Framework Report, 2003, Op.cit.

CHAPTER THREE

THE DEVELOPMENT AND PROMOTION OF TOURISM IN SOUTH AFRICA-RESPONSIBLE TOURISM POLICY GUIDELINES.

3.1 INTRODUCTION.

This chapter seeks to analyze the tourism policy framework that has guided the tourism sector in South Africa since independence to date. To achieve this objective, the analysis will cover various issues such as the South African responsible tourism policy guidelines and their application to the tourism industry, the vision, objectives, principles and the policy issues that are involved in igniting the engine of tourism in South Africa.

Tourism has become a fiercely competitive business. For tourism destinations the world over, as indeed for South Africa, competitive advantage is no longer *natural*, but increasingly *man-made* - driven by science, technology, information and innovation. As such, it is not simply the stock of natural resources of South Africa that will determine her competitiveness in tourism, but rather, how these resources are managed and to what extent they are complemented with man-made innovations.²⁰⁵

The World Tourism Organization in its 2000²⁰⁶ Review of African Tourism considers South Africa to be "one of the most promising tourism destinations of the African continent". The *Horwath 1995 Worldwide Hotel Industry Review*²⁰⁷ concluded that South Africa's tourism potential "is outstanding, provided that peace and harmony remain". Notwithstanding all the above-mentioned advantage, South Africa has not been able to realize its full potential in tourism. As such, the contribution of tourism to employment, small business development, income and foreign exchange earnings remains limited.

²⁰⁵ J. Brohman, New directions in Tourism for Third World Development. Annals of Tourism Research 23 (1) (New York: John Wiley: 1996) pp. 48-70.

²⁰⁶ World Tourism Organization, African Review, 2000 Vol 3, pp.56-60.

²⁰⁷ The Horwath Worldwide Hotel Industry Review. (London, Macmillan Press: 1995) Vol 4, p.45.

While there is no doubt that growth will continue under the pressure of regional and overseas demand, there is no guarantee that the growth will be sustainable, or that the tourism industry will be fully able to act as an engine of growth for the economy, or achieve the socio-economic objectives set by the Government. Key actions, policies and strategies are necessary to ensure that South Africa realizes its tourism potential as well as avoid the mistakes that other destinations have made.²⁰⁸

In October 1994, the Minister of Environmental Affairs and Tourism appointed the Interim Tourism Task Team (ITTT) with the mandate of drafting a tourism discussion paper as a basis for a future national tourism policy. Representing the business sector, labor movement, provincial governments, community organizations and the national government, the ITTT produced a Tourism Green Paper in September 1995²⁰⁹. This provides the policy framework and guidelines for Tourism Development in South Africa.

3.2 Responsible Tourism in South Africa.

Based on an assessment trends that the tourism industry is facing, the imperatives of global change as well as the ideas and concerns raised in the countrywide workshops in South Africa, the concept of "Responsible Tourism" emerged as the most appropriate concept for the development of tourism in South Africa.²¹⁰

Responsible Tourism is the key guiding principle for tourism development in South Africa. Responsible tourism implies a proactive approach by tourism industry partners to develop, market and manage the tourism industry in a responsible manner, so as to create a competitive advantage. Responsible tourism implies tourism industry responsibility to

²⁰⁸ M. Mowforth, and I. Munt, Tourism and Sustainability: New Tourism in the Third World. (London, Routledge: 1999) pp.45-46.

²⁰⁹ Republic of South Africa 'The Reconstruction and Development Programme: A Policy Framework'. <http://gopher.anc.org.za/00/anc/policy/rdp.txt>. 1996

²¹⁰ L.C Harrison, and W. Husbands, (eds) Practicing Responsible Tourism (New York, Wiley: 1996) pp.24-25.

the environment through the promotion of balanced and sustainable tourism and focus on the development of environmentally based tourism activities (e.g. game-viewing and diving).²¹¹

Responsible tourism means responsibility of government and business to involve the local communities that are in close proximity to the tourism plant and attractions through the development of meaningful economic linkages (e.g. the supply of agricultural produce to the lodges, out-sourcing of laundry, etc.). It implies the responsibility to respect, invest in and develop local cultures and protect them from over-commercialization and over-exploitation. It also implies the responsibility of local communities to become actively involved in the tourism industry, to practice sustainable development and to ensure the safety and security of the visitors.²¹²

Responsibility to visitors through ensuring their safety, security and health is another concern of responsible tourism. Responsible tourism also implies the responsibility of both employers and employees in the tourism industry both to each other as well as to the customer. Responsible trade union practices and responsible employment practices are the hallmarks of the new tourism in South Africa. Responsible tourism also implies responsible government as well as responsibility on the part of the tourists themselves to observe the norms and practices of South Africa, particularly with respect to the environment and culture of the country.²¹³

Key elements of responsible tourism are: to void waste and over-consumption, use of local resources sustainably, maintenance and encouragement of natural, economic, social and cultural diversity, sensitivity to the host culture, involvement of the local community

²¹¹ WTCA (Southern African Development Community's Travel and Tourism: Economic Driver for the 21st Century). (World Travel and Tourism Council, Brussels: 1999) pp. 67-72.

²¹² H. Goodwin, Responsible Tourism and the Market. (London, International Centre for Responsible Tourism: 2000) p. 65.

²¹³ H. Goodwin and A. Spenceley, National Responsible Tourism: Guidelines For South Africa. Explanatory letter. (Pretoria, Department of Environmental Affairs and Tourism: November 2001/2002).

in planning and decision-making, assessment of environmental, social and economic impacts as a prerequisite to developing tourism, ensuring communities are involved in and benefit from tourism, marketing tourism that is responsible, respecting local, natural and cultural environments and , monitoring impacts of tourism and ensuring open disclosure of information.²¹⁴

Responsible tourism has emerged as most appropriate because:

- i. It has recognized the responsibility of the government and private sector to involve the previously neglected in the tourism industry and is 'on trend' with the demands of the international marketplace - today, enlightened travelers want to know that their activities do not destroy the environment, but rather, help to conserve the environment and sustain local communities
- ii. Responsible tourism as a new concept - a fresh approach that South Africa has taken to the market place and offers South Africa the opportunity to be a leader in the 'new tourism'; it has given South Africa a chance to define global best practice in responsible tourism and set the standard for the rest of the world to follow, rather than follow the initiatives that others have developed
- iii. Responsible tourism has been all-embracing, involving proactive participation and involvement by all stakeholders - private sector, government, local communities, previously neglected, consumers, NGOs, the media, employees and others is therefore not a luxury for South Africa. It is an absolute necessity if South Africa has to emerge as a successful international competitor

The key challenge is to develop the commitment to responsible tourism on the part of all stakeholders and most importantly, implement it. The government is committed to the principle of responsible tourism and has undertaken the above elements into the tourism sector in virtually all the provinces. South Africa has got some considerable results by working closely with international funding agencies, the local and international private

²¹⁴ H. Goodwin, Responsible Tourism and the Market. 2000, Op.cit.

sectors, NGOs and other relevant partners to define responsible tourism and establish a standard for it.

The government of South Africa realizes that if a responsible approach to tourism is not adopted and the industry is not adequately planned for, the industry will not be able to compete effectively with the others countries in the widely increasingly competitive world.

3.3 VISION, OBJECTIVES AND PRINCIPLES OF THE TOURISM SECTOR IN SOUTH AFRICA.

The vision of the South African government is to develop the tourism sector as a national priority in a sustainable and acceptable manner, so that it will contribute significantly to the improvement of the quality of life of every South African. As a lead sector within the national economic strategy, a globally competitive tourism industry will be a major force in the reconstruction and development efforts of the government.²¹⁵ The Trade Counsellar at the South African High Commission, Anneate Nthadwla posits that ²¹⁶, South Africa's goal is to increase the number of tourists that visit the country and the African region, make them stay longer, spend more, travel further and return repeatedly and in this respect, South Africa is a host, every shopkeeper, every taxi driver, and every petrol pump attendant is an ambassador. In addition to this she posits that the South Africa has another big ambition, to compete with world-class destinations such as Europe. This clearly shows that South Africa is confident that it already a leader in the African continent.

Government provides the enabling framework for the industry to flourish, by providing loans to private developers. This is because tourism development is dependent on and the establishment of cooperation and close partnerships among key stakeholders.

²¹⁵ Department of Environmental Affairs and Tourism, Tourism Cluster Study, <http://www.nedlac.org.za/research/fridge/satourep/index.html>. 1999.

²¹⁶ Personal interview with Mrs. Annette Nthadwla, Trade Counsellar at the South African High Commission, 21st June, 2004.

Tourism development in this regard supports the economic, social and sustainable environmental management practices goals and policies of the government, this is only done in a safe and stable tourism environment. This requires a tourism framework that is innovative and responsive to customer needs and is focused on product enhancement and emphasis on diversity through creative and aggressive marketing and promotion as well as building strong economic linkages with other sectors of the economy, appropriate institutional structures and appropriate supportive infrastructure.

Tourism development takes place in the context of close cooperation with other states within Southern Africa; this is done through joint marketing of the tourist attractions and other activities such as exhibitions with the SADC and RETOSA countries. This is due to the realization that globally competitive practices are achieved by offering quality services and value for money attractions to the tourists.

In accordance with the tourism vision, a united, sustainable and competitive tourism industry in South Africa has led to global 'best practice' in socially, environmentally and culturally responsible tourism. This vision is supported by the following specific objectives²¹⁷

Specific targets

1. To increase the contribution of tourism to GDP to 10 % by 2007
2. To sustain a 15% increase in visitor arrivals over the next ten years
3. To create 1 million additional jobs in tourism by 2007
4. To increase foreign exchange earnings of tourism, from approximately R10 billion in 1996 to R40 billion per annum in 2007

²¹⁷ A. Mathieson & T. Wall, Tourism: Economic, Physical and Social impacts, (London, Longman Press:1999) Pp.34-39.

5. To welcome 2 million overseas visitors and 4 million visitors from the rest of Africa by 2007²¹⁸

3.4 IGNITING THE ENGINE OF TOURISM GROWTH-TOURISM POLICY ISSUES.

To ignite the tourism engine of growth in South Africa a number of key policies have been developed and actions taken in the following areas: role of the private sector in tourism development, education and training, financing tourism and access to finance, investment incentives, foreign investment in tourism development, environmental management and tourism development, product development, cultural resource management, air transportation, infrastructure and tourism development, marketing and promotion of tourism, product quality and standards, tourism policy on regional cooperation, Safety and security of tourists, and the role of the youth tourism development.²¹⁹

The guiding principles and policy guidelines for each of the above are discussed below.

a) The role of the Private Sector in Tourism development.

The private sector has and continues to play a critically important role in the further development and promotion of tourism. The private sector bears the major risks of tourism investment as well as a large part of the responsibility for satisfying the visitor. The delivery of quality tourism services and providing the customer with value for money are largely private sector responsibilities. Furthermore, the private sector is in a position to promote the involvement of local communities in tourism ventures by, inter alia, establishing partnership tourism ventures with communities. The private sector also has the social obligation of ensuring that tourism will be a major contributor to poverty

²¹⁸ South African Tourism Board, 2002, Op.cit.

²¹⁹ T.Grant and F.Kessel, Framework for Economic and Environmental Guidelines for Sustainable Tourism Development, (Pretoria, Institute of Natural Resources September: 2001) p.45

alleviation and ensure sustainable development including involving local communities in the tourism development.²²⁰

The government is committed to providing a climate conducive to the further growth, development and profitability of the tourism private sector. Tourism, being a market driven activity, is best guided in investment strategy by those closest to the market-the private sector operators. Specific private sector functions in place include:²²¹

- i. Investment in the tourism industry to ensure operation and managing of the tourism plant efficiently and profitably and by continuously refurbishing plant and equipment and by also operating according to appropriate standards
- ii. Advertising and promoting individual tourism services as well as the country - locally, regionally and internationally
- iii. Continuously upgrading the skills of the workforce by continuously providing training and retraining, this is aimed at satisfying customer needs by providing quality products and services
- iv. Developing and promote socially and environmentally responsible tourism
- v. Ensuring the safety, security and health of visitors in collaboration with the government and other private sector members by collaborating with the government in planning, promoting and marketing tourism this can be done by representing the interests of private business on the boards of the major national and provincial tourism bodies by efficiently organizing itself to speak with one voice
- vi. Involving local communities and previously neglected groups in the tourism industry through establishing partnership ventures with communities, outsourcing, purchase of goods and services from communities (e.g. poultry, herbs,

²²⁰ A. Spenceley, 'Tourism, Local Livelihoods and the Private Sector in South Africa: Case Studies on the Growing Role of the Private Sector in Natural Resources Management.' Sustainable Livelihoods in Southern Africa Research Paper 8, (Brighton. Institute of Development Studies: 2003) pp.32-37.

²²¹ South Africa Tourism Board. 2000, Op.cit.

vegetables and other agricultural supplies, entertainment, laundry services, etc.) this would enable communities to benefit from tourism development, for example communities benefiting directly from new reticulation systems and village electrification programmes developed through tourism investment in rural areas.

In order to foster the continued development of partnership and cooperation between the public and the private sector, the South African government has ensured that the private sector is represented on the boards of all relevant public and quasi-public institutions with responsibility for tourism or tourism related concerns. In order to allow the private sector to keep its representation current, such representation reflects the particular private sector institution and is not named as an individual.

b) Safety and Security of tourists

The government of South Africa is committed to ensuring the safety and security of all tourists as well as its citizens. Security is a key consideration for tourists when selecting a holiday destination. In order to counter any perception that South Africa is unsafe, the government has closely monitored safety concerns and strived continuously to improve security. The following policy guidelines are in place.²²²

- i. The government has undertaken both short and long term actions and strategies to reduce crime and violence on tourists in collaboration with relevant organizations such as the South African Police Service by providing adequate information to visitors that will help to improve their safety and security and ensuring that adequate resources are devoted to providing for the safety of tourists
- ii. Instituted appropriate legal procedures that would facilitate speedy and effective prosecution for cases where tourists are involved through coordinated cooperation among appropriate stakeholders to work together to ensure the safety and security of all tourists by carrying out appropriate research concerning tourism security trends and monitor the effectiveness of safety and security measures.

²²² South Africa Tourism, 'South Africa – A destination in High Demand'. South African Tourism Media Release, Sandton, 16/11/2002, <http://satour.com/media/releases/messages/92.html>, last updated 12/1/2002.

Though those measures are currently in place, the perceptions of insecurity of tourists in South Africa are still felt especially in the cities of Johannesburg and Soweto where there have been reported cases of robbery and violence on both locals and tourists.²²³

c.) Tourism Education and Training for Tourism development.

While the tourism industry has tremendous potential to create jobs, the Government recognizes that appropriate skills and experience are necessary to facilitate employment, growth as well as international competitiveness. With the projected staffing needs of the tourism industry and the current lack of physical and financial capacity to deliver education and training, the industry is increasingly faced by a critical shortage of skills. Tourism education and training is one of the fundamental pillars of the development of a new responsible tourism in South Africa. The main principles that have governed the approach to education and training are as follows.²²⁴

- Promoting the involvement of the private sector and private sector institutions in the provision of education and training by encouraging the tourism private sector to increase its commitment to training
- Encouraging capacity building among the previously neglected groups and address the specific needs of small, micro and medium-sized businesses (SMMEs) and emerging entrepreneurs and making training more accessible to the previously neglected groups of society
- Promoting tourism awareness at all levels of society through developing and investing in an education system that will lead to self-sufficiency and reduce reliance on imported skills by ensuring that training is accessible to the previously neglected groups in society in terms of the appropriateness, affordability, location,

²²³ South Africa Tourism, Ibid.

²²⁴ K. Elliffe, Draft framework – Number two: Social Guidelines for Responsible Tourism. (New York, Grooby Investments & Business Solutions: 2001) pp.13-14.

duration, costs, packaging (not with unnecessary additions as to render them too costly) and language of instruction

- Encouraging the local media and NGOs to become partners in the tourism education and awareness process in South Africa by executing of training as a joint responsibility of the national and provincial governments.

The government is committed to the promotion of human resource development by supporting the provision of introductory/bridging courses to facilitate entry into the industry by previously neglected groups and others by improving access to training opportunities through a system of scholarships, student revolving loans, incentive schemes (e.g. for training institutions to enroll the previously neglected). This has been done through the improvement of design, marketing, production and packaging skills of craft producers by developing appropriate skills programmes at the introductory level as well as more specialist shorter courses for accreditation (e.g. tour guide training for a specific activity such as whale-watching or cultural area such as the Malay Quarter)

In addition the government has created a dedicated funding mechanism for training, taking into consideration the experience and practices of countries such as Australia and Kenya as well as the specific needs and requirements of the South African tourism industry. This has been done by reviewing and evaluating the existing tourism education and training system with a view to strengthening institutional capability and efficiency in delivering the quality and quantity of appropriate education and training required

Though the policy has yielded considerable results, especially in the Kwa Zulu Natal and the Mpumalanga provinces, where there is the system of practical training through summer jobs, internships, practical attachments within the tourism industry as well as developing placement schemes for the trainees, it is through consistent and continuous investments in tourism education and training, which would continuously create a major avenue of export earnings through the export of education and training services.

d.) Funding for Tourism development.

The availability of finance to develop and promote the tourism industry is critically important for the industry's further growth and development. A number of policy guidelines have guided the increased financial commitment to the development of tourism in South Africa. While the exact nature and extent of these should be properly assessed and evaluated, the government has:²²⁵

- i. Conducted an urgent review of the government's financial contribution to tourism as well as the process of determining such contribution. This is important considering a large initial capital injection by the government to 'kick start' a major tourism development thrust over the next three years is projected over the next three years from 2002-2005. Such contribution is in accordance with the programmes and projects identified in the implementation strategy in the White Paper
- ii. Promoted partnerships for the provision of funding between and among government, local and international private sectors and donor agencies by facilitating access to donor funds for the tourism industry - particularly for the purpose of pump-priming small business, community tourism projects as well as demonstration projects especially via joint ventures in which communally owned land forms the basis of equity for community partnerships with the private sector and state conservation agencies

However, a major problem limiting tourism development is the unavailability of finance on favorable terms over a long period of time to invest in tourism development. While the Industrial Development Corporation has been operating three tourism-financing schemes since 1992, namely the Ecotourism Scheme (aimed at large game lodge developments) and the General Tourism Scheme (primarily aimed at the refurbishment and upgrading of

²²⁵ South Africa Tourism, 'South African Tourism Outlines Strategic Shift'. South African Tourism Media Release, Sandton, 10 October 2001, <http://satour.com/media/releases/messages/81.html>, last updated 12 January 2002.

accommodation facilities), the Ntsika Enterprise Promotion Agency (aimed at assisting existing private enterprises to assist in guaranteeing loans to small enterprises through the advance purchase of their services). The conditions however, have been largely market related, aimed at the larger operator and requiring substantial collateral before loans are approved.²²⁶

The lack of access to funding is even more acute for the previously neglected groups. Specific factors limiting their access to finance include: the requirement of substantial security and collateral; the lack of assets in the form of land or home ownership that would act as security for loans; administrative red tape; request for submissions such as business and marketing plans and little 'technical assistance' or guidance in the preparation of such and lack of localized institutions that provide funding.

e) Investment incentives and Casino licenses for Tourism development.

The history and practice of hotel incentives for the tourism industry in South Africa has been a mixed one. The hotel sector has been the main target of incentives. Tax concessions have been made available almost exclusively to five, four and three-star hotels which included the write-off of building costs over 9, 12 and 14 years respectively. In 1988, the accelerated tax write-offs were removed and replaced by a 20-year write-off of building costs, irrespective of star category. The 1999 budget provided for a five-year refurbishment allowance.²²⁷

The current levels of incentives for tourist accommodation development are so little as to be meaningless in encouraging any development. Whether, and the extent to which, incentives are necessary for the hotel sector remains a hotly debated issue. Some of the major hotel groups oppose incentives; the World Bank came out against S.37E-type allowances (trading of tax losses for cash), however, government policy-makers believe

²²⁶ South Africa Tourism, 'South African Tourism Outlines Strategic Shift' Ibid.

²²⁷ Towards a Ten Year Review, South Africa Budget. (Government Communication, September 18th 1999), pp 12-14.

that other cases are more deserving and past incentives have created an over-supply of five-star properties. It is therefore important that the need for and nature of incentives be thoroughly investigated before decisions in this regard are made. The Proposed tourism incentive schemes should be in accordance with overall government policy in this regard.²²⁸ The current thinking encourages a movement away from tax related incentive schemes, towards "on budget" subsidies and grants. It is important that a broader view of tourism industry is taken. Incentives are not limited to hotel and the tourist accommodation sector and are particularly aimed at previously neglected entrepreneurs. As a basic principle, they are made available to projects that would happen anyway and their allocations are directed by identified market failures in the tourism industry. This is done while the exact nature and types of appropriate incentives for the tourism industry are still being considered.

The allocation of casino licenses according to well-considered, tourism-orientated principles is regarded as an indirect incentive for entrepreneurs to create new tourism infrastructure. The correctly managed casinos significantly contribute to meeting demands with regard to tourism capacity. Although gambling is of primary interest to tourists, the availability of casinos facilitates the creation of other tourist related infrastructure. However, the potential of the gambling industry in relation to tourism is only realized if it is introduced within a very specific framework of sound principles²²⁹

The granting of casino licenses is focused on what additional advantages relating to tourism infrastructure (hotel, conference facilities, sport and other recreation facilities) that have been created through the proposed development. As such, the focus is now on a credible, well run, professional industry and thus calls for effective steps against illegal gambling in any form. Casino licenses are allocated on a properly planned, broad geographical basis and are concentrated in only a specific area. This is in support of the

²²⁸ C Y Mansfield, Taxation of International Tourism in Developing Countries. *International Bureau of Fiscal Documentation*, 4(10): 1999, pp. 452-461.

²²⁹ C Y Mansfield, *ibid.*

draft legislation on gambling, which proposes a provincial distribution to ensure that there is no congestion in gambling casinos as this is a security threat to the tourists

The emphasis is now on new developments and increasing tourism infrastructure. The issuing of licenses thus not serve as a lifeboat for existing dilapidated and run-down facilities in this regard; casinos are placed in areas where the additional tourism infrastructure compliments other potential tourism opportunities.

Foreign Investment in Tourism development.

The growth of an economy depends considerably on the level of investment. Investments have multiplier effects on the economy especially national income, creates capacity and employment opportunities and is part of capital formation. Attracting foreign direct investment is the concern of many developing nations especially for South Africa, which only gained independence 10 years ago. Before independence South Africa did not attract any foreign investment but following the end of apartheid, huge inflows followed and for a country hitherto cut off from the rest of the world, many nations and countries were eager to enter the new open economy even if restrictions were severe, South Africa had a relatively impressive showing reaching a peak of \$3.8 billion in 1997, however, the country experienced a downturn, between 1998-2000, with the figures falling to 550 and 300 in US \$ Millions in the mentioned period, investment has however increased and currently stands at \$4.9 million.

Foreign investment has been successful in the following areas among others: ²³⁰

Pietermaritzburg-Msunduzi: Comprising of the leather and footwear industries, wood products and furniture, the aluminum industry.

Richards Bay-Empangeni: Investment here relate primarily to industry, infrastructure projects, SMME development and tourist attractions. The focus is on the creation of downstream processing opportunities for the wide array of raw materials produced in the area well as building new tourism hotels and resorts.

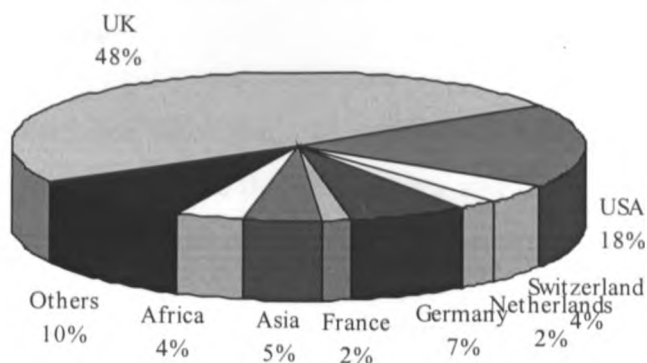
²³⁰ South Africa Tourism Board, 2000, Op.cit.

Lubombo: Consists of a corridor stretching from the Greater St Lucia Wetland Park and along the Indian Ocean coastline to Ponta do Ourao in Mozambique, embracing Jozini Dam and game reserves in Swaziland, it focuses on tourism and major agricultural development opportunities for the consumption by the hotel and resort establishments in the area.

The government policy is designed to encourage foreign investment and trade, without which growth and employment goals cannot be achieved. New investors are now familiar with plans for special economic zones, industrial development zones and spatial development initiatives. In this regard, the government of South Africa has recognized the importance of attracting foreign investment in order to achieve the growth and development objectives of the tourism sector. Foreign investment has increased competition and improved standards as well as created employment and facilitated economic growth. The government has also established a climate of political stability, economic growth and profitability, and provided transparent, stable and consistent policies to attract foreign investment as well as provided an effective one-stop shop for the facilitation and processing of foreign investment. The major investors in the South African economy are shown in the figure below.²³¹

Figure 1

FOREIGN DIRECT INVESTMENTS IN SOUTH AFRICA 2002



Economic and trade liberalization as well as privatization measures undertaken in South Africa are now opening attractive investment opportunities in the tourism sector including areas such as lodges, hotels resorts, film production, cruise ship tourism and ecotourism. Potential overseas investors undertake these investments either singly or in partnership with local entrepreneurs and investors. While the government has encouraged foreign investment, recruitment of foreign personnel is permitted pending the training of an adequate number of South Africans. The government has encouraged foreign investments that have met the following criteria²³²:

1. Investors and companies that develop, promote and implement responsible tourism, especially investors who have invested in rural communities and less developed geographic areas through joint ventures with local partners and local communities

M. A Hugo, Quantification of the Role of Foreign Investment in Tourism in the South African Economy. *Journal of Studies in Economics and Econometrics*, 16(2): 1999, pp. 41-59.

- ii. Investors who have developed products that have helped to diversify the tourism product for example, (Cruise tourism, Ecotourism, Heritage tourism, Afro-tourism, among others) and investments that have resulted in the transfer of skills and technology to locals as such investors in tourism plant who have a proven track record in the industry

In this regard, the government has taken steps to create of a 'one stop shop' for the processing of foreign investment to reduce the bureaucracy and the red tape that has in the past resulted in long periods of processing investment documents, which has a send off effect to potential investors.

Foreign investment has not been encouraged in small, micro-enterprises or the ancillary services sector, which are clearly within the reach of the local entrepreneurs and businesses. Concessions offered to investors, such as franchise arrangements, package tour arrangements and other forms of transfer provision are to ensure that substantial leakages do not occur and acceptable social standards apply²³³.

g) Environmental Management in Tourism development.

South Africa is emerging as a world leader in protecting earth's natural resource. The World Summit on Sustainable development in Johannesburg in 2002 and the World Conference of National Parks, gathering in November 2003 are just two indicators of this²³⁴.

While global attention has been focused mainly on the dark war clouds, terrorism and economic troubles, South Africa has pioneered ways of protecting the natural environment and at the same time exploiting it to reduce poverty. It may be the only country in the world, which continues rapidly to increase its protected wildlife and nature areas- and push hard for sustainable development.

²³³ Hugo, Ibid.

²³⁴ W.B. Webber, South Africa at a Glance. 2003-2004 (Pretoria, United Litho: 2003) pp.67-75.

For instance 15 new development sites have been offered to private developers in the greater St Lucia Wetland Park, which is now a world heritage site. The area proposed for ecotourism extends from the mouth of lake St Lucid to Kosi Bay on the border with Mozambique.

Tourism is a sensitive service sector whose development depends on the entire resource base (human, land, water, air resources) of a destination. The condition and the changes of each attribute of the environment have certain potentials to affect tourism. To sustain tourism, changes-particularly land use have been controlled to ensure they don't detract from South Africa's unique endowment of diverse tourism attractions. More information on scientific assessment of the environment and resource base has also been provided for product development and needs has been used effectively in planning and decision making to sustain tourism.²³⁵

The government has supported measures to enhance the effective use of scientific resource assessment information in regional area plans as well as environmental auditing and impact assessment for existing and new tourism developments and land use activities contributing to pollution, eutrophication and sedimentation of valuable ocean beaches, inland lakes, rivers and reservoirs.²³⁶

This is due to the realization that a well environmentally managed tourism industry has the potential to drive South Africa to higher heights through the creation of successful pilot tourism programmes which demonstrate, in tangible ways, the benefits that ecologically sensitive tourism schemes can have over other, more damaging forms of land use by promoting sustainable and responsible consumption of water and energy in tourism plants, using readily available technology and encouraging sustainable waste disposal, green packaging and recycling.

²³⁵ Department of Environmental Affairs and Tourism 'South African National Report on the Convention on Biological Diversity'. Department of Environmental Affairs and Tourism, Pretoria, (Www.environment.gov.za, 2000) p.15.

²³⁶ W.B. Webber, Op.cit.

This has been achieved through supporting mandatory environmental management practices in ecologically sensitive areas such as the coastal zone, wetlands, among others would ensure tourism plant does not deprive communities of access to coastal resources needed for their livelihoods

h) Cultural Resource Management in Tourism development.

Apart from its biodiversity South Africa also has a unique cultural diversity. There exists little knowledge about the cultural resources within the environment and consequently the unconscious destruction of these natural assets poses a major threat. The cultural environment includes much more than museums and unique archaeological sites. It also includes mission settlements; sites of slave occupation, urban space used for ritual purposes, rock art sites, rock formations and natural landscapes which have national and international cultural significance.²³⁷ The Government has been committed to effectively managing and conserving the cultural resources of South Africa by:

- i. Ensuring that tourism takes note of cultural heritage resources within specific communities and environments and that cultural resource is managed to the negotiated benefit of all interested parties within the communities.
- ii. Providing access to management of cultural resources, which is as broad as possible within specific communities and promotes co-operation between all affected parties. This is to ensure that land use planning and development projects for tourism includes effective protection and sustainable utilization of cultural resources.

²³⁷ Department of Environmental Affairs and Tourism 'South African National Report on the Convention on Biological Diversity', op.cit.

i) Tourist Product development. Quality and Standards.

As at 2002, there were 8,495 tourist accommodation establishments in South Africa with 166,165 rooms/units and 609,825 beds. These were camping and caravan sites, holiday flats, resorts, guesthouses and farms and game lodges as shown in the figure below.²³⁸

TOURIST ESTABLISHMENTS IN SOUTH AFRICA

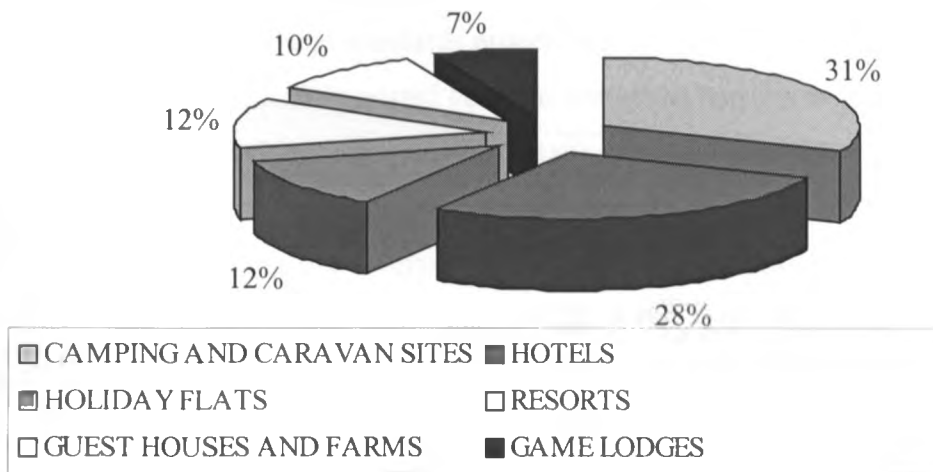


Figure 2.

National and provincial parks account for a mere 2% of visitor accommodation (4% including camping sites). Bed and breakfast establishments, hunting lodges, serviced executive apartments and youth hostels also constitute South Africa's tourism accommodation mix. While these figures seem impressive, it must be cautioned that they are less indicative of the quality and international marketability of establishments available.

²³⁸ South Africa Central Statistical service, 2000, Op.cit.

In further developing and maintaining high standards of service and facilities of the tourism product of South Africa, the government has been implemented the following:²³⁹

- i. Promoted the development and promotion of quality tourism standards in a consultative manner by applying standards to all tourism activities and not limiting it to the accommodation sector by reviewing and reforming the existing structure and system of standards and grading to make it more effective and equitable in application by introducing flexibility, consumer relevance and the interests of labor to grading and standards procedures
- ii. Ensured that standards and their related costs do not act as barriers to entry of the previously neglected and encouraging all establishments, particularly smaller establishments and previously neglected entrepreneurs, to upgrade their standards of service. By emphasizing the diversity of the product of South Africa and not over-market and over-develop the known attractions by emphasizing the development of products that offer good potential for development, for example cruise tourism, Afro-tourism, sports tourism, cultural forms of tourism, ecotourism, conference and incentive travel, wildlife safaris, hunting and others; thereby fostering innovation and creativity in the products being developed.²⁴⁰
- iii. Where appropriate, deregulated the industry to encourage wider access by the previously neglected groups by fostering the development of community-based

²³⁹ Department of Environmental Affairs and Tourism, Memorandum of Agreement between the Government of the Republic of South Africa in its Department of Environmental Affairs and Tourism and Mdluli Trust (2073/98) for Mdluli Cultural Village. Pretoria, Department of Environmental Affairs and Tourism: 2000)

²⁴⁰ Department of Environmental Affairs and Tourism, Memorandum of Agreement between the Government of the Republic of South Africa in its Department of Environmental Affairs and Tourism and Mdluli Trust (2073/98) for Mdluli Cultural Village, Op.cit.

tourism products. This has been done by encouraging both new and existing suppliers of tourism products to provide facilities (accommodation, attractions and other services) for the disabled. These developments that have promoted are appropriate to the structures and strategies of provincial governments and local communities. Every attempt is made to ensure that local peoples and cultures are not over-commercialized or over-exploited.

- iv. Encouraged the sensitive and sustainable development of underdeveloped, environmentally sensitive areas by highlighting previously neglected areas of tourism development as a result of political influences, for example, struggle-related monuments and attractions.

- v. Encouraged the development of sports tourism and encourage the provision of facilities, training, marketing and promotion to give emphasis to the development of this segment of the industry. This can be done by paying specific attention to the emerging domestic tourism market and facilitate the provision of appropriate recreation centers and facilities to cater to this market. The role of the private sector in the provision of tourism facilities and services at national parks and protected areas is greatly encouraged.

To this end and contrary to rumors that South Africa is using the great Kenyan sights and the big five to market itself at the expense of Kenya, Mrs. Anneate²⁴¹ posits that they have launched the concept of the “branded village” which focuses on branding products and services with South African logos and ensuring that the clients gets maximum service to minimal detail and get value for money, and that tourism carries with it the power to bring people together and to uplift communities across physical as well as borders of the mind.

²⁴¹Personal interview with Mrs. Annette, Trade Counsellor, South African High Commission, Op.cit.

In addition to this, South Africans are not driven by selfish interests and have been united by what they fondly refer to as the "The Madiba Magic"(after the first president Nelson Madiba Mandela) and are towering to surmountable heights. This, Mrs. Anneate posits, was evident in their unity, confidence and focus in the winning and hosting of the 2010 world cup. Hosting of the 2010-world cup, she says, will not only be a football extravaganza, but a tourism experience that will satisfy every visitor's whim and fancy. The millions spent on the tourism activities and sport activities now in South Africa particularly in the Eastern cape, is setting the country up as not only a prize sport events destination, but a tourism and investment haven that will supercede many expectations²⁴²

i) Transportation and Tourism development.

Air transportation

South Africa airways is the national carrier, competing with airlines flying in from dozens of countries around the world is the largest airline in Africa. It managed to over-fly the September 11,2001 crisis after which several world airlines wobbled or crashed. It has embarked on a multi-billion dollar upgrade of its international flights and does highly sophisticated maintenance and third party work for a number of major airlines from the British airways, from Austrian airlines to Cathay pacific. Within South Africa, a dozen operators provide flights to service the domestic network

The successful development of any tourism destination is dependent on reliable and, in many cases, affordable air transportation. the SAA has made a positive contribution to tourism revenues and receipts, this is in addition to the fact that SAA is the giant among African airlines and the only airline in Africa to be among the world's top 50 airlines in terms of annual revenues and has 740 airports. In the financial year ending March 31, 2000, SAA carried 9.48 million passengers, produced 16.1 million revenue passenger kilometers and R420 million operating profit. More than 50 international airlines serve

²⁴² The Tourism and Development Magazine, Eastern Cape, Madiba Action, (Port Elizabeth, Yithethe Publishers: 2004), pp.46-50.

South Africa. The domestic air transportation environment in South Africa is fully de-regulated.²⁴³ To continue to build strategic alliances with other global players, SAA has already formed a strategic alliance with Lufthansa, with the aim of encouraging competition.

However, the objective of the tourism sector (to bring as many tourists as possible) is at times not consistent with those of the airlines whose objectives are to maximize profit and manage yield, thus there has been talks with the SAA to how to reduce air ticket fares especially during peak tourism seasons in order to attract as many tourists as possible. Despite this, SAA is committed to promoting the growth and development of South Africa tourism industry by supplying air transportation in accordance with the tourists demand and providing services that are competitive and tailor made to the needs of clients.

k.) The role of Infrastructure in Tourism development.

South Africa possesses the biggest, the most advanced and fastest growing infrastructure in Africa, with fifteen times the African average of paved roads and ten times the average of railroads. Transnet, the giant public utility contains divisions, runs rail, road, air and port services and pipelines. Together they make up Africa's largest transport operation, moving about 75% of the nations goods and passengers.²⁴⁴

Roads.

The national road system is highly developed and traffic densities are relatively low, but the lack of adequate maintenance is ominous. The network includes 14440 km of dual carriageway, 292 km of single carriage free way and 4,402 km of single carriage main road. Many major highways are now tolled. The N4 Maputo – Witbank toll road is one of the few privately owned cross-border toll roads in the world. The total road network in South Africa comprises of a total of 358,596km, with 59,753 being paved roads.

²⁴³ WTTC 'South Africa's Travel and Tourism: Economic Driver for the 21st century'. World Travel and Tourism Council, Op.cit.

²⁴⁴ The Tourism and Development Magazine. Eastern Cape, Madiba Action, Op.cit.

Railways.

Spoornet, a division of Transnet, runs the biggest rail service in Africa, with over 20,000 km of line. Largely electrified, the network extends into neighboring countries. The world famous Blue Train and privately owned Rovos rail offer luxurious travel in South Africa. Spoornet is establishing a new international company to promote its interest abroad, in South Arabia well, as in a number of African countries. It however needs to invest R15bn in new wagons and locomotives by 2015, and plans during this period to lease 1600 existing locomotives to other countries. The country has 20384 railway lines, 9090 of which, are electrified.

Ports

Harbor administration has been restructured in an effort to bring down costs, increase facilities and introduce private enterprises. There are four main ports, Cape Town, Durban, Port Elizabeth and East London. Richards bay and Saldanha Bay handle bulk cargoes of coal and iron ore respectively. A new port Coega, near Port Elizabeth is planned. Mossel bay, the smallest port is near the off shore Moss Gas natural gas field. Maputo in Mozambique is the closest port to Gauteng and is already reaping the benefit of the Maputo corridor development.

The infrastructure for tourism development is critically important and wide-ranging. The following policy guidelines have been applied to the provision of infrastructure²⁴⁵:

- i. Continuously maintaining and upgrading existing infrastructure in order to improve accessibility and mobility and by also considering improving the accessibility and infrastructure of rural areas to allow these areas to unleash their tourism potential.
- ii. Creatively and aggressively utilizing modern computer and communications technologies to effectively market, promote and distribute travel and tourism products, services and information domestically and internationally

²⁴⁵ Ibid.

- iii. Facilitating the funding of major tourism infrastructure projects have considerable impacts on the development of the South African tourism industry by considering the regional Southern African tourism potential in the development of major tourism-related infrastructure projects
- iv. Working closely with the Department of Transport in improving transportation services for both the domestic and international tourism industry and eliminating bottlenecks that may arise through the review of current road signage policy to ensure maximum customer satisfaction
- v. Considering the expansion of tourism infrastructure as part of a long-term strategy rather than on an ad hoc basis by working closely with the Departments of Transport, Public Works and Land Affairs in coordinating the provision of tourism infrastructure.
- vi. Giving attention to negative environmental impacts which are associated with the provision of bulk infrastructure for tourism (especially in remote and ecologically sensitive areas)

1) Tourism Marketing and Promotion.

An important success factor in the development of the new tourism in South Africa is effective and creative marketing and promotion of the country. At present, with tourism being a provincial responsibility, there is a grave danger of diluting the marketing and promotional efforts at the international level with the consequent wastage of valuable resources. To this end, the marketing and promotion of South Africa, as an international destination involves a coordinated and structured approach that applies across the nine provinces. International marketing is mainly the responsibility of the national tourism organization. However, marketing and promotion plans for South Africa, as a whole is developed jointly with the provinces and the private sector. The extensive marketing strategies by the national tourism organisation, the provincial authority and the private sector has led to considerable increase in the number of tourists visiting the country and

has led to the subsequent increase in the tourism receipts, hotel bed nights and the hotel occupancy rates as shown in the tables below²⁴⁶.

Table.6 INTERNATIONAL TOURISTS ARRIVALS BY PURPOSE OF VISIT

(000) 1980-2002					
Year	holiday	business	Transit	others	total
1980-91	-	-	-	-	-
1992	350.0	140.0	98.0	-	608.0
1993	600.0	166.5	200.0	-	966.5
1994	500.0	150.0	100.6	-	750.6
1995	558.2	190.5	131.2	-	889.9
1996	608.4	200.0	140.0	12.0	960.4
1997	1255.7	235.3	145.3	15.0	1650.3
1998	1646.4	328.6	153.2	21.2	2149.4
1999	1626.7	350.0	170.8	23.0	2170.5
2000	1495.5	325.4	151.2	20.1	1992.5
2001	1366.7	280.7	149.5	19.8	17796.9
2002	1317.1	335.2	158.3	22.1	1932.7

Source: South Africa Tourism Board 2002

The trends above show that the tourism industry has been growing steadily over the years with an annual increase in tourist to South Africa in all the categories. This can be attributed to better marketing strategy and better tourists' facilities and attractions.

²⁴⁶ South Africa Tourism Board. 2002, Op.cit.

Table 7. SOUTH AFRICA'S TOURISM PERFORMANCE 1992-2002

Year	Hotel bed nights (000)	Earnings (SA Rand:Ms)	hotel occupancy rate as %
1980-91			
1992	1680	680	64.9
1993	2810	2134	56.1
1994	3089	5380	59.4
1995	4065	6450	62.2
1996	5490	9210	70.0
1997	5910	11110	69.1
1998	7250	24350	56.9
1999	7450	25450	59.2
2000	6950	23650	58.8
2001	6580	20850	55.9
2002	6680	22650	59.9

Source: South Africa Tourism Board 2002.²⁴⁷

The increase in tourist arrivals over time has led to subsequent increases in hotel bed nights from 1992-2002 earning the country 22650 million Rand. However the hotel occupancy rate has had erratic changes, with the peak being in 1996, as at 2002, the rate was 59.9% despite an increase in the hotel bed nights from 1680 to 6680 over the same period.

While domestic tourism marketing is a provincial responsibility. The following policies and initiatives have been applied to further market South Africa:²⁴⁸

²⁴⁷ South Africa Tourism Board. 2002, Op.cit.

²⁴⁸ Department of Environmental Affairs and Tourism 'Government and Business, Partnering to Transform Tourism'. Media Statement, Ministry of Environmental Affairs and Tourism, 21st November, 2000 www.environment.gov.za/speeches/2000/21nov2000.htm.

i. Aggressively marketing and promoting tourism to all South Africans, by encouraging citizens to take holidays in their own country. In addition to focusing on the domestic market, continued emphasis is placed on other key generating markets such as international business travelers, the conference and incentive travel market. Public relations efforts should be targeted at the domestic market and promoting travel opportunities. The provinces have considered a national domestic public relations programme with appropriate participation at the national level, this includes²⁴⁹

i. Marketing and promoting attractions and experiences to visitors who are already in South Africa and encouraging visitors to increase their expenditure locally this by adopting a consumer sensitive pricing strategy, thereby ensuring that value for money becomes a major draw card and that favorable exchange rates are applied to the advantage of the overseas consumer. Marketing and promotion should focus not only on the well-established sites, but should also emphasize new and emerging products and attractions in this regard cooperative advertising and promotion opportunities should be pursued. This can be done by devoting to the marketing and promotion of tourism, particularly overseas tourism where per capita expenditure is greatest by establishing mechanisms to monitor the effectiveness of promotion expenditures.

ii. Relentlessly developing new markets and exploit new market niches (honeymoon, hiking, mountain-biking, back packers, and others), by considering changing the visual way in which South Africa is being projected, marketed and promoted.

²⁴⁹ South African Provinces, Cities and Towns, Vol 12,2001/2002, www.tourismnorthwesr.co.za, last updated in February, 2002.

This has been done by ensuring the coordination of tourist information provision among provinces and by encouraging initiatives by provincial tourism organizations to make national information more widely available through the development of a generic brochure, familiarization trips among provinces as well as reservation capabilities

- iii. Facilitating the provision of facilities (including transportation) that encourages domestic travel by the previously neglected groups and encouraging travel by school children to national parks and other tourist attractions.

As part of the marketing and promotion efforts, emphasis is placed on developing and improving the product on a national level. It is suggested that a percentage of the annual marketing budget be spent on a major project/projects that will have a significant impact on the quality of the visitor experience. Such include programmes aimed at reducing crime and violence, improving attitudes to visitors, nation-wide programmes to encourage tourism industry employees or school children to be a tourist in their own country, and others.²⁵⁰

Mrs. Anneate, the South African Trade Counsellor posits²⁵¹ that the driving force behind their marketing strategy is the simple phrase; "Its possible" that is winning the country a lot of attraction. The logic behind this, is that if south Africa can bury the hatchet of the bitter years, if people who have had serious racial problems but can unite as one, if black people and white can cordially live together, if the country that has been blocked out of the limelight for so many years but can make international headlines in ten years, then everything else is possible

²⁵⁰ South African Tourism Board, 2001, Op.cit.

²⁵¹ Personal interview with Mrs. Anneate, Trade Counsellor at the South African High Commission. Op.cit.

m) Tourism policy on Regional Cooperation.

South Africa is committed to working with other countries in Southern Africa in developing its tourism industry. South Africa collaborates with regional tourism organizations such as SADC and RETOSA, NEPAD in the development of tourism in Southern Africa. Appropriate bi-lateral relations are also established with neighbor countries. A number of areas of cooperation are being pursued.²⁵²

- i. Environmental conservation and the development of related products such as trans-border protected areas
- ii. International marketing, e.g. joint international marketing campaigns with SADC countries and other regional countries e.g. the annual Indaba festival that involves countries in the African region, the coordinates campaign that involves South Africa and the East African countries that was launched in may to advertise the countries not only to the tourists but also to the traveler.
- iii. Education, training and regional tourism health information and disease control programmes
- iv. Cruise tourism
- v. Handicraft and curios production
- vi. The easing of visa and travel restrictions for *bona fide* visitors, this will lead to an increase in the tourists and thus higher returns on tourism.

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

South Africa is working towards the careful implementation of trans-border protected areas and other regional projects in such a way as to generate equitable benefits among different countries as great experiences for the tourists, nothing illustrates this better than the just concluded Indaba festival, South Africa's Premier Trade and Tourism Exhibition which was held at the International Convention Centre Durban in the Kwazulu Natal in which many regional countries had their stands, Tanzania for example hosted a

²⁵² World Tourism Organization, National and Regional Tourism Planning Methodologies and Case Studies (World Tourism Organization, Madrid: 2000) pp.16-17.

competitive stand with the blessing of the government and the country's tourism board,²⁵³ is an example. The exhibition was not just a show case of South Africa's best tourism products, but was also a strong indicator that South Africa has reorganized its tourism marketing strategies and is looking to taking up the lions share of the African tourism market.

In addition to its regional tourism marketing strategy, South Africa targeted Kenya to form a counter-flow of tourist between the two countries. This, Mrs. Anneate²⁵⁴ posits is because south Africa realizes that Kenya is a main competitor and is doing everything to stay ahead of competition, surprisingly in a collaborative manner, this is because South Africa would rather partner with Kenya so as to win as many tourist from African countries as possible. To this end, she says, companies like the Time Share that encourages its people to buy holidays and with offices in Kenya is taking advantage of this marketing strategy. The franchise with over 1,000 destinations in South Africa has leased Mnarani Hotel in Malindi as a way of encouraging Kenyans, South Africans and other world wide Times Share members to travel and experience South Africa and Kenya, this approach, she posits was borne of the fact that Kenya is a renowned destination and cannot be ignored.

n) The role of the Youth in Tourism development.

The young people are recognized as "the country's most important resource". Young people have a critical role to play in the growth and development of the tourism industry. The government considers establishing special programmes aimed at addressing the

²⁵³ Afrika Kusini Talks: The South African High Commission Quarterly Bulletin. April- June 2004 (Nairobi, South African High Commission: 2004) pp.34-36.

²⁵⁴ Personal interview with Mrs. Anneate, Trade Counsellar the South African High Commission. Op.cit.

needs of the youth, in particular to address backlogs in training, job creation and recreation.²⁵⁵ Such programmes in place include:

- i. The encouragement and development of a youth travel market where young people are encouraged to travel. Special prices for youth travel and accommodation are encouraged as well as the development of youth hostels, exchange programmes between and among provinces, summer camps, etc.
- ii. The creation of summer jobs in the tourism industry that exposes youths at an early age to the travel and tourism industry. This includes for example internships at hotels and restaurants, tour guides, trackers, and hospitality ambassadors at airports, points of interest and tourist attractions
- iii. Commitment on the part of the tourism industry to provide career guidance through the expansion of the range and scope of education and training opportunities by supporting and promoting capacity building programmes for youth involvement in the tourism industry, particularly in areas such as sports.

o) Role of Labor in Tourism development.

Labor has a critically important role to play in improving the quality, productivity and competitiveness of the tourism industry. While it is often believed that the key to quality is the physical feature of the tourism product, it is actually the quality of the experience delivered by the labor force that determines the true quality of the tourism experience. At the same time, labor is often taken for granted. Rooms and equipment, walls and furniture are regularly upgraded but the skills of employees are rarely refurbished. In particular many front-line employees - the first and often the most frequent point of contact for visitors - are often not adequately trained or prepared for the job at hand. In the tourism

²⁵⁵ Department of Environmental Affairs and Tourism 'Government and Business, Partnering to Transform Tourism', Op.cit.

industry as indeed other industries, labor is far more than just a production cost - labor holds the key to quality.²⁵⁶

Labor has played a number of vital roles in the South African tourism sector tourism industry including:

- i. Continuously upgrading skills and taking advantage of all available training opportunities provided by the industry by supporting the growth of the industry and the creation of more job opportunities in the process.
- ii. Negotiating for reasonable wage, working hours, working conditions (including transportation) job security and remuneration based on qualifications, experience and merits, and in general ensuring working conditions that are amenable to best productivity e.g. ensuring equitable pay and working conditions as well as special conditions for female employees and the disabled.
- iii. In partnership with the business sector, being flexible and responsive to the changing needs of the customer by participating fully in the tourism industry, not only in the supply of labor but also as tourists and shareholders in their own country

p)The role of Communities in Tourism development.

Communities also play a vital role in the development of tourism. Community involvement, including benefit sharing between the local communities and tourism projects and wildlife management, is important for the tourism policy in South Africa. Most tourist attractions lie within local communities or in their vicinities and in most cases co-exist side by side with the communities for example, in the wild life areas. It is imperative for communities living within or around those areas to be fully involved in the

²⁵⁶ L. Turner, The International Division of Labor: Tourism and the Third World. World Development, Report, 4 (3) (New York, John Wiley: 1999) pp. 253-260.

development and management of these attractions and, in addition, to get a share of the income generated from tourist activities within their areas.²⁵⁷

Policy in this regard seeks to ensure priority for community members in terms of information and awareness of interventions, employment opportunities, training, sharing of park entry fees, and other social and economic benefits accruing from tourism activities or investments within their areas, and thereby minimizing rural-urban migration. Cultural tourism and eco-tourism are tools for achieving locally directed and participatory rural development. However, there is need for a strategy to build management skills among the local communities for future sustainability. Many communities and previously neglected groups, particularly those in rural areas, which have not actively participated in the tourism industry, possess significant tourism resources.²⁵⁸

The focus on the role of the community tourism is the basis for empowering the less economically empowered South Africans to have a share in the tourism cake. This, Mrs. Anneate²⁵⁹ posits is the way to contribute to sustainable economic growth, job creation and poverty eradication as emphasized in the launch of community programs such as the Dreamcatcher Tourism Business Network (DTBN), a support service for South Africa's emerging community tourism enterprise known as Fundi. This, she says is a specialist course that is a training tool offered to non-South African tourists travel agents and tour operators.

²⁵⁷ The Zulu Kingdom. Travel and Tourism Guide, 2002/2003(Durban, Artworks Communications: 2002) pp 30-32.

²⁵⁸ M.Joppe, Sustainable Community Tourism Development Revisited. Tourism Management Journal, 17 (7), (London, Weaver: 1999) pp. 475-479.

²⁵⁹ Personal interview with Mrs. Anneate, Trade Counsellar at the South Africa High Commission. Op.cit.

g) The Role of Women in Tourism development.

Women, especially in rural communities, have a particularly important role to play in the development of responsible tourism. The employment of women is a fundamental determinant of the development impacts of the tourism industry. In a survey conducted among women farm workers in the Lowveld, it was demonstrated that a strong correlation exists between salaries and household welfare among employed women.²⁶⁰ The potential employment impact of the tourism industry on women in rural areas has considerably improved family life. The special roles that women play in the new tourism drive of South Africa are identified below:

- i. As teachers, mothers and mentors, generate awareness of the potential of tourism in stimulating community growth and development by actively assisting in shaping a responsible tourism industry in South Africa as policy-makers, entrepreneurs, entertainers, travel agents, tour guides, restaurateurs, workers, managers, guests house operators and other leading roles in the tourism business environment.
- ii. Organizing themselves and leading the implementation of community projects that have positive environmental, social and economic impacts

²⁶⁰ T.H.Sofield, Empowerment for Sustainable Tourism Development, (London, Pergamon: 2003) pp.112-113.

M.Joppe, Sustainable Community Tourism Development Revisited, *Tourism Management Journal*, 17 (7), (London, Weaver: 1999) pp. 475-479.

²⁶⁰ Personal interview with Mrs. Anneatte, Trade Counsellor at the South Africa High Commission, Op.cit.

²⁶⁰ T. H Sofield, Empowerment for Sustainable Tourism Development. (London, Pergamon: 2003) pp. 112-113.

- iii. Ensuring equality in the conditions of employment of women. Too often, women are seen as a "cheap" alternative to employing men, with no security of tenure, maternity leave or investment in career development therefore promoting and where possible ensuring respect for and dignity of women in the development, marketing and promotion of tourism
- iv. Lobbying the support of developers and local authorities for the provision of services and infrastructure to enhance the position of women in communities
- v. Securing the provision of craft training and other opportunities to expand the skills base of rural women.
- vi. Giving special attention to the needs of women tourists, with a particular emphasis on safety and security.

In the Indaba festival²⁶¹ there was the popular Cook-Up Kamamas Community Women group, where community matriarchs from South Africa's nine provinces use their culinary talents to earn a living from tourists, their Coast of Dreams stand was very popular during the show because of the underlying need for black empowerment and the encouraging of small and medium micro enterprises (SMMES) to participate in the share of tourism

r) The role of Non- Governmental Organizations in Tourism development.

The role of Non-governmental organizations in South Africa began to emerge in 1994 as an alternative route to channeling of development assistance to grassroots populations, especially in harsh climatic conditions where normally government officers were reluctant to go. The NGOS have grown in numbers, at 2002 there were 1,200 non-governmental organizations involved in tourism activities²⁶² to the extent that they have an immense influence on development planning and policy making. NGOs, particularly

²⁶¹ Afrika Kusini Talks, The South African High Commission Quarterly bulletin, April- June 2004 (Nairobi, South African High Commission: 2004) Op.cit.

²⁶² South Africa Tourism Board, 2002, Op.cit.

environmental and community-based ones, play a vital role in the development and spread of responsible tourism practices given their versatility and high penetration rates in the rural areas.²⁶³ They play the following roles:

- i. Contribute to the development of policies and plans for the tourism industry by assisting the government in developing a standard for responsible tourism
- ii. Assist the government, private sector and communities in implementing, monitoring and evaluating responsible tourism and by attracting funding from donor agencies to develop specific community-based tourism projects
- iii. Assist communities and community groups in organizing themselves, preparing themselves for tourism and implementing tourism projects involvement in the tourism sector and stronger private sector commitment by offering education, training and bridging courses to local communities as well as liaising between the private sector and communities to generate more community involvement in the tourism sector and stronger private sector commitment.
- iv. Assist the government in conducting tourism and environmental awareness programmes among communities and the tourism industry at large

s)The role of the Media in Tourism development.

The media have changed in a decade from being restricted by law (the majority opposing apartheid) to having freedom of information guaranteed by law. Both electronic, radio, print media have been instrumental in marketing South Africa to the traveler and to the tourist and have an important role to play in promoting awareness of tourism to the South African population, highlighting positive trends and development and, as far as is consistent with fair and honest reporting, minimizing negative stories that may be picked up and reported upon by the international media. Negative reporting has the effect of reducing the number of tourists, as they perceive the country as insecure.

²⁶³ South African Tourism Board, 2001, Op.cit.

Areas of participation and involvement by the local media in developing tourism have been:²⁶⁴

- i Tourism awareness programmes to the population at large through press coverage and special campaigns to promote responsible tourism initiatives
- iii. Promotion of domestic tourism through familiarization trips and press reports on different destinations.
- iv. Cooperating with Provincial Tourism Organizations in marketing their provinces to the domestic market
- v. Providing an important link to the national public relations efforts in overseas markets

i)The role of Conservation Agencies in Tourism development.

The success of the tourism industry is closely tied to effective conservation of land and other tourist's attractions to minimize congestion and soil erosion. National and provincial conservation agencies play an important role in developing and managing state conservation land for tourism purposes.²⁶⁵ In this regard, their roles in the South African tourism are as follows:

1. Ensuring the protection of biological diversity in South Africa, within the network of protected areas and other areas which contribute to nature conservation and

²⁶⁴ South African Tourism Media Release, 2000, Op.cit.

²⁶⁵ E. LAW, Tourist Destination Management: Issues, Analysis and Policies. (London: Routledge: 1995)

tourism by proactively integrating areas under their control into the tourism resource base by providing controlled access to and use of protected areas to the public and commercial tourism operators

- ii. Where appropriate, providing tourist facilities and experiences in areas under their control, in a responsible manner and promoting the diversity of tourism experiences offered within and adjacent to protected areas
- iii. Offering a range of tourism experiences which remain accessible to the average South African through facilitating and supporting the establishment of biosphere reserves, conservancies and community owned reserves
- iv. Where appropriate, facilitating and supporting the establishment of partnership tourism ventures between communities, private business and conservation agencies inside or adjacent to protected areas
- v. Promoting and providing opportunities for local entrepreneurs to integrate their operations with tourism activities inside protected areas
- vi. Assisting tourism authorities in the conduct of environmental tourism awareness programmes and by contributing to the development of policies and plans for the tourism industry.

Summary.

The Responsible Tourism Guidelines lead on the economic dimension of sustainable tourism for South Africa. The vision of DEAT is to manage tourism in the framework of sustainable development in such a way that it contributes to the improvement of the quality of life of all South Africans. The policy on development and promotion of tourism in South Africa is guided by the following vision:

...To develop the tourism sector as a national priority in a sustainable and acceptable manner, so that it will contribute significantly to the improvement of the quality of life of every South Africa. As a lead sector within the national economic strategy, a globally competitive tourism sector will be a major force in the reconstruction and development efforts of the government. ²⁶⁶

²⁶⁶ South African Tourism Board, 2002, op.cit.

This is the basis upon which the competitive industry in South Africa is grounded and upon which it aims at making South Africa the most visited and favorite country in the African continent by the year 2010.

CHAPTER FOUR.

A CRITICAL COMPARATIVE STUDY.

4.1 INTRODUCTION.

This chapter is concerned with tourism development in the context of developing countries with a specific focus on a comparative study of Kenya and South. The comparison will be based on the following issues: tourism policies, sectoral shares in real GDP, tourist arrivals and earnings, hotel bed nights and occupancy rates and tourist attractions as well as the relative competitiveness and appeal in both countries. It also seeks to identify some potential areas where collaboration among the countries could be of benefit, more so to the Kenyan tourism sector.

4.2 COMPARISON OF KENYAS AND SOUTH AFRICAS APPROACH TO POLICY ISSUES TO TOURISM DEVELOPMENT.

In Kenya and South Africa, South Africa, there are a plethora of policy statements, approaches and initiatives that are seeking to commercialize tourism and forestry assets, while simultaneously incorporating some element of community involvement. However, there are major shifts in policy with regard to economic growth; wild resources, community development and rural developments that are taking place in Southern Africa. Within an overall drive for economic growth, there is an emphasis on various 'pro-poor' or 'pro-empowerment' elements.²⁶⁷

An analysis of the tourism sectors in both countries indicates an almost similar policy strategy, with only few differences and policy shifts. In South Africa, there is the policy that encourages women and the youth to actively involve themselves in tourism, this is due to the realization that as a growing industry it needs special programmes aimed at addressing the needs of the youth, in particular to address backlogs in training, job creation and recreation. In Kenya the policy issue on the youth is non-existent, the same

²⁶⁷D. Carney, Approaches to Sustainable Livelihoods for the Rural Poor. (London, Penguin Press: 1999) pp. 122-124.

applies to the issue of cultural resource management and tourism product development and improvement in terms of quality and standards as many of tourist attractions continue to deteriorate with less attention being given to their improvement.

In terms of financing for tourism activities, the South African tourism sector realizes the big role played by private investors and organizes ways of them accessing finance to develop the tourist attractions, this has not been done in Kenya and many private operators have had to operate below capacity due to lack of enough funds to run, expand and maintain their ranches and other tourists attractions in good order. While the Kenyan government has committed the tourism industry under the GATS arrangement, the South African counterpart has not done so, in doing so Kenya committed there modes of supply specified under GATS (cross-border, consumption abroad and commercial presence.) Kenya should take this as lead advantage and capitalize on the South African counterpart by attracting more tourists through foreign investments; this would in result in many new investments and tourist attractions hence an increase in the tourists' arrivals.

4.3 TOURIST MARKETS IN KENYA AND SOUTH AFRICA.

4.3.1 KENYA

The country attracts many visiting businessmen and with its good conference facilities, it hosts many international conferences that have become an established facet of Kenya's tourism.²⁶⁸ A major contributing factor to the industry's success has been the considerable growth in infrastructure and service facilities. A network of all-weather roads, two international airports serving 30 international airlines, and the Kilindini harbor in Mombasa, all combine to make travel to and from Kenya very easy²⁶⁹.

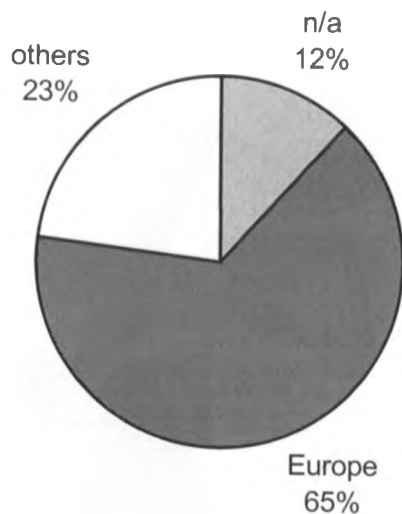
²⁶⁸ P.U.C. Dieke, "Policies for Tourism Development in Kenya". (Annals of Tourism Research, 18 (2): 1999) pp.269-294.

²⁶⁹ The Weekly Review "International Tourist Exhibition: A Dynamic Industry", (New York, Harper Press: 2000), April 23, pp.27-28.

Although often thought of in Europe as a winter sun destination, Kenya is having increasing success in promoting itself as a year-round destination. Germany has traditionally been a prime source of visitors. Some 100,000 German tourists visit Kenya each year, the vast majority of who visit Kenya for holidays. Other important European markets are Italy, Switzerland and Scandinavia. North American visitors are predominantly from the USA, although significant increases to Canadian arrivals are now being experienced. These destinations are the focus of tourism promotional campaigns. The percentage of the visitors from the various regions is shown below²⁷⁰

Figure 3.

TOURIST MARKETS IN KENYA



Source: Economic Survey, 2001

The industry is now intensifying efforts to expand this base to tap the Far Asian and Eastern markets.²⁷¹

²⁷⁰ Economic Survey, 2001, Op.cit.

²⁷¹ W. Davies, H. Desmond, The World of Tourism Information Africa Review, (Cambridge, Waldon Publishing Ltd: 2002). Pp.119-127.

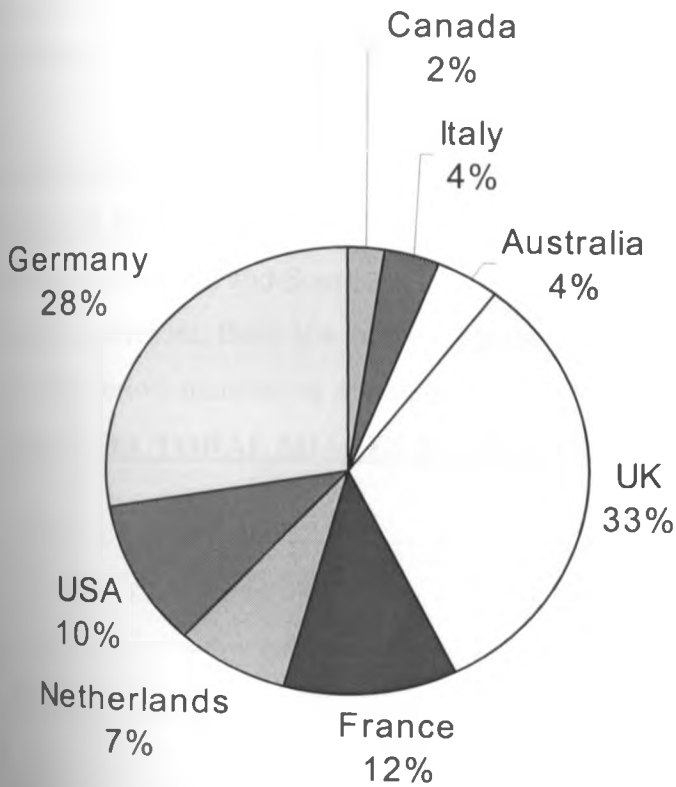
4.3.2 SOUTH AFRICA'S TOURIST MARKETS.

In South Africa there is a clear demand for nature –based tourism with around 60% of all foreign visitors experiencing wildlife in a game or nature reserve during their visit.

The percentage of visitors from various regions is shown below²⁷²

Figure 4.

TOURIST MARKETS IN SOUTH AFRICA



Source: South Africa Statistical Service, 2001

²⁷² South Africa Statistical Service, 2001, Op.cit.

The main stated purpose of visit for travelers coming from these leading source countries was holidays, followed by business.²⁷³

4.2.3 COMPARATIVE ANALYSIS OF THE TOURISTS MARKETS.

While the tourists who visit both countries do so for holiday, South Africa has a wider market than Kenya, a fact that the Kenyan tourism board should critically look and aim to attract visitors from Holland, France, Japan, China, the United Kingdom, Netherlands, USA and Australia instead of relying on sharing tourists from Germany, Italy and Canada with its South African counterpart. With Kenya relying on its narrow tourist base, Kenya is likely to lose a bulk of its visitors to its South Africa. The increase of South Africa's revenues due to diversification to various countries and it accounts for its high tourist revenues.

4.4 KENYA AND SOUTH AFRICA: A COMPARATIVE ANALYSIS SECTORAL SHARES IN REAL GDP.

While both Kenya and South Africa are the major tourist attraction to tourists within the African continent, there is a vast discrepancy in terms of the sectors contribution to GDP over the period analyzed as shown below,

Table 8. SECTORAL SHARES IN REAL GDP AS%

Sector	KENYA		SOUTH AFRICA		
	1989-89	90-95	96-02	1992-97	1998-02
Agriculture	29.8	26.22	21.94	25.5	24.4
Manufacturing	12.8	13.6	15.59	12.0	10.3
Tourism	11.5	12.04	12.49	12.5	13.0

²⁷³ South Africa Central Statistical Service 2001, Economic Surveys, various issues, Op.cit.

From the statistics on the above table, the tourism industry is well developed and contributes much more to the country's GDP in South Africa than in Kenya, with slight variations in the other sectors in which Kenya performs better than South Africa. Though the differences in the tourism sector indicate only slight variations, it indicates the seriousness with which South Africa has taken in its marketing of the tourism sector, an issue that the Kenyan counterpart has to really deal with if all Kenya hopes to increase the tourism's share in contribution to GDP.

4.5 KENYA-SOUTH AFRICA: A COMPARATIVE ANALYSIS OF TOURISTS ARRIVALS AND EARNINGS.

Tourism today is the World's fastest growing industry. According to the WTO's global projections, tourism arrivals will double to 937 million in the year 2010 up from 458 in 1990.²⁷⁴ Arrivals to the African continent are expected to rise to 30 million in the same year up from 15 million in 1990 during the same period East African visitor arrivals are projected to rise from 3 million to 9 million.²⁷⁵ However despite the WTO's projections, the figures in the table below are way below the expectation of the individual countries' with vast discrepancies in terms of tourists' arrivals and receipts. This distinction is further emphasized when one considers the tourist attractions available in the two countries.

²⁷⁴ World Tourism Organization, *Tourism Highlights*. Op.cit.

R.Naronha, Op.cit.

Table 9. Tourist Arrivals and Earnings in Kenya and South Africa.

KENYA		S.AFRICA		
Year	Tourist arrivals (000)	Tourist arrivals (000)	Earnings(billions)	Earnings(billions)
1992	721.5	608.0	713.0	680.0
1993	862.4	966.5	1222.0	2134.0
1994	863.4	750.6	1405.0	5380.0
1995	898.6	889.9	1250.0	6450.0
1996	907.9	960.4	1280.0	9210.0
1997	764.0	1650.3	1132.0	11110.0
1998	984.3	2149.4	17509.2	24350.0
1999	969.2	2170.5	21376.0	25450.0
2000	1036.5	1992.5	21533.0	23650.0
2001	1160.0	17796.9	21650.0	24850.0
2002	1002.3	1932.7	21734.0	25650.0

Source-South African Statistical Board and Economic Surveys-Variou issues.²⁷⁶

²⁷⁶ South African Statistical Board and Economic Surveys-Variou issues, Op.cit.

The tourist arrivals in the two countries show much wider variations, the tourist arrivals in Kenya were badly affected especially after the 1997 elections that were followed by political instability, terrorist attacks in Nairobi (1998) and the 2002 attacks in Kikambala and the subsequent travel advisories against Kenya and the tribal clashes. As such the Kenyan tourism has not performed to expectations since then. The South African arrivals on the other hand have been upward since the end of apartheid and has grown to beat Kenya, reaching the 1.9 million visitors in 2002 compared to Kenya's 1 million visitors over the same period. This calls for action on the Kenyan government of the need to market Kenya more as a safe tourist destination and to get hold of other potential markets that Kenya has not ventured into notably the Asian and the far Eastern markets.²⁷⁷

A look at the earnings accrued from the tourism sector, while the trend has been upward for both countries over the same period analyzed, Kenya experienced a reduction over from the 1997 period this affected tourism performance and as such the earnings are significantly less than the South African ones over the same period, with the South African industry reaching the 25 billion mark compared to Kenya's 21 billion mark.

4.6 KENYA-SOUTH AFRICA: A COMPARATIVE ANALYSIS OF HOTEL BED NIGHTS AND OCCUPANCY RATES.

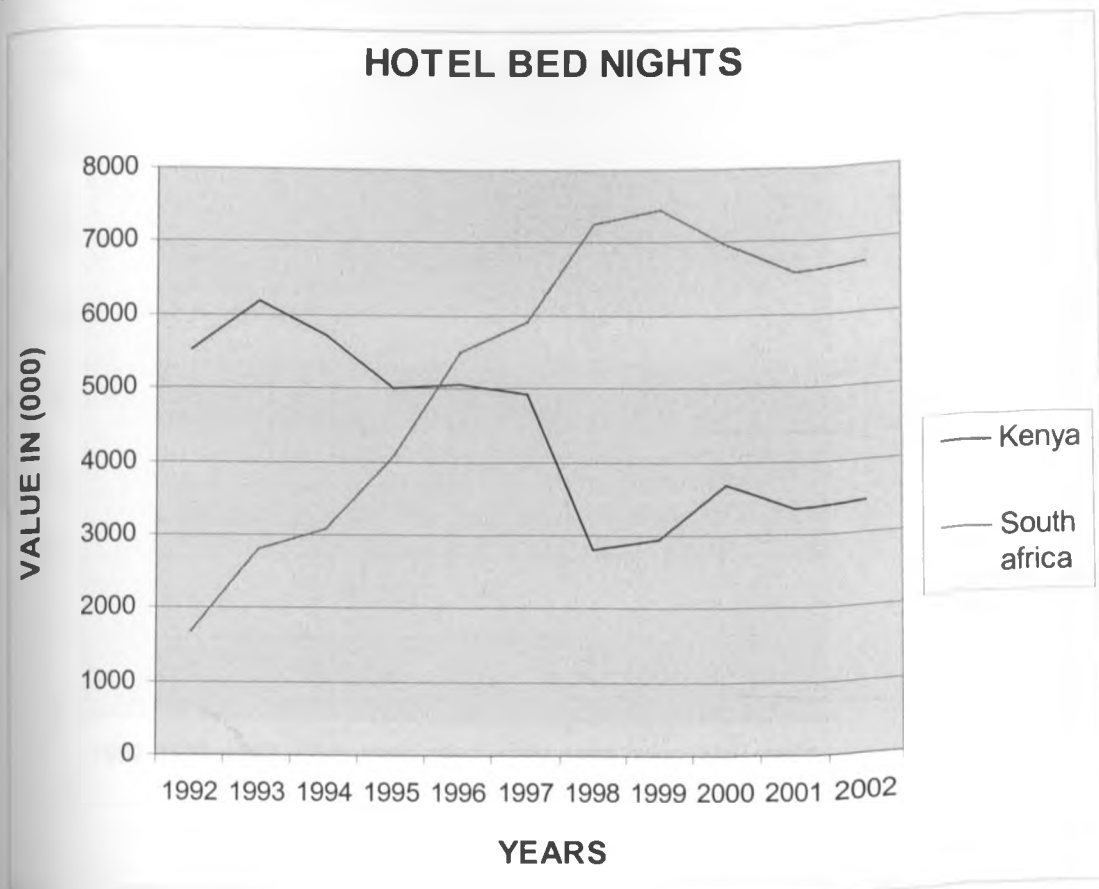
Accommodation establishments are a very important part in tourism development as they determine the comfort that the tourists derive from them and whether or not they willing to come back to the same hotels.

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

While both countries share almost similar tourists attractions, the countries have got different accommodation establishments from the classified to the non-classified for the tourists and despite that fact that the major hotels are all well managed and renowned worldwide for their high standards of traditional hospitality, elegant accommodation,

²⁷⁷ South Africa Tourism Board, Economic Surveys-Variou issues, Op.cit.

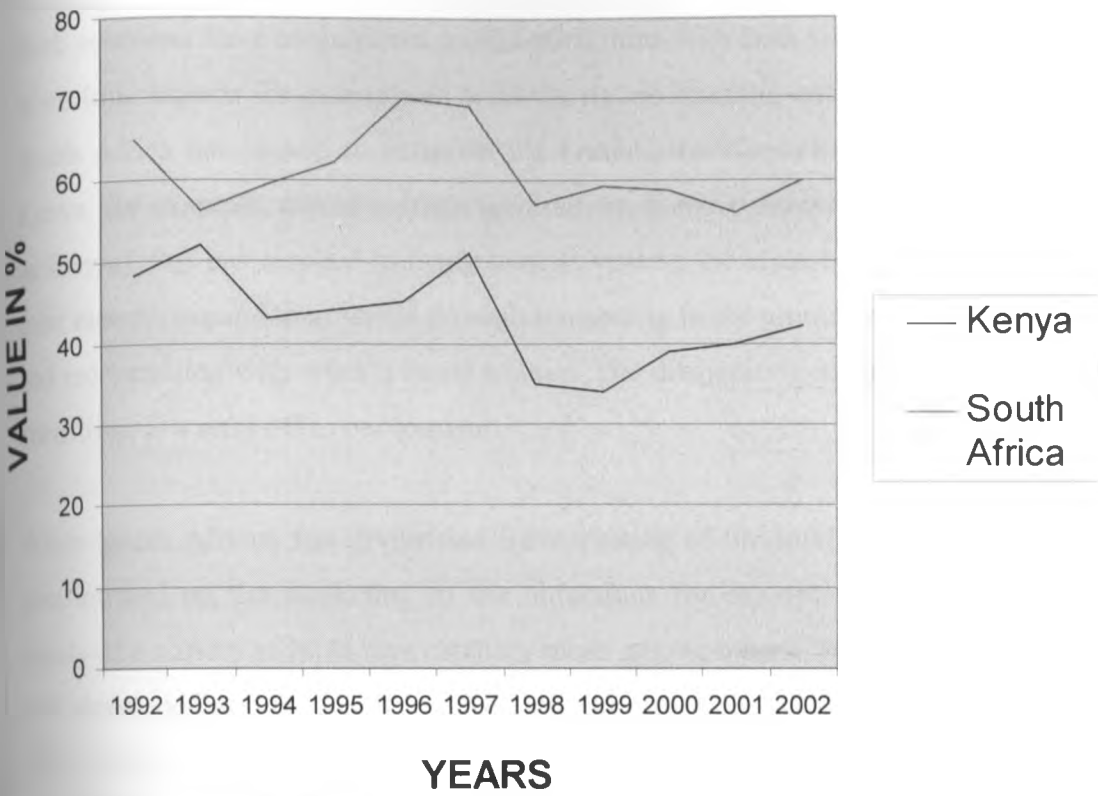
there are discrepancies over the years with regard to hotel bed nights and occupancy rates as shown in the graphs below.



Source: South African Statistical Board and Economic Surveys- Various issues²⁷⁸.

²⁷⁸ South African Statistical Board and Economic Surveys, Various issues, Op.cit.

HOTEL OCCUPANCY RATES



Source- South African Statistical Board and the Economic Surveys—various issues.²⁷⁹

From 1992 to 1995, Kenya had more bed nights compared to South Africa; this trend however, was overturned from 1997 in favor of South Africa whose hotel bed nights have risen gradually to the 6680 mark. On the contrary, the Kenyan hotel bed nights have reduced drastically over the same period, reaching the 3438 mark by the year 2002.

In terms of the hotel occupancy rates, South Africa took an early lead from the analyzed period and has continued with this trend with slight increases and decreases over the period, with Kenya hitting the 42% mark in 2002 and South Africa hitting the 59.9% mark, showing a wide variation of 17.9%.

²⁷⁹ South African Statistical Board and the Economic Surveys, Various issues, Op.cit.

4.7 KENYA-SOUTH AFRICA: COMPARATIVE ANALYSIS OF TOURIST ATTRACTIONS IN KENYA AND SOUTH AFRICA.

Both countries have magnificent tourist attractions with both similarities and differences in various aspects for example in wildlife, nature tourism, national parks and beaches, South Africa has strived to maintain the tourist attractions in good order compared to Kenya, for example, nature tourism (ecotourism) is more developed in South Africa than in Kenya, this has resulted in many tourists visiting the areas because they get value for their money, expand their world through immersing in the ultimate country of exploration and reconnecting with what is being offered. The dilapidating nature of some of our tourist attractions is a send off to our tourists.

While South Africa has diversified its marketing of the tourists attraction, Kenya has concentrated on the marketing of the attractions for example, Western Kenya, which boasts of a variety of birds, eye catching rocks among others. Tourism in South Africa is well developed and marketed in all the eleven provinces, which results in more tourists and a variety of tourist attractions. South Africa also markets its historical areas such as the Robben Island (where former president Mandela was jailed) and the battlefields where the wars for independence were fought. Kenya has not been on the forefront of doing so, areas such as Kapenguria where the late president Kenyatta and other freedom fighters were jailed could be a major tourist attraction as well as cultural center for many tourists visiting the region.²⁸⁰

In addition to this, Kenya should aim at enhanced community development tourism projects and also make efforts at promoting not only international tourism but also domestic tourism, South Africa boasts of a well developed and still growing domestic tourism sector that is contributing over half of the country's GDP from the tourism sector.

²⁸⁰ Tourism and Development Magazine. The Madiba Action. Op.cit.

However, it's not the similarity or the differences in the tourist attractions between the two countries that is the driving force for tourist visitation, it's their maintenance and marketing that is of paramount importance. The transformations of such areas into viable tourist propositions in the future call for heavy initial investment e.g. in infrastructure. Thus, possibilities of using outside agencies to help develop tourism need to be explored. With its impressive scenery Kenya is in a position to provide one of Africa's most beautiful frameworks for the observation of wild animals and other tourist attractions. Visits to those attractions can easily be included in a trip to Addis Ababa, South Africa or Tanzania with no additional transportation cost.

As a stepping-stone to the achievement of this objective, Kenya and South Africa have launched a campaign known as the coordinates campaign that connects consumer insights with experiences to deliver on brand promises and the selling of both countries to the "traveler" as opposed to the "tourist". This is done in order to explore joint ways of marketing their respective destinations to the Far East and the Asian markets and also make the citizens of both countries visit the two countries. Promotional events have already taken place between the two countries e.g. the South African entertainment theme night held at the Carnivore restaurant on the 14th August where the disco jockeys from both countries competed.²⁸¹

These events show that Kenya remains a key country for tourism development in the region hence the collaborative measures. Each of them has identified local tour firms to assist in giving a visible, attractive and powerful identity in the market place by breaking into new ground. The collaboration is of utmost importance, as the two countries need to operate from an African perspective and ensure that Africa is always the "top of the mind" destination especially in the marketing of the Chinese market. Kenya received the Approved Destination Status from China this year, with South Africa having received a similar status three years, as such South Africa could assist Kenya avoid the pitfalls it encountered in that market. Joint marketing could also be done with the Japanese market,

²⁸¹ East African Standard, (Nairobi, The Standard Limited, Wednesday, August 18:2004) pp.5-6.

especially because it's an expensive destination, thus the need to pool together resources to develop common messages that will sell both Kenya and South Africa to Japan.

4.8 KENYA-SOUTH AFRICA-COMPARATIVE ANALYSIS OF POLICY ISSUES.

1.) SECURITY MEASURES.

Security remains a major concern for the Kenyan and the South African tourism sectors alike, this is because perceptions of insecurity such as terrorist attacks and repeated instances of violence on both citizens and tourists results in a reduced number of tourists visiting the countries. The Kenyan government has on its part formed the Tourist police whose mandate is to provide security to the tourists, the major shortcomings of this endeavor is that the force is under equipped and understaffed, and is also under funded and hence cannot adequately perform its duties and secondly, it's only stationed at the coast at the expense of other tourist potential areas.²⁸²

In South Africa on the contrary, the police are properly stationed in all major tourist attractions in all the provinces and undertakes both short and long terms actions and strategies to reduce crime and violence, through established centers where adequate information to tourists that will help to improve their security and safety are easily accessed. In addition to these, adequate resources are devoted to providing security to the tourists by instituting appropriate legal procedures that facilitate speedy and effective prosecution for cases where tourists are involved through coordinated cooperation among the stakeholders.²⁸³ This has not been done in Kenya and tourists face then same prosecution bureaucracy in Kenya, which is very tedious and takes many years for justice to be done.

²⁸² Tourism Policy Framework Report, Op.cit.

²⁸³ South African Tourism Board, 2002, Op.cit.

b.) PROMOTION AND MARKETING STRATEGIES.

Marketing of tourists' attractions is an important element in attracting tourists into any given country.

The role of marketing of the tourism activities in south Africa is the responsibility of the provincial authorities with other tourism related bodies like the SATOUR.as opposed to Kenya where the role is reserved for the national government and other tourism related bodies such as the KTB. While it is certain that Kenya has made some efforts in tourism promotion and marketing, promotional campaigns have been ineffectual especially the failure to recognize that image involves more than promotion and marketing activities. Even though Kenya has a good menu recognition, it is largely perceived as a mass tourist market, a perception that can be corrected only by a gradual improvement of the fundamentals of tourism policy in the industry.²⁸⁴

South Africa is aggressively marketing tourism to all South Africans by encouraging citizens to take holidays in South Africa. In addition to focusing on the domestic market, continued emphasis has been placed o other key generating markets such as international business traveler, the conference and the incentive travel market.²⁸⁵ In the Kenya domestic tourism has not been given the priority it deserves in light of the unforeseen global shocks and as such, domestic tourism tourists are very few compared to the international ones. In this regard public relations efforts should be targeted at the domestic market and by promoting travel opportunities within the country. A national domestic public relations programme like the one in South Africa should be considered in all the provinces in Kenya with appropriate participation at the national level.

In South Africa unlike in Kenya, there is the marketing of experiences to visitors who are already in the country; this encourages visitors to increase their expenditure locally by

²⁸⁴ Institute of Economic Affairs. Op.cit.

²⁸⁵ South Africa at a Glance. Op.cit.

adopting a consumer sensitive pricing strategy thereby ensuring that value for money becomes a major draw card and that favorable exchange rates are applied to the advantage of the overseas consumer.

Marketing in South Africa is not only focused on the well-established sites like in Kenya but also emphasizes on the emerging products and attractions and as such, cooperative advertising and promotion activities are pursued in all the nine provinces of South Africa.²⁸⁶ And as part of the strategy, emphasis is placed on developing and improving the tourists product nation wide and unlike in Kenya, a percentage of the annual marketing budget is re-spent on major projects that have significant impact on the quality of the visitor experience for example, reduction of crime rates, violence and on improving attitudes to visitors.

c.) TRAINING OF HUMAN RESOURCE INITIATIVES.

The training of human resource to handle tourists and other tourism related activities is an important area in ensuring that the tourists are satisfied and are willing to come back to the country. The government of South Africa has established framework that seeks to control the standards of private tourism training institutions to give them credibility, through stricter licensing, regulation and monitoring of tourism training institutions in both the private sector and the privates sector,²⁸⁷ this has not been done in Kenya, and many tourism training institutions that are not regulated by the government are coming up (apart from Kenya Utalii College and the Tourism college at the Moi University) thus the need to assess the credibility of such institutions and their training curricula to ensure that standards are adhered to.

In addition the government of South Africa has implemented continuous public awareness activities at all levels of society in partnership with the local media and NGOs

²⁸⁶ Ibid.

²⁸⁷ Tourism and Development Magazine, Op.cit.

to make tourism more acceptable in the eyes of the public and in particular, the establishment of the tourism awareness campaigns in newly designated areas to familiarize the local population with the tourism opportunities and how they can be involved in the tourism industry.²⁸⁸ This has however not been done in the Kenyan case though there are calls for the establishment of a dedicated funding mechanism to cater for such expenses as well as the teaching of a range of foreign languages for tour guides and information officers to boost the customer attention given to the tourists.

4.9 KENYA –SOUTH AFRICA: A COMPARATIVE ANALYSIS OF THE RELATIVE COMPETITIVENESS AND APPEAL OF KENYA AND SOUTH AFRICA.

While marketing and promotion of tourism are very important in attracting tourists, emphasis should also be placed on obtaining a precise understanding of customer needs, developing and delivering the products to the customer's desire. Based on this, a tourists' choice of a destination to visit is determined by various factors, some of which are analyzed below:

²⁸⁸ Towards a Ten Year Review in South Africa, Op.cit.

Table 10. RELATIVE COMPETITIVENESS AND APPEAL OF KENYA AND SOUTH AFRICA.

Parameter rated	Kenya	S. Africa
Customer awareness of destination	84.5 (4.22)	90.0 (4.36)
Destination appeal	63.6 (3.5)	90.0 (4.30)
Quality of the safari product	77.8 (4.11)	92.6 (4.43)
Value for money	62.2 (3.67)	70.0 (3.80)
Overall quality of tourist experience	77.3 (3.89)	92.7 (4.20)

Tourism and Trade Council -Various tables (2002).

Note: Figures in the table show the percentage of tour operators (out of a sample of 46 tour operators in UK, USA and Germany selling East and Southern Africa tours) subjectively rating each parameter for each country as 'good or excellent'. Figures in brackets are average scores out of a maximum of 5.²⁸⁹

Kenya's appeal as a tourist destination to be lower than that of Southern Africa, with the perception of the country as a mass-market destination being one of the causal factors. Even though Kenya compares favorably in terms of customer awareness, it is regarded poorly in terms of destination appeal, the quality of the safari product, and the overall quality of the tourist experience, in which it scores only 3.89 out of 5, with South Africa scoring a favorable 4.20.

²⁸⁹ Tourism and Trade Council, Providing Just in Time Services to Tourists. (New York, Cambridge: 2002) pp.12-14.

The government now appears more intent on attracting up-market tourists. According to the head of marketing of the Kenya Tourist Board ²⁹⁰, the government was considering restricting some game parks for the exclusive use of up-market and high-paying tourists).

However, the achievement of this is constrained by several factors:

First, the country squandered its opportunity to make appropriate choices and has now acquired the image of a mass tourist destination.

Second, Kenya has damaged its potential for high-value tourism by excessively exploiting scarce natural resources such as the Maasai Mara and the Amboseli wildlife protected areas and by overdeveloping the coastal beaches.

Third, for several years now, Kenya has been unable to deliver an efficient, highly competitive, value-for-money tourist product, yet this is the best way to persuade tour operators and other tourism institutions to sell the country²⁹¹ The country has a lower rating than South Africa in value-for-money perception and its unique advantages continue to be dissipated by, among others, poor infrastructure; uncontrolled, selfish developers; and insecurity.

The Kenya tourist market is now mature, and faces major challenges: Customer awareness of the destination is not matched by appeal, suggesting that carrying-capacity limits of some tourism resources have been exceeded and that the scope of increasing revenue from the high-volume strategy without enormous investment in direct and supporting infrastructure is seriously limited. Increasing unit prices or average tourist expenditure is limited by competition. Moreover, it is difficult for the country to attract up-market tourists.²⁹²

²⁹⁰ Personal interview with Ms Joanne Mwangi, Head of Marketing, Kenya Tourism Board, Op.cit.

²⁹¹ LT, Christie, Tourism in Africa, Africa Region Working Paper Series No 12, (Washington DC: World Bank: 2001) pp.23-25.

²⁹² Tourism and Trade Council, Op.cit.

The damage that Kenya has inflicted on its high-value natural resources, especially the national parks and game reserves, has reduced its ability to retain tourist earnings. Rich tourists are no longer interested in these resources. Instead they visit specialized, private, foreign-owned ranches outside the national parks that provide luxury services. Given that there is inadequate monitoring of visitors to these facilities, there is substantial leakage of revenue from these reserves.

Priority should be given to finding ways to improve the appeal and the overall tourist experience of Kenya. This cannot be achieved by marketing and promotion alone; improvement of the quality, efficiency, and competitiveness of the country as a tourism product is more important. In addition, development of regional tourist circuits involving Tanzanian and Ugandan attractions could increase diversity and therefore improve value-for-money and product quality ratings. As such, Kenya needs to liaise in a stronger way with opinion leaders outside the country.²⁹³

Gradual improvement of tourism products and infrastructure, accompanied by increases in price to control visitor rates, also should receive priority, as should retention of tourism revenue in the domestic economy.

Seven other major categories of tourist markets for Kenya would include:

- (i) Wealthy, educated people from Europe and America who would enjoy the masterpieces of Kenya's art, its culture and its scenery.
- (ii) Americans who visit Kenya as part of a 'Round Africa' tour.
- (iii) Special interest groups - mountain climbers, wildlife watchers, underwater fishery etc.
- (iv) Game hunters.
- (v) Educated people with cultural interests similar to those in-group (i) but with limited financial means.
- (vi) Business persons traveling to Kenya or to points further south who could be induced to extend their stay in the Kenya

²⁹³ Tourism Policy Framework Report, Op.cit.

(vii) Expatriates living in Kenya

(viii) Domestic tourists who want to experience tourism at home.

CHAPTER FIVE.

CONCLUSIONS AND RECOMMENDATIONS FOR THE KENYAN TOURISM SECTOR.

5.1. CONCLUSION.

In view of the importance of the tourism industry's importance to economic development in Kenya, this chapter concludes and proposes some recommendations to the policy makers that would go along way into making the industry vibrant, sustainable and regain its lost glory.

Third World countries are faced with immense problems. Some think that tourism development is a panacea for all their problems. While a few benefited from tourism, it generally does not solve many of the problems of a country.²⁹⁴ However, an integrated approach to tourism development by using proper strategies would complement the economic development of a country. Paramount however, is that as tourism is a very susceptible activity, Kenya must have a positive image to appeal to potential tourists. Stable political conditions, security, adequate tourist facilities, accessibility, and friendly people are assets for a country venturing into tourism development. This is in line with the hypothesis that the quality of the tourism product and appropriate government policies are indeed essential elements for tourism growth in the country.

In this regard, any strategy for its implementation requires the full commitment of the government and those concerned with it, cooperation of the various public and private sectors, and the community at large. As almost all attractions are located in the main cities and towns, grass-root levels of participation of the community are important. Any decision made in developing tourism should pay attention to the preservation of cultural

²⁹⁴ World Tourism Organisation, Tourism Services. Op.cit.

and traditional values of the community at large. Cooperation at departmental levels is also most important. Tourism is an area, which affects governmental departments such as agriculture, industry, labor, foreign and internal affairs, finance, among others and their involvement will enhance its development. The private sector must be involved by investing in areas, which can cover the establishment of travel agencies, tour operation, hotels, motels, gift shops and related activities. As earlier noted in the hypothesis, this is one area that the government and the private sector have to cooperate to ensure tourism sustainability. This strategy also supports Stiglitz²⁹⁵ argument that desirable government interventions which improve upon the efficiency of the private sector market driven forces are indeed essential especially in responding to market failures that affect the tourism industry for example, terrorism and the subsequent travel advisories against Kenya.

The government can play a facilitating role, however, there are basic requirements, practically, and all of these issues cannot be tackled immediately. A possible approach would be for the two countries to capitalize on the fact that they both lie along the coast and share almost similar tourist attractions and therefore have high chances of attracting more tourists to the African continent.

From Kenya's perspective, the tourism industry has almost reached maturity. By extending the product offering to include initially, the Western region of Kenya, an impetus can be given to Kenya's tourism marketing. This will add an extra dimension to Kenya's product portfolio and will enable her to develop on the basis of a guaranteed tourism influx. However, the policy of promoting domestic tourism has not taken deep root, and this has affected tourism growth in Kenya, unlike is South Africa where tourism has been marketed in all its nine provinces and domestic tourists contribute over 50% of the total tourists visiting South Africa. In Kenya, there is the need to diversify the tourism sector from the major cities to other parts and involve the local people more in tourism

²⁹⁵ J. Stiglitz, Globalization and its Discontents. (London, penguin Press: 2002) Op.cit.

development. This is the basis upon which the Tourism Space Model is founded as a way of increasing tourism earnings and its contribution to economic development.

The 2004 Indaba show, South Africa's premier Trade and Tourism exhibition was held at the International Convention Centre (ICC) Durban in the Kwa Zulu Natal province. Kenya snubbed the show, which is the largest event in Africa and the third largest globally after the World Tourism Organization (WTO) and the International Tourism Board (ITB). There was so much that the Kenya Tourism Board could have learnt from the Indaba that could help in advancing in its tourism marketing strategies. Tanzania hosted a competitive stand at the Indaba with the blessing of the Tanzanian government and the country's tourism board, while Kenya did not have any official representation from either KTB or government-not even the High Commissioner was present.²⁹⁶, this was a let down to the Kenyan marketing strategy. This represented a great step in boosting South Africa's earnings from the tourism industry. The Kenyan policy makers should be aware that the market economy does not work by itself, even in global relations because strong tourism markets also require significant state and transnational intervention and an environment trust for the it to be organized and sustained over time for the benefit of the country as a whole.

The great strides in South Africa's tourism have been evident because South Africa has repositioned its marketing policy strategy by using unique techniques that do not compete with the existing strategies in the world tourism industry such as the Indaba show. For starters Kenyan has to change its attitude and stop dreaming that Kenya is still a tourism leader in Africa South of Sahara. Countries such as Tanzania and South Africa are slowly repositioning themselves in the continent. In effect a solution based on a regional approach is timely and appropriate. A strategy that, in this case relies on exploiting the well-developed tourism capability of one country, South Africa and coupling it to the latent potential of a neighbor, Kenya. In such a model, there are large areas of commonality between the two countries that could be exploited; this would ensure

²⁹⁶ The Financial Standard. (Nairobi, The Standard Limited, Tuesday, June 22nd: 2004) p.9.

adequate economic linkages are formed for exchange of policy ideas and research findings.

The World Tourism Organization²⁹⁷ indicated that individual countries are required to design their tourism development policy by taking into account their historical, cultural, social and economic conditions. WTO reiterated that for Third World countries, the problems involved in the choice of a policy to optimize the return from their tourism resources, natural and cultural, are apt to raise complex issues. This is so because resources, as Stiglitz²⁹⁸ posits in his argument, are generally limited, and competing priorities between groups of users may interfere with a rational allocation process.

Therefore, the primary function of the South African and Kenyan governments has been to create the right economic environment in which both the government and the private sector can fully participate and to remove unnecessary controls, restrictions and burdens. Tourism policy issues reflect not only economic considerations but also socio-cultural and environmental concerns as well. These economic, sociocultural and environmental concerns impact on the government structure, legal considerations as well as external relations.

A tourism strategy in this regard should establish a basic framework of physical facilities: recreational land, resort complexes, resort communities - major attractions, and tourist travel ways as well as supportive programs such as environment, promotion, planning, training, and tourist information. Culpan²⁹⁹ has indicated that the major strategies include a mass-marketing approach for the public through tourism intermediaries, and a focused strategy requiring careful analysis of the target market and its needs for unique services.

²⁹⁷ World Tourism Organization, Tourism Development Report: Policy and Trends. (Madrid: 2000) pp. 86-89.

²⁹⁸ J. Stiglitz, Globalization and its Discontents. Op.cit.

²⁹⁹ R. Culpan, "International Tourism Model for Developing Economies". Annals of Tourism Research, Vol. 14, 1987, pp. 541-552.

In general, developing countries are subject to widely differing economic, social and political circumstances and have different goals and priorities.³⁰⁰

Within the alternative development paradigms, sustainable tourism has come to the forefront and along with it are codes of appropriate behavior and forms of tourism such as ecotourism. However, one of the key assumptions is that tourists are responsive to the message within sustainable tourism development and that they will adapt their behavior as consumers, in order to optimize their contribution of tourism to local development, this is not the case and tourism is largely untouched by green consumption movements. Focusing on the sustainable tourism concept, it is argued that although it has become one of the dominant tourism paradigms in the past decade, it can also be seen as a barrier to development. It is then suggested that while there is widespread support for the aims and principles of sustainable tourism development, it remains a contested notion, as does its parent paradigm, that of sustainable development.

In the final analysis it is seen that ultimately sustainable tourism development has evolved into a prescriptive and restrictive set of guidelines for tourism development. While it offers environmentally appropriate and ethically sound principles for optimising the role of tourism, it draws attention away from the potential benefits of other forms of tourism and other development agents. In contrast to many recent debates in this field, large-scale tourism can also contribute to socio-economic development in a destination and it is not necessarily a bad form of tourism development. Perhaps the most important point is that sustainable tourism is not a universally appropriate vehicle for development. This finding refutes the assumption that sustainable tourism acts a catalyst to economic development in the South African and the Kenyan economies.

³⁰⁰ M.T Sinclair, "The Tourism Industry and Foreign Exchange Leakages in a Developing Country: The Distribution of Earnings from Safari and Beach Tourism in Kenya" in "The Tourism Industry: An International Analysis", Sinclair, M.T. and Stabler, M.J. (editors) (Oxon: C.A.B. International: 1991) pp.45-48.

However, the Kenyan tourism sector will be judged sustainable if the following indicators of sustainability have been met: state of the ecosystem is healthy, the number of species of tourist importance is increasing, new areas are getting protection status, pollution of wetland and marine environments is decreasing, tourist arrivals and real earnings per tourist are increasing, increase in the number of the indigenous Kenyans participating in the industry and the number of industry players that have instituted sound management programmes that also emphasize on cleaner production technologies. This can be done through: protection of the environment, cultural, historical and archaeological resources, conservation of wildlife dispersal areas, rehabilitation and restoration of damaged ecosystems and the recovery of threatened and endangered species. ³⁰¹The government of South Africa has implanted these policies with considerable success. This acts as an impetus to the Kenyan government to try on these policy issues, as yet the government, the government is still slow in implementing them.

Sustainable tourism cannot thrive if we do not take care of our fragile environment. In this context, therefore, we should always remember the cardinal point that we all have a duty to practice responsible tourism so that at the end of the day we shall be able to conserve our fragile environment and biodiversity for the benefit of mankind. To this end the role of the communities, individuals, stakeholders, the private sector and the government is required.

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

5.2 RECOMMENDATIONS.

For the Kenyan tourism sector to be able to achieve the aims of responsible and sustainable tourism it needs some policy shifts, some of the recommendations are discussed below.

³⁰¹ World Tourism Organization, Tourism Highlights. Op.cit.

a) Enhancement of Eco-tourism in Kenya.

Ecotourism refers to environmentally and socially responsible travel to natural or near natural areas that promote conservation, has low visitor impact and provides for beneficially active socio-economic involvement of local people.³⁰² In this respect, the present and future generations are urged to conserve the environment while the Government is committed to strengthening and enforcing anti-poaching and nature based conservation policies, which will ensure the development of responsible tourism in the country.

The Kenya National Tourism Development Master Plan beyond the year 2000³⁰³ focuses on better distribution of tourists so as to relieve stress on existing areas of visitation, thereby minimising environmental degradation. These aforementioned noble objectives will be achieved through: -

- Improved travel conditions to less visited touristic areas.
- Incorporation of nature and culture as major considerations. In order to be compatible with the popular wildlife and beach attractions, laws pertaining to wildlife conservation reviewed to take the following aspects into account:-
 - Integration and sustainable conservation and management of wildlife.
 - Minimizing human - wildlife conflict.

³⁰² UNCTAD, Op.cit.

³⁰³ The Kenya National Tourism Development Master Plan beyond the year 2000(Nairobi, National Tourism Trust Fund: 2000) pp.23-25.

- Developing and promoting sustainable nature-based tourism.
- Maximizing community participation in tourism development.

Eco-tourists in South Africa prefer the use of local resources and expertise, which in turn translates into import savings. The use of local resources and expertise also translates into environmentally sensitive patterns and local participation in the travel industry. Its emphasis on local resources and employment makes it attractive to South Africa which though rich in natural resources are disadvantaged by rural poverty and lack of export earnings. This could well be applied to the Kenyan case, In fact it can be observed that a few people who have tried ecotourism and homestay in the Western region over the last 25 years have succeeded to become top-end-of-the-market tour operators, yet others have wrecked public investments and key tourist facilities to obsolescence. Furthermore, the only way forward for stakeholders in Kenya to follow is to break the vicious cycle of "which comes first: tourists or services?" by investing innovatively and aiming for quality services that excel the best in the region as has been done in South Africa.

b) Implementation of Sustainable Consumptive Wildlife Utilization.

The concept of sustainable consumptive wildlife utilization was formulated so as to counter the negative trends that were inherited from the wildlife based tourism and wildlife management policies that existed during and soon after the colonial period up to late 1970's. By then, conservation and tourism policies overlooked the interests of the local people by emphasizing control and regulations while neglecting incentives that would contribute to the success of wildlife conservation and management programmes in the country. The local people were denied an opportunity to make their contributions towards wildlife conservation and management as they were kept off protected areas.

Empirical research in South Africa, however, indicates that direct sharing of benefits accruing from wildlife conservation and tourism were better appreciated by the local

communities.³⁰⁴ The concept entails optimum resource management, efficiency in productivity as well as equitable sharing of the benefits between the South African national government and the various Community Based groups in South Africa for local participation in the sharing of benefits accruing from tourism.

The Kenya Government, through its conservation arm, the Kenya Wildlife Service needs to put in place measures that ensure co-opting the support and participation of landowners in the management of wildlife. This involves sensitisation, mobilization as well as education of the stakeholders.

The Kenya Wildlife Service has also to put in place appropriate measures, which are aimed at capacity building by the relevant institutions in order that all the stakeholders become competent wildlife managers with adequate knowledge and skills regarding the contribution of wildlife vis-a-vis such alternative land uses as livestock keeping and agriculture. Optimum or sustainable consumptive wildlife utilisation therefore may only be achieved after area specific feasibility studies are carried out to determine its viability and compatibility with non-consumptive uses.

Another important consideration in South Africa has been the sensitivity to the disparity in culture, ecology, and topography in the context of changing technology pertaining to game cropping, culling, game ranching, game farming and sale of live animals. The concept also entails accommodation of public interest without necessarily compromising private and community interests. Though this encountered mixed reaction in its inception in 1997, it is now a widely accepted and practised culture in virtually all the nine provinces in South Africa.

In Kenya, the Eco-tourism Society of Kenya³⁰⁵ endeavours to help promote tourism in Kenya by projecting a positive image and encouraging high standards, green certification,

³⁰⁴ South Africa Tourism Board, 2002, Op.cit.

³⁰⁵ Eco-Tourism Society of Kenya. (Nairobi, Longman: 2000) p.16.

carrying out consumer surveys offering consultancy services, advice and information, public information, public relations, organizing conferences and seminars, publishing appropriate newsletters, brochures and books as well as conducting research. The active participation of the major players within the National Eco-tourism Institutional framework who are instrumental in attaining the desired development of sustainable tourism is needed.

c.) Extensive focus on Biological diversity.

The value of biodiversity is more widely appreciated in the whole world. However, pressure on wildlife and their natural habitats is increasing due to encroachment of human activities and intensified resource extraction.³⁰⁶ Accordingly conservation of biodiversity must be seen within the wider context of national economies, social goals and aspirations.

The concept of Beach Management Programme has been implemented along the Kenya Coast so as to ensure that the beach is developed and managed as an integrated ecosystem for recreation and conservation purposes. This initiative is being realized through the concerted efforts between the Ministry of Tourism, Kenya Wildlife Service and hoteliers on the beach. The programme is aimed at enhancing the conservation of the coral reef and other forms of biodiversity along the Coast. The beach management programme entails: -Control of population encroachment on protected areas, regulation of commercial activities along the beaches, ensuring visitor safety at the beaches. Mr. Ngwiri³⁰⁷ posits that strict zoning of beaches to separate public areas from private ones for exclusive use of hotel guests should be carried out to curb beach boys menace for example, in South Africa and Mauritius.

³⁰⁶E. Cohen, "The Impact of Tourism on the Physical Environment." *Annals of Tourism Research* 5,1998, pp. 216-237.

³⁰⁷Personal Interview with Mr. Brian Ngwiri, Assistant Chairman, Kenya Tourism Board, Op.cit.

To this end a multi sectoral approach has been implemented in South Africa with tremendous results and the Kenya wildlife service should look at the feasibility of the same taking place in Kenya, the South African approach includes:³⁰⁸

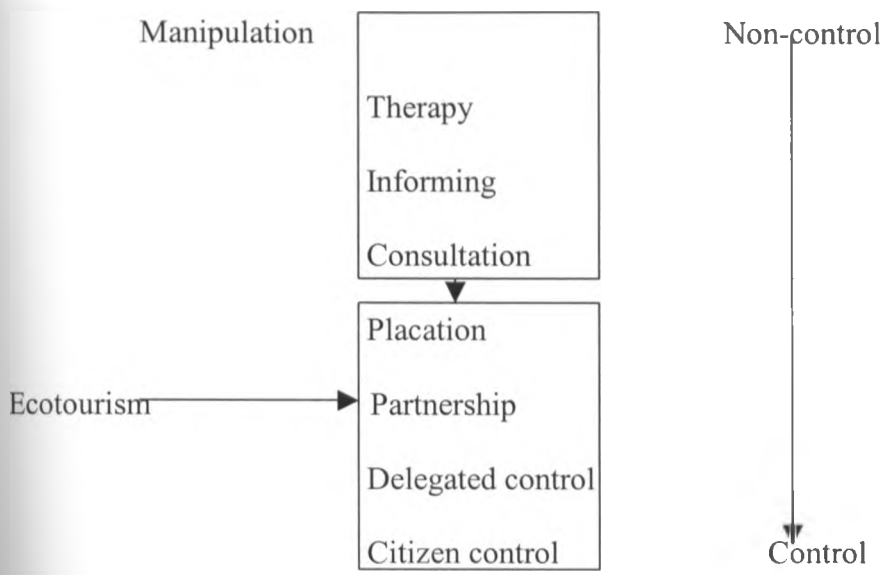
- Conducting a country - wide audit of eco-tourism resources and products
- Conducting the requisite environmental impact assessment studies
- Formulating appropriate policies and guidelines on:- land tenure, types of development to be allowed, revenue sharing ,planning and zoning
- Capacity building, licensing, rating and marketing planning.

d.) Enhancement of Community Partnership in the Strategic Planning for Sustainable tourism development in Kenya.

The rich cultural diversity is an integral part of our tourist attractions since it is one of the main reasons why visitors travel to the outlying rural areas of Kenya. This product has been developed and promoted in South Africa because this type of tourism strengthens society's culture and creates employment at local levels thereby serving as an incentive for young people to stay in rural areas rather than migrate to urban areas in search of employment.

³⁰⁸ South Africa Tourism Board, 2000,Op.cit.

Figure 5.
Levels of citizen participation in Community Based tourism



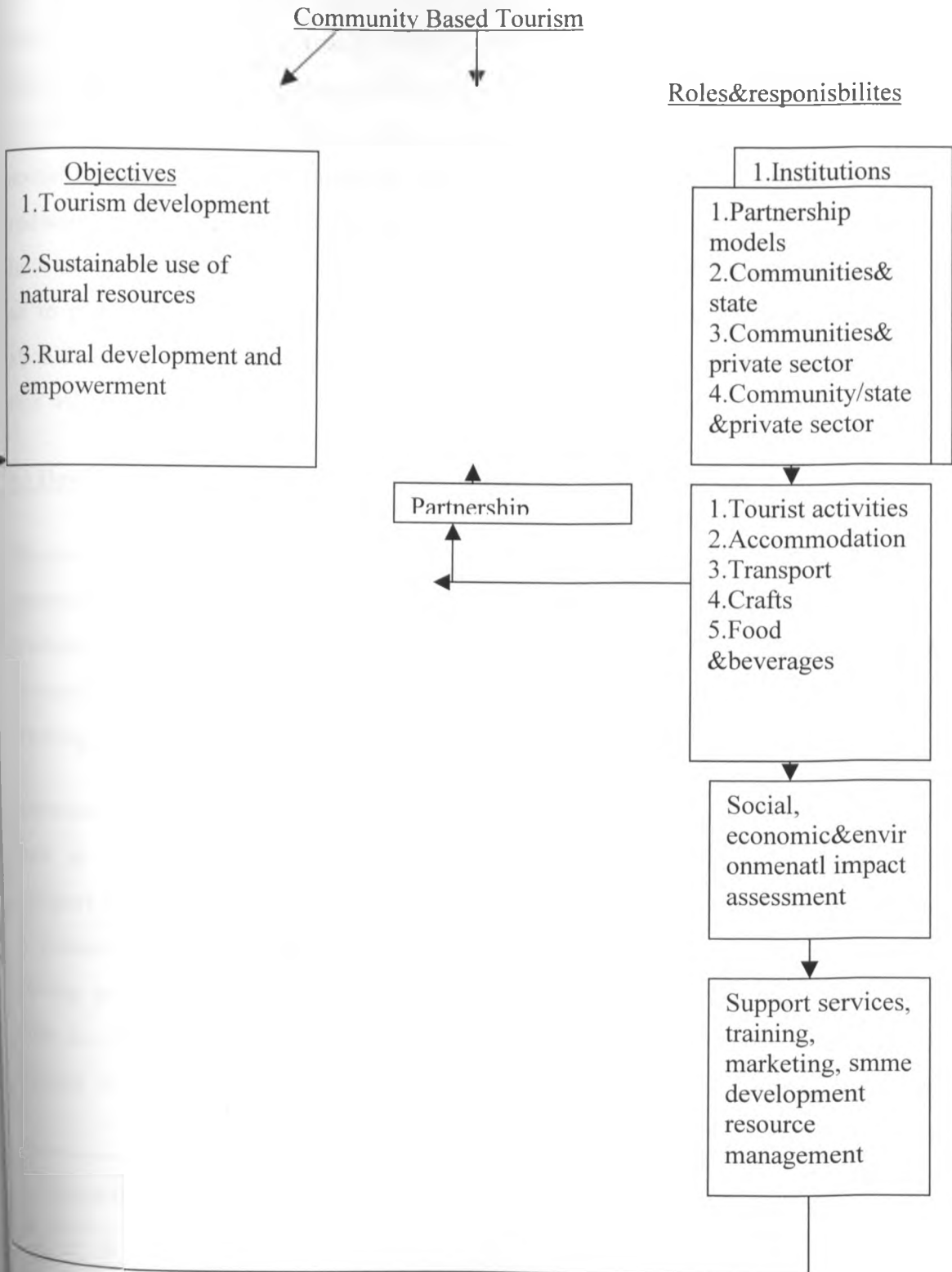
The development of a successful ecotourism strategy depends on the above elements, which must be incorporated into a well-planned strategy within a conceptual framework of tourism analysis.³⁰⁹

³⁰⁹ Culpan, R. International Tourism Model for Developing Countries, Op.cit.

It is with this foregoing in mind South Africa that has made it necessary that Sustainable tourism development be based on the ethics of care and respect for the respective communities' culture. This approach ensures that the development is both people oriented as well as conservation based. Sustainable tourism in other words, means, using tourism constructively so as to support the conservation of the environment, reinforcing the cultural heritage of indigenous people as well as enabling them to benefit directly from revenue accruing from tourism and related activities as shown in the figure below,

Figure 6.

Community Based Tourism-a Conceptual framework.



Kenya as a tourist destination has to adopt and encourage Sustainable tourism strategies in order to strike a balance between the needs of the industry and those of the local communities. Accordingly it is necessary to find ways and means of ploughing back the benefits accruing from tourism to the development of the local population. The main consideration here is to improve their living conditions, security, and their access to social services. Hence the important issues to be addressed in this context include: - reducing vulnerability of exploitation of local communities by unscrupulous people and how to enhance retention of income accruing from tourism by the local communities so as to plough back into community based development projects for example visa fees shouldn't be scrapped but should be ploughed back into tourism to repair infrastructure this will in turn attract more tourists tot destination to the benefit of the locals.

e.) Development of the tourism industry within the African region.

Destinations in Africa enjoy a privileged position in relation to the major tourist generating markets due mainly to their unique features, history as well as a wide range of products on offer. The strong awareness for conservation of the environment and the demand for exoticism by potential travellers translate into increasing demand by an ever-growing number of foreign visitors.

Accordingly, there is need for destinations in Africa to co-operate more closely in areas such as promotion, coordinated establishment of tourist facilities and attractions, transport links between tourist attractions in neighbouring countries, closer co-operation in domestic air travel, product development, research, manpower development and training as well as exchange of tourism experts and tourism information.³¹⁰ Indeed such close co-operation can be forged and enhanced within the framework of the existing regional economic groupings such as the Common market for Eastern and Southern

³¹⁰ Tourism Policy Framework Report. Op.cit.

Africa (Comesa), Preferential Trade Area (PTA), SADC, East Africa Co-operation, and the Indian Ocean rim association for regional co-operation. These economic groupings can play a pivotal role in positioning Africa to be a major force in the envisaged tourism growth. It is also necessary to harmonise travel formalities within the region so as to encourage free flow of visitors and maximisation of benefits accruing from tourism interactions within the region.

In the development, promotion and marketing of our respective destinations we should always bear in mind the complementary nature of our products within the region. Secondly although by and large the countries within the region are destination countries rather than tourist generating countries, there is a vast market for intra-regional tourism, which has not yet been fully tapped. This observation holds true for example for both the Republic of South Africa and Kenya, which incidentally share a lot in common. However the free flow of visitors from each country has been hampered by among others, travel formalities and failure to capitalise on our complementarity.

To this end there is therefore, an urgent need to put the necessary legislations and codes of conduct in place so as to ensure balanced development of tourism in African tourist destinations. Exchange of information and experience among African Nations would also be vital in achieving the requisite results for the development of sustainable tourism in conservation of the environment. In an interview with the Minister for tourism Mr Raphael Tuju,³¹¹ there is need for stronger partnership within the EAC countries to increase visitor flows and promote wider regional tourism. The establishment of the EAC carrier could help relapse a vision with tourist flying into Nairobi, Mombassa, Entebbe, Dar es Salaam, Arusha and being distributed to national parks, beaches and islands off the coast. South Africa together with the SADC states in the RETOSA partnership have been able to complement on their tourist attractions especially South African and Botswana, Kenya should do so not only with the EAC states but also with the SADC states.

³¹¹ Personal interview with Mr. Raphael Tuju, Minister for Tourism. Op.cit.

The rapid expansion of the Ugandan, Tanzanian and the South African tourism market should be both challenge and an inspiration for Kenya's government, home grown investors and international investors.

A vision for the Kenyan tourism sector that is not shared by industry stakeholders is unlikely to be useful. Kenya does not have a vision for tourism that is shared by stakeholders, and the existing institutional framework is incomplete and unsuitable for formulating such a vision because it is poorly coordinated. A shared vision requires wide consultation during its development, because open dialogue among stakeholders (the government, the private sector, civil society and the local community) to reach consensual decisions and to develop partnerships is a prerequisite for sustainable tourism³¹²

South Africa has used countries have used consultative forums with strong political support to develop common tourism visions and strategies³¹³ This has not only helped to define the actions required from each actor but also, transformed into an open and continuous channel of communication among the actors and has led to increased understanding and build inter-actor confidence and trust. The broad objectives that South Africa has considered that could be of help to Kenya are: maximization of tourism's contribution to national social and economic development, pro-poor tourism development, minimization of the negative externalities of tourism, including minimizing conflict between conservation and commercial exploitation of natural resources.

Many of Kenya's economic sectors lack consultation and open dialogue, yet these are invaluable, as a recent case in the country's tourism sector demonstrates. The Kenya Tourist Board (KTB), the agency constituted by prominent public and private sector

³¹² T.I Christie. 2001. Op.cit.

³¹³ T.I Christie. 2001. Op.cit.

tourism stakeholders to deal with marketing and promotion of tourism, spearheaded a close public-private sector effort to prepare for the World Tourism Market (WTM) held in London in November 2000³¹⁴. The outcome was unprecedented: Kenya's stand took first position, demonstrating the huge potential that could be exploited through commitment, good management, innovation, open dialogue, wide consultation, and public-private sector partnerships.

Pro-poor tourism development initiatives that are widespread in South Africa would be an appealing vision for the Kenyan sector, as it could easily accommodate the two objectives of poverty alleviation and increased employment. (Note, however, that even choosing a particular tourism product, like wildlife or any of the other targets, could constitute a vision. If this were adopted as the vision, measures that maximized the contribution of tourism to poverty alleviation (or rural employment and regional development) would constitute the long-term development strategy and its specific policies, regardless of the potential efficiency costs.

The measures would include the type of tourism products promoted, the nature and location of infrastructure, the level of involvement of local communities and foreign investors, and the size of the tourism outfits encouraged.

f.) Linking the vision with the long-term development strategy.

A vision cannot achieve much without a comprehensive and implementable long-term strategy to secure concerted stakeholder effort towards its realization. The strategy should specify the quickest and most efficient route to realize the vision. Therefore, the process of charting out a long-term development strategy requires an understanding of the sector's strengths and competitiveness, growth potentials, new opportunities, global tourism dynamics, tourism demands, technology dynamics and other aspects of the industry.

³¹⁴ World Tourism Market Report, (London, John Wiley: 2000) pp.15-17.

Comprehensive product–market match analysis, information technology and access to information on international market development, and analysis of global demand trends and the country’s relative potential in tourism products should precede the formulation of the long-term strategy. For example, In South Africa policy-makers are aware that different categories of visitors (business people, leisure visitors, visiting friends or relatives, ecological tourists, and others) have different demands and consequences. Consequently, planners have decided on the type of visitors to be targeted on the basis of the country’s comparative advantage in tourism resources and the vision, and planned how to satisfy the demands of the target groups. (It should be noted, that targeting different visitor categories leads to differential charges, administrative and compliance costs could rise substantially.)³¹⁵

Physical planning in Kenya like in South Africa ought to be a major element of the long-term tourism development strategy, since it is an essential tool for ensuring that tourism development i) does not take place or adversely impact on sensitive ecological sites, ii) does not alienate land reserved for other purposes such as agriculture and afforestation, iii) is controlled by location and density to prevent violation of physical carrying-capacity limits, and iv) is dispersed throughout the country through infrastructure development by appropriate mechanisms and subsequent recovery of the cost from user charges. In addition, formulation of a long-term development strategy involves making choices.

Several criteria may be used in evaluating and analyzing tourism policies: Their conceptual quality, that is, how well they conceptualize and address the sector’s development challenges, or how well they steer the industry along the ideal development path of sustainable tourism.

The quality of their targeted objectives and how well they tackle key challenges such as leakage of tourism revenue, poverty alleviation, environmental degradation, social and cultural disruption, and sectoral growth impediments, tourism performance in terms of

³¹⁵ South Africa Tourism Board. 2002, Op.cit.

tourist numbers, per capita tourist expenditure, infrastructure development, poverty reduction, and so on, their consistency with national development policy, that is, their integration into overall economic, social and physical planning policies given tourism's complex and cross-sectoral nature³¹⁶ and their implement ability in terms of resource requirements, specificity, and timing

If fostering growth in tourist numbers and targeting different classes of tourists were what Kenya considered as a vision or a long-term strategy for the industry, this would have been myopic. Ideally, the objective of tourism policies should be to ensure that tourism is an effective and sustainable economic development tool whose positive externalities (such as poverty alleviation and wide spatial distribution of benefits) are maximized, and negative externalities (such as environmental degradation and cultural erosion) are minimized.³¹⁷ This broad objective should then guide in setting tourist arrival targets and identifying target groups.

The vision should articulate the desired nature of the industry, while the comprehensive strategy should chart out a long-term course—with specific performance milestones along the way—through which the desired goal is to be attained. Specific or individual policies on supplying the right products for targeted markets, supplying value-for-money experiences, effective marketing, developing stakeholder partnerships, fostering an enabling business environment, improving infrastructure, and nurturing and protecting tourism assets, then become simply incremental building blocks or steps for reaching the goals. This framework permits promulgation of policies whose scope is matched with resource availability, thereby improving policy consistency, continuity, predictability and implementation. The strategy, milestones and specific policies need in-built mechanisms to allow dynamism in the realization of the desired state.

³¹⁶ I T Christie. 2001, Op.cit.

³¹⁷ I T Christie et al. 2001, Ibid.

Frequent analysis of the sector's strengths, weaknesses, opportunities, threats, market trends and forecasts, and product-market matching should guide the defined policies. For example, since WTO³¹⁸ data show that East Asia, the Pacific and Europe are the fastest growing sources of tourists, Kenya's tourism strategy should have explicit policies to tap these markets once it is ascertained that the characteristics of the tourists available there are consistent with the country's vision and long-term strategy.

The vision and long-term development strategies themselves must be based on an objective evaluation of the sector's strengths, growth potentials and emerging opportunities and the development role that the sector is required to play.

Without a vision and a comprehensive long-term strategy, tourism policies are likely to be ad hoc and without continuity or consistency, which has adverse performance implications. This has been the case with tourism policy in Kenya since independence and has caused the destruction of the quality of the natural and built resources, infrastructure, and services, and reduced the ability of the country to attract the high-value tourists that it currently targets. A vision and a long-term strategy would have settled on the most appropriate market segment for the country, and the necessary physical infrastructure and economic services would then have been set up or policies to secure them designed.

They would also have yield non-ambiguous, long-term objectives chosen after due analysis of trade-offs. In addition, a shared vision and a long-term strategy are in essence negotiated outcomes. Individual players with their diverse interests and objectives negotiate and settle on a compromise position, which is more easily managed by the government. That a vision and a long-term development strategy are urgently required for Kenya's tourism industry, therefore, cannot be overemphasized.

A shared vision and a long-term development strategy alone will of course not ensure policy implementation. However, by creating widespread knowledge and understanding

³¹⁸ World Tourism Organisation. Tourism Services. Op.cit

of the plans for the sector, the vision and strategy would assist stakeholders to demand policy implementation from the government. If the stakeholders share the vision and strategy, moreover, there will be greater willingness among them to do their part in policy implementation.

g.) Diversification to the Western region.

Kenya is well known as an international tourist destination, but the Western Region of the country has very little tourism activity. As far back as 1969, the Government earmarked Western Kenya for development as part of the tourism infrastructure. Sessional paper number 8 of 1969 states in part “the tourism aspects of western Kenya which are to be developed consists of scenic assets of lake Victoria, Mt Elgon, the culture of tea and other interesting crops, the rich folk culture and the animal life of the Lombwe valley.”³¹⁹

Recent events in the world have made tourism experts turn their attention to the western Kenya region. Several factors account for this shift in the sectors attitude towards the region. Top on the list is the rising religious fundamentalism and the terror networks mostly linked to the deadly Al Qaeda. One major result of this new perception of international terrorism is that tourists feel safer in areas that have very little connection to Muslims and Arabs. With proper planning and professional marketing of the region, Western Kenya can emerge as the leading tourist destination in the country. As such, Ms Joanne Mwangi³²⁰ calls for the need to enhance disaster preparedness especially to curb terrorism and enhance firefighting and provide ambulance services, search and rescue missions. The anti –terrorism police should be further trained and equipped to curb terrorism as well as the strengthening training and adequate funding of the tourist police unit to ensure visitors safety. In addition to this she calls for the need to fight corruption to win the favor and goodwill with donors and foreign missions, curb rampant insecurity

³¹⁹ Government of Kenya, Sessional Paper No 8, (Nairobi, Government Printer: 1969) pp.8-10.

³²⁰ Personal interview with Ms Joanne Mwangi, Head of Marketing, Kenya Tourism Board. Op.cit.

and forestall activities of vigilante groups like the Mungiki whose activities portray Kenya as a violent society.

According to the chief executive of KATO-Mr. Kaigwa³²¹, customers are genuinely determined to travel despite the travel advisories by their mother countries though we have to be realistic about the events in the Middle East. Hotels and tour operators have had to work harder to keep their customers while other countries not blighted by the terrorist attacks have not. To this end, the Minister for Tourism³²² reveals that Kenya has started an aggressive marketing campaign to woo tourists from china and other high potential countries and the government has set aside money to publish Kenya with the aim of achieving its target of 2 million tourists annually despite the fear instilled in them after the August 1998 and the November 2002 bombing of the paradise hotel in Kikambala. The Government, he says has to be more creative while seeking funds from the tourism market e.g. having raffles and competitions attached to visa fees. The raffles offering free trips among other prizes should be advertised in the local and international media to create an impressive public relations image.

Statistics on tourism activity in the region indicate that western Kenya lags behind other regions in the country. Economic survey 2002³²³ shows that all regions in the country experienced a reduction in the tourism activity. Only Nyanza, Western and North region improved. So great is the tourism potential in the region that it featured prominently in the World Summit for Sustainable Development in Johannesburg in 2002, especially the investment opportunities in the Lake Victoria Basin.

This view should be changed through proper marketing of the Western region. In a personal interview with Ms Joanne Mwangi³²⁴ a lack of adequate marketing is the

³²¹ Personal interview with Mr. Kaigwa, Chief Executive, Kenya Association of Tour Operators. Op.cit.

³²² Personal interview with Mr. Raphael Tuiju, Minister for Tourism. Op.cit.

³²³ Economic Survey, 2002,op.cit.

³²⁴ Personal interview with Ms Joanne Mwangi, Head of Marketing, Kenya Tourism Board, Op.cit.

industries main stumbling block. It receives less money from the budget, yet marketing though expensive ensures a quick and effective return on investments. She proposes that the amount be increased by increasing the catering levy from 2% to 5%, thereby widening the net to cover for tour and travel agents and sharing revenues generating at 50:50 between KTBC and Utalii College. The budgetary allocation should also be increased to reflect tourism key role in the economy.

What then are the chances of success in developing tourism in the Western region of Kenya? The answer is "little and very slowly, unless we try very hard".

This is because Firstly, the main and basic problem with tourism in the Western region is a human problem of the residents themselves, namely the lack of personal and private interest and commitment with visitors' needs; poverty of awareness and entrepreneurship; negative attitudes, etc. Under the "Kenyanization of Tourism Industry", the Government of Kenya had, through KTDC, and despite odds, deliberately moved into the area and invested in the equity of the classified 3-Star Mt. Elgon Lodge as a high-risk area project.

Existing Tourist Attractions.

The Western Region of Kenya has a lot of tourism resources. However, without more market-oriented information to show the competitive quality of each tourism product, it is not possible to make logical conclusions about their economic potential.

At present the region boasts of such unique features as the³²⁵ Kitmikayi in Seme, Tomboya mausoleum on Rusinga Island and the world famous Mary Leakey archaeological sites. Others are: Small rare animals: sitatunga, oribi, de Brazza monkey, colobus monkey, birds sanctuary, the Kakamega tropical rain forest, kakamega national reserve, Impala Sanctuary and the hippo point in Kisumu, Lakes Victoria and its beautiful beaches, Lake Bogoria, Lake Baringo island, various small wetlands/swamps habitats, Plantations of sugarcane, tea, coffee Rusinga Island of Lake Victoria, Kisii-Migori landscape of Hills and Valley bottoms Ruma (Lambwe Valley), national Park with a

³²⁵ Tourism Policy Framework Report. Op.cit.

tourist resort at Magunga, Kano Plains birds sanctuary ,Hoba crocodile farm, Mt. Elgon National Park, Saiwa Swamp national Park, Kitale Nature Reserve and Museum, Kapenguria Museum, Nasalot National Park, Olaf Palme Agro forestry Center, Kaisagat Desert Garden ,Lokitela Farm Delta Crescent Farm, Sirikwa Safaris, Mt. Elgon Orchards at Suam, cherangani Hills and Forest Reserves .³²⁶

In addition to the above, the following are also considered as major tourist attractions Protected natural areas i.e. national reserves, national parks, sanctuaries Museums Tea, coffee and sugar plantations, Mt. Elgon and Kerio Valley Lake Victoria - Water sceneries, Cultural diversity, Eldoret international Airport, Moi University Department of Tourism and good roads. The above authors³²⁷ furthermore noted that the Western Region of Kenya has got the following additional strength:

Park Trekking and Cross-Border Trekking

Mt Elgon offers scope for cross-border trekking covering MENP of Kenya and MENP of Uganda. The inherent policy decisions, inputs and co-ordination largely depend on willingness of both the Kenyan and Ugandan administrations. No significant financial inputs would be involved except provision of contracted tour operator companies to undertake the necessary marketing skills, logistics and implementation. It is possible that the development of this opportunity could transform the tourism image of Mt. Elgon and the Western Region of Kenya making it more attractive to visitors interested in unusual activities. It would certainly improve the competitive standing of Mt. Elgon in comparison to other mountain national parks offering trekking as an attraction to visitors. Although cross-border trekking might have specific environmental impacts which can be envisaged and mitigated, the initiative has great potential for improvement of overall cross-border co-operation in conservation and law enforcement between Kenya and Uganda.

³²⁶ K. Simon et al Op.cit.

³²⁷ K. Simon et al Ibid.

Government Policies Influencing Tourism in the Western region.

The following policy issues emerging from the background information obtainable from the available literature have significant implication on the future of tourism development in the region¹²⁸:

- Negotiation of a cross border agreement with Uganda to allow visitors to walk into the Mt. Elgon Caldera.
- A source of funding for rehabilitation of the Cherangani Hills be identified through the ASAL programme but advice is required on the modalities to be used.
- Getting the Mt. Elgon Lodge under private sector management.
- Government investment in tourism development in the region in 1970s and recent declaration of divestment from hotels and lodges in Western Region of Kenya including Mt. Elgon Lodge.
- Suggestion that Government of Kenya should give investors in tourism a tax holiday.
- Need for government to curb discrimination and greed especially among officers and councilors causing many people to be denied opportunity to develop business projects just because they don't belong to the place or tribe.
- Development of Eldoret International Airport.
- Investment and divestiture of KTDC in tourist lodges in the Western Region including Mt. Elgon Lodge.
- New Forest Policy and Forest Act.
- Excisions of forest settlement in the Cherangani Hills.
- Uncertainty of legal status of Chepkitale moorland of Mt. Elgon District.

UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION

¹²⁸ K. Simon et al Op.cit.

- Insecurity problems experienced by tourists and posed by Pokot youth idling along the road along Marich Pass.
- Environmental Management and Co-ordination Act, 1999

Accommodation

The majority of foreign tourists prefer to stay in classified hotels. Nairobi and the Kenyan coast have many classified hotels, the Western region has only a few classified hotels within any one town and the towns are long distances apart. For instance Kitale town has no classified hotel, and Eldoret, which is the nearest town with four classified hotels, is about 100 km away. Licensing Tourist officer 1 Ms Lillian Ayimba³²⁹ posits of the need to classify other hotels in the region such as the Kericho Tea hotel, Mid West in Kericho, the Sunset hotel in Kisumu and the Kakamega resort and golf hotel among others. She however cautions that the desire to offer accommodation should not relax the rules, stringent licensing procedures should be adhered to.

The global tourism market is slowly changing and shifting in favour of ecotourism for which Mt. Elgon and the Western Region of Kenya as a whole have great strengths and should embrace the opportunity aggressively. However, the current trends of global tourism are also demanding in quality products and in competitive marketing. This means that these attributes of the facilities and services that are offered to tourists by the park management and the business community in the vicinity will affect visitation to an area that has intrinsic potential for tourist attraction. South Africa has been able to develop its accommodation establishments such as the Caravan sites, Game lodges Resorts and Hotels and Kenya should strive to improve on the conditions of all its accommodation facilities within the vicinity of the tourist attractions.

There is need to conduct a position audit by looking closely at existing tourism activities and discussion with leading players and stakeholders to find out the market patterns, particularly the challenges, constraints and recommendations in view of what lay ahead

³²⁹ Personal interview with Ms Lillian Ayimba, Licensing Tourist Officer 1, June 3rd, 2004.

in form of user needs, competition, technology, policies and regulatory problems and economy, exchange of policy ideas from South Africa. There is need for assessment involving travelling from place to place in order to see and evaluate the state of different attractions, facilities and stakeholders should play a lead role in this. South Africa has been able to market its tourist's attractions in all its nine provinces and this has yielded good results to the industry, Kenya should strive to do the same.

There is every indication that given the political will and the investment acumen and vision, the government has a great opportunity to Western Kenya and the nation at large, a great service in facilitating the tapping of the regions full potential in tourism.

h.) Shift of focus in the National Tourism Development policy.

The Kenya Government has to shift its focus from over reliance on high volume low yield tourism towards the development of other alternative forms of tourism, which contribute, to conservation of the environment. The managing director of KATO, Mr Kaigwa ³³⁰ calls upon the tourist resorts to promote greater understanding of issues such as conservation and biodiversity as well as effective garbage disposal and prevention of environmental degradation in the urban areas and in the game parks is also crucial. In other words, whereas attention is still focused on tourism segments in which Kenya has comparative advantage, for example, wildlife, sun, sea and sand, special attention is now being given to the impact of the sector on the environment.

A new approach, which is aimed at re-enforcing the universally accepted Eco-Tourism and other forms of alternative, is in practice in South Africa, and this could also be applied to the Kenya sector with ease of implementation. They include, conservation and utilisation of tourism resources in a sustainable manner, conservation of the environment and preservation of scenic beauty, provision of visitor education pertaining to available resources and their interdependence without compromising our concern on biodiversity; establishment of active partnership with all stakeholders in tourism and at the same time

³³⁰ Personal interview with Mr. Kaigwa, Chief Executive, Kenya association of Tour Operators, Op.cit.

respecting their rights; equitable distribution of benefits accruing from tourism, respect and safeguarding of the local customs and culture and harmonious development of the tourism sector in tandem with other economic sectors.

i.) Policy on Foreign Participation.

The commitments on tourism that Kenya has made, particularly under the General Agreement on Trade in Services (GATS), have fully opened up the sector to foreign investors. The specific services committed are hotels and restaurants, travel agencies, tour operators, and tourist guide services. The country has committed three (cross-border, consumption abroad and commercial presence) out of the four modes of supply defined by GATS. This means that foreign firms can use any of these modes to supply tourism services in Kenya. In addition, the requirement for foreign investors to form partnerships with Kenyan citizens no longer applies. Market access for the movement of natural persons, the fourth GATS mode of supply, is restricted in Kenya except for entry and temporary stay of management and other expert personnel. The country has committed itself to treat these people like its own nationals.

Links between the tourist sector and the domestic economy—and, therefore, the magnitude of the multiplier effect—do not happen automatically but need explicit enhancement³³¹. Kenya, like in South Africa, therefore, should adopt a strategic approach to trade liberalization and foreign participation. In broad terms, policies must strike a balance between the control of local resources by internal and external interests, as well as between tourism and other sectors of the economy. Small-scale, widely dispersed, locally owned tourism enterprises should be preferred to concentrated, foreign-owned, mass tourism alternatives, but technology transfer trade-offs must be factored in when choosing the policy to be followed.

The content of contractual relationships between tour operators and hotels like in South Africa should be managed through policy, because these relationships, like foreign

³³¹ T. Christie, et al 2001. Op.cit

ownership of tourist enterprises, can lead to leakage of tourist revenue. The country needs to build its capacity and expertise for negotiating contracts and for other purposes.

Policies to increase retention of tourism revenue in Kenya like the ones in South Africa are required. These should target increasing i) the use of the local airline, ii) the participation of Kenyan tour operators in holiday provision, iii) the volume of wildlife safari in the country's tourist product, iv) the number of micro, small and medium enterprises (MSME) that attract the tourist dollar away from the big foreign hotels, and v) import substitution. However, careful research is required to estimate the relative revenue implications of these measures before they are adopted as key policies.

One way by which the Kenya government could support local tour operators is to guarantee them against insolvency. This would build tourists' confidence in these institutions and promote the use of their services. The government could also provide grants and other forms of assistance to stimulate MSME activity in tour operations. This would not only increase competitiveness in the industry but also foster entrepreneurship. It is not clear why Kenya did not provide for conditions such as local employment, partnership with locals, and preferential treatment of locally owned travel agencies and tour operators when it made commitments in tourism under GATS. It is doubtful that opening up of such sub sectors as tourist guides would benefit the country.

To attract the luxury cadre of tourists, persuade them to stay longer and to spend more, and to retain more of their spending in the country, Kenya needs to develop an appropriate vision and a long-term strategy, improve its record of policy implementation and start rebuilding its capacity to deliver high-quality products. In the short and medium term, it is advisable that the country continues relying on a blend of high-volume and low-volume markets as it raises the quality of tourist assets and service. A simultaneous but gradual increase in prices would restrict numbers and enable resources to recover. Once resources have recovered sufficiently and facilities and services have been improved, prices could be raised to a level sufficient to turn the country or designated parts of it into a high-value tourist market.

The strategy calls for: consistent formulation and implementation of requisite specific policies, development of appropriate indicators and milestones against which progress in the implementation of the strategy could be evaluated, designing of policies and strategies to deal with transitional challenges such as the progressive change in the ratio of mass to up-market tourists, determination of optimal carrying capacities, how to repair the damage already caused and how to finance it, development of criteria for choosing tourism products to reduce overexploitation of some resources and to develop capacity of others, and how to handle resistance to tourism due to loss of employment and other social problems associated with capacity reduction.

5.4 Emerging Policy Concerns.

The analysis of Kenya's tourism policies has identified a number of serious shortcomings, some of which could be addressed by policy research. I propose the following research agenda, but not necessarily in order of priority:

Research is essential to develop a multivariable framework for appraisal and analysis of public policy. Such a framework could then be used in all sectors of the economy. This would facilitate the establishment of an appropriate policy framework to create a better and dynamically improving image for Kenya.

Current policy looks only at marketing and promotion. Promotion needs a holistic policy framework that rights the tourism fundamentals in the country and therefore contributes to a positive image. As a component of the image-improvement strategy, a study is needed in the tourist source countries to understand the image that potential tourists have about the country and the kind of image that appeals to them. A study on the image Kenyans would like their country to promote is also necessary to strike a balance between the two images.

A study to assess the record of policy implementation in terms of the proportion of policies implemented in tourism and other sectors since independence, and to identify

constraints to implementation. In particular, there is need to assess the adequacy of resources committed for policy implementation.

Research to identify key elements of a policy that would promote Kenya's performance in a competitive environment. How can Kenya cope with emerging competitors like South Africa, Tanzania, Egypt and Asian countries? What role can the government play to provide the private sector with a competitive edge? How can the bureaucracy be improved to cope with the emerging challenges of regional and global competition in tourism?

Detailed research to establish the real (net of economic leakage) benefits of tourism to Kenya. This research should consider i) revenues; ii) costs affecting development and promotion, local culture, the environment, employment, excess capacity in the low tourism season, and communities living near national parks and game reserves, and iii) the vulnerability of the sector to the vagaries of international markets and the instability of the domestic market. Such research would be an important input in policy formulation for tourism.

Research on how all the legislations touching on tourism could be harmonized to remove policy conflicts and enhance policy effectiveness and research to establish the implications to Kenya of an open-skies aviation policy and to consider the possibility of providing economic incentives to Kenya Airways to operate for tourism purposes routes that it is not operating currently, either due to lack of capacity or for commercial reasons, such as Southeast Asia, which has an enormous potential as a tourism market. It is conceivable that even with an open-skies policy, some routes to rich tourism markets may not be commercially viable, at least during the initial stages of developing the market.

A critical study of the current aviation policy to understand why airlines are disengaging from Kenya and whether the trend is harmful to the tourism sector. Would an open-skies policy attract more airlines into the country considering that there is already a liberal air regime?

Research to develop a policy for the integration of technology (Internet, telecommunications, global distribution systems, computer reservation systems, and so forth) in the tourism sector. What are the implications of this technological development on the performance of the country's tourism industry? Collaboration with the Central Bureau of Statistics (CBS) to establish a comprehensive database for the tourism sector. This could serve as a starting point to the complete elaboration of tourism as a separate sector in the country's national accounts. Besides this, the database could serve as a resource for continuous appraisal of policies. Performance data are key indicators of the success or failure of specific policies.

Research on how the concept of sustainable tourism could be operationalized. There is need for studies to develop a framework under which the carrying capacity of various tourism resources could be estimated. This is the only way to determine the optimal number of visitors.

Studies on optimal pricing with respect to park entry fees and differential pricing of congested and non-congested parks. Also, a detailed study on the effects of government control of hunting fees and off-take limits on private wildlife enterprise, policy research with a view to increasing the use of economic incentives (such as allocating property rights over wildlife in private land to the landowners) in tourism management, given the advantages of economic instruments over command-and-control regulatory instruments.

Research to evaluate the real implications on tourism of the commitments that Kenya has already made under GATS, with a view to making adjustments during the next review of schedules and research to determine the appropriate regional cooperation policy for Kenya's tourism sector. It is apparent that East African countries could benefit substantially from such cooperation in tourism activities. A similar arrangement in the Southern African Development Community (SADC) through the Regional Tourism Organization of Southern Africa (RETOSA) is proving substantially beneficial. Even though the East African Cooperation Treaty provides for cooperation in some aspects of tourism, there is need for policy research to indicate how the cooperation will proceed, to

identify a mechanism for equitable distribution of benefits, to determine its net benefits to Kenya, and to identify other aspects of tourism development in which cooperation could benefit the country.

APPENDIX.

INTERVIEW QUESTIONS -SOUTH AFRICA TOURISM INDUSTRY.

Interviewee

1.Mrs.Annette Nthadwala, Trade Counsel at the South African High Commission, 21st June, 2004

QUESTIONS.

1. Comment on the state of tourism industry in South Africa.
2. What are the constraints facing the industry in South Africa?
3. What visions does the country have for the tourism industry in the next five years?
4. Are your visions mainly centered in being a tourism leader in the African continent?
5. What marketing strategy have you adopted to ensure that South Africa is a preferred destination?
6. It's widely said that South Africa is using Kenya to advertise its tourist product, to what extent is this true/false?
7. What makes you tourist product peculiar from the same products in other countries?
8. South Africa is going to host the 2010 world cup, could you give possible reasons for this honor and how it will contribute towards tourism development in South Africa.
9. South Africa has struck marketing campaigns with Kenya, why Kenya in particular and not other countries?
10. What is South Africa doing to incorporate the poor and the previously neglected people in the share of the tourism development and receipts?

INTERVIEW QUESTIONS-THE KENYAN TOURISM INDUSTRY.

Interviewees.

- 1.Ms Lillian Ayimba, Licencing Tourist Officer 1, 3rd June. 2004.
- 2.Mr. Brian Ngwiri, Assistant Chairman, Kenya Tourism Board, 8th June. 2004.
- 3.Ms Joanne Mwangi, Head of Marketing, Kenya Tourism Board, 15th June. 2004.
- 4.Hon. Mr. Raphael Tuju, Minister for Tourism, 17th June, 2004.
- 5.Major Kamunge, Chairman, Kenya Tourism Federation, 22nd June. 2004.
- 6.Mr. Charles Muthui, Head of Tourism, Kenya Wildlife Service, 28th June. 2004.

1. Comment on the budgetary allocation given to the tourism industry in this year's budget (2004)
2. What promotional campaigns and requirements do you envisage as paramount to the Success of the tourism industry in Kenya?
3. In your opinion what impact did the 2002 elections have on the marketing of Kenya as a tourist destination?
4. The Kenya tourism federation is charged with the responsibility of encouraging the creation of a common voice in influencing the government policies, to what extent has it played this role and what constraints does it face?
5. Comment on the trend of Sustainable Tourism and Eco-tourism in Kenya.
6. How can the tour operators contribute to increased tourists arrivals in Kenya and also in making Kenya a popular destination?
7. Accommodation, especially classified hotels in the Western region of Kenya has been cited a major drawback in the region, what steps has the Ministry taken to solve this problem?
8. What do you envision as important in improving the infrastructure in Western region to attract more tourists and open up circuits outside the traditional beach/safari tourism?
9. Tourist resorts are seen as a major factor in attracting tourists; Do they play their role especially in regard to environmental protection?
10. What role do the tour operators have to play to ensure customer satisfaction and

security?

11. Kenya has been victim of travel advisories due to perceptions of insecurity, what steps has the government taken to avoid such instances in the future?
12. Has there been a shift in the marketing strategy and the funding of tourism to counter the effects of the travel advisories against visiting Kenya?
13. What is the government doing in a bid to attract the up market and the high paying tourists into the country and what are the challenges to this endeavor?
14. What measures have been put in place to curb the beach boys' menace that is becoming a drawback especially to tourism at the coast?
15. The United States of America funded a Conservation program in 1992 known as COBRA; in a bid to institutionalize Community-Based Conservation, What has been its performance and its limitations in the provision of services to the communities?
16. Tourism is highly regarded as a complementary industry due the complementary nature of its products within the African region, what polices are in place to ensure balanced development of tourism in the African tourist destinations?

BIBLIOGRAPHY

- Afrika Kusini Talks, The South African High Commission Quarterly bulletin, April- June 2004 (Nairobi, South African High Commission: 2004) pp.34-36.
- Ashley, C. 'Transformation or Tinkering? The Changing roles of Private, Community and Government Actors in the Management of Tourism and Forestry in Southern Africa'. Sustainable Livelihoods in Southern Africa Research Paper No. 18, (Institute of Development Studies, Brighton, www.ids.ac.uk/envb/slsa/index.html: 2003).
- Bauchmann, P. Tourism in Kenya: A Basic Need for Whom? (Peter Lang Berne Publishers: 1987)
- Britton, S. Tourism and Underdevelopment, (Japan United Publishers Services: 1983).
- Brohman, J. New Directions in Tourism for Third World Development. *Annals of Tourism Research* 23 (1) (New York: John Wiley: 1996) pp. 48-70.
- Browett, J. On the Necessity and Inevitability of Uneven Spatial Development under Capitalism, *International Journal of Urban and Regional Research*, Vol 8 No 2, (London: 1984.) pp.78-82
- Brown, F. Tourism Reassessed: Blight or Blessing? (Guildford: Butterworth-Heinemann: 1998).
- Bulungula. F Tourism, "Creating an Image" *The business and Finance Journal*, 2000,pp.8-10.
- Carney, D. Approaches to Sustainable Livelihoods for the Rural Poor, (London, Penguin Press: 1999) pp. 122-124.
- Christie, I.T. Tourism in Africa, Africa Region Working Paper Series No 12, (Washington DC: World Bank: 2001) pp.23-25
- Cohen, E. "The Impact of Tourism on the Physical Environment." *Annals of Tourism Research* Vol 5,1998,pp. 216-237.

Culpan, R. "International Tourism Model for Developing Economies", Annals of Tourism Research, Vol. 14, 1987, pp. 541-552.

Davies W, Desmond, H. The World of Tourism Information Africa Review. (Cambridge, Waldon Publishing Ltd: 2002). Pp.119-127.

Dieke, P.U.C. "Policies for Tourism Development in Kenya". (Annals of Tourism Research, 18 (2): 1999) pp.269-294.

Dieke, P.U.C. Tourism in Sub-Saharan Africa: Development Issues and Possibilities, Tourism, the State of Art. (John Wiley and sons UK: 1994)

Department of Environmental Affairs and Tourism, Tourism Cluster Study, <http://www.nedlac.org.za/research/fridge/satourep/index.html>.1999

Department of Environmental Affairs and Tourism 'Tourism Fact Sheet, Department of Environmental Affairs and Tourism, Pretoria ([Www.environment.gov.za/, tourism/factsheet99/index.html](http://www.environment.gov.za/tourism/factsheet99/index.html), August: 1999.).

Department of Environmental Affairs and Tourism 'South African National Report on the Convention on Biological Diversity'. Department of Environmental Affairs and Tourism, Pretoria, ([Www.environment.gov.za](http://www.environment.gov.za), 2000) p.15

Department of Environmental Affairs and Tourism, Memorandum of Agreement between the Government of the Republic of South Africa in its Department of Environmental Affairs and Tourism and Mdluli Trust (2073/98) for Mdluli Cultural Village'. Pretoria, Department of Environmental Affairs and Tourism: 2000) pp.18.

Department of Environmental Affairs and Tourism 'Government and Business, Partnering to Transform Tourism'. Media Statement, Ministry of Environmental Affairs and Tourism, 21st November, 2000, www.environment.gov.za/speeches/2000/21nov2000.htm.

Department of Environmental affairs and Tourism 'The National State of the Environment Report'. Department of Environmental Affairs and Tourism, Pretoria, (Www.ngo.grida.no/ soesa/nsoer last updated February 2002).

Economic Survey, 1998 (Nairobi, Government printers: 1998) p. 9.

Economic Survey, 2000 (Nairobi, Government printer: 2000) pp.45-47.

Economic survey, 2001 (Nairobi: Government printer: 2001), pp.24-25.

Economic Survey, 2002. (Nairobi: Government printers, 2002) p.16-20.

Eco-Tourism Society of Kenya, (Nairobi, Longman: 2000) p.16.

Elliffe. S. Draft framework – Number two: Social Guidelines for Responsible Tourism, (New York, Ballygrooby Investments & Business Solutions: 2001) pp.13-14.

Gakuru, W. The Marketing of Domestic Tourism in Kenya, (Nairobi: 1993).

Gilpin. R, The Political Economy of International Relations, (Princeton university press: 1987) pp.145-47.

Goodwin, H. Responsible Tourism and the Market, (International Centre for Responsible Tourism: 2000) p. 65.

Goodwin, H. and Spenceley A, National Responsible Tourism: Guidelines For South Africa, Explanatory letter. (Department of Environmental Affairs and Tourism: November 2001/2002).

Gordon, G. 'Tourism: Putting Ethics into Practice: A report on the Responsible Business Practices of 65 UK-Based Tour Operators'. (London, Tearfund: 2001).

Government of Kenya, Sessional Paper No. 1 of 1963 on Observations on the Report of an Economic Survey Mission from the International Bank for Reconstruction and Development. (Nairobi: Government Printer: 1963) pp. 11.

Government of Kenya, Sessional Paper No. 8 of 1969. (Nairobi: Government Printer: 1969) p.27.

Government of Kenya, Development Plan, 1964-1970, (Nairobi, Government printer: 1964) pp.34-40.

Government of Kenya, Development Plan, 1974-1978 (Nairobi: Government Printer: 1974) p.37.

Government of Kenya, Development Plan 1979-1983. (Nairobi: Government Printer: 1979) pp.56-65.

Government of Kenya, Development Plan, 1984-1988 (Nairobi: Government Printer: 1984) pp.35-45.

Government of Kenya, Development Plans 1989-1993, (Nairobi: Government printer: 1989) pp.26-33.

Government of Kenya, Development Plan, 2001-2004, (Nairobi, Government Printer: 2001) pp.37-46.

Government of Kenya, Development Plan 1997-2001. (Nairobi: Government Printer: 1997) pp.45-60.

Government of Kenya, "Poverty Reduction Strategy Paper 2000-2003." Draft Report. March. (Nairobi, Government Printer: 2000.) Pp.15-17.

Grant T. and Kessel, F. Framework for Economic and Environmental Guidelines for Sustainable Tourism Development, (, Pretoria, Institute of Natural Resources, September: 2001) p.45

Harrison, L.C and Husbands, W. (eds) Practicing Responsible Tourism. (New York, Wiley: 1996) pp.24-25.

Hugo, M. A Quantification of the Role of Foreign Investment in Tourism in the South African Economy. *Journal of Studies in Economics and Econometrics*, 16(2): 1999, pp. 41-59.

Institute of Economic Affairs, Our Problems, Our Solutions-An Economic and Public Policy Agenda for Kenya, 2000, pp. 113-114.

International Labor Organization (London: 2000) p.123.

Inskip, E. Tourism Planning: An Integrated and Sustainable Development Approach in South Africa. (New York: International Thomson Publishing, www.nrj.ac.za/sals: 1991).

Lambrechts, A.V.W. 'Report of the Environmental Impact Assessment for the Vilanculos Coastal Wildlife Sanctuary (interim report); part II (main report)', www.ids.ac.uk/ids/env, September 2001.)

LAW, E. Tourist Destination Management: Issues, Analysis and Policies. (London: Routledge: 1995) p.35.

Liu, M. Sustainable Tourism Development: A Critique. Journal of Sustainable Tourism; Vol. 11 Issue 6, (London: 2003).

Matlou, P. The Potential of Ecotourism Development and its Partnership with Spatial Development Initiatives (SDI)'. Presentation at the Seminar on planning, development and management of Ecotourism in Africa, Regional Preparatory meeting for the International Year of Ecotourism, 5-6 March, (Www.econ.org/i/capetown: 2001).

Mathieson, A. Tourism, Economic, Physical and Social Impacts. (London: Longman Scientific. & Technical: 1982). Pp.45-49.

Mathieson A. & T, Wall. Tourism: Economic, Physical and Social impacts. (London, Longman Press: 1999) Pp.34-39.

Mansfield, C. Taxation of International Tourism in Developing Countries. International Bureau of Fiscal Documentation, 4(10): 1999, pp. 452-461.

Maynard, T. Commercialization of South African National Parks and the National Responsible Tourism Guidelines Report to DFID/SANParks. South Africa'. (Unpublished report to IIED, (Final Draft), June: 2002).

Melville, J. Domestic Spending and Economic Development. Development in Southern Africa_Vol 18, No_4 (www.ids.ac.uk/SLSA :October 2002).

- Milne, S. The Impact of Tourism Development in Developing States. (An Overview in the New Zealand Journal of Geography Vol 89:1990).
- Mitchell, F.H. Costs and benefits of Tourism in Kenya. A paper presented for the Tourism Development Corporation, (Nairobi: 1996).
- Mitchell, F.H. The Economic Value of Tourism, (Los Angeles California: 1982).
- Mowforth, M. and Munt, I. Tourism and Sustainability: New Tourism in the Third World. (London, Routledge: 1999) pp.45-46.
- Myrdal, C. Economic Theory and the Underdeveloped Region, (Methuen, London: 1957)
- Mwaura, M.S. Forecasting International Tourist Inflows in Kenya 1964-1996. (Nairobi: 1998) p.35.
- Naronha, R. Social and Cultural Dimensions of Tourism. World Bank Staff Working Paper No 326, (Washington DC: The World Bank 1999,) p.106.
- Nayyar, D. 'Globalization and Development Strategies'. Paper prepared for High-Level Round Table on Trade and Development: Directions for the Twenty-First Century, February 2000, (UNCTAD X, Bangkok: 1999).
- Neto. F, A New Approach to Sustainable Tourism Development: Moving Beyond Environmental Protection. Natural Resources Forum; Vol. 27 Issue 3, p.11 (www.wits.edu/research/env. Last updated, on August 16th, 2003).
- Nkare, I. The Marketing of Kenya's Tourist Attractions. (Nairobi: 1985).
- Ogolla, R. The Quality of the Tourism Product in Attracting Tourists. (Nairobi: 1994).
- Othoche, B.A. The Economic Impact of International Tourism on the Kenyan Economy: A Case Study of the Lake Victoria region, (Nairobi: 1997).
- Oppermann, M. and Chon K.S, Tourism in Developing Countries. (London: International Thomson Business Press: 1995) pp.67-76.
- Ouma. P.B.M. Evolution of Tourism in East Africa, (Kenya Litho: 1970).

Paton, S.G. Tourism and Local Economic Development: Factory Outlets and the Reading SMSA. Growth and Change, (Pretoria: 1985).

Personal interview with Mr. Brian Ngwiri, Assistant Chairman, Kenya Tourism Board, 8th June, 2004

Personal Interview with Raphael Tuju, Minister for Tourism, 17th June, 2004.

Personal interview with Mrs. Annette Nthadwla, Trade Counsellor at the South African High Commission, 21st June, 2004

Personal interview with Mr. Charles Muthui, Head of Tourism, Kenya Wildlife Service, 28th June 2004

Personal interview with Mr. Kaigwa, The Chief Executive of the Kenya Association of Tour Operators, 30th June, 2004.

Rachel, W. South Africa Journal of Science Vol 98 No 5 (6 may/june, www.sun.sc.za/research: 2002).

Reid, D.G. Ecotourism Development in Eastern and Southern Africa. (London: Weaver press, 1999) p.44-48.

Rhodes, J, A. Economic Implications of Domestic Tourist Spending in the North West Province, MCom Dissertation. (Potchefstroom: PU for CHE: 2000).

Republic of South Africa 'The Reconstruction and Development Programme: A Policy Framework'. gopher://gopher.anc.org.za/00/anc/policy/rdp.txt. 1996

Sen, A. How to Judge Globalization, The American Prospect Online, (<http://www.prospect.org/print>. Vol 13/1/Sen-a.html: 2002).

Sessional Paper No 2, (Nairobi, Government printer: 2000) p.13.

Sinclair, M.T. "The Tourism Industry and Foreign Exchange Leakages in a Developing Country: The Distribution of Earnings from Safari and Beach Tourism in Kenya" in "The

Tourism Industry: An International Analysis", Sinclair, M.T. and Stabler, M.J. (editors) (Oxon: C.A.B. International: 1991) pp.45-48.

Sindiga, I. Domestic Tourism in Kenya, Annals of Tourism Research Vol 23, (Nairobi, 1999) pp.45-60.

Shankland, A. 'Analyzing Policy for Sustainable Livelihoods'. Research Report 49, (Institute of Development Studies, Brighton: 2000).

Sharpley, R. Tourism and Development: Concepts and Issues (New York, Channel View Publications: 2002)

South Africa Reserve Bank Quarterly Bulletin, 2001, p. 45.

South Africa Tourism Board, 2001,p.28.

South Africa's Central Statistical Service, 1999,pp.56-58.

South Africa Tourism 'New Survey unlocks true value of Domestic Tourism'. (South African Tourism Media Release, Sandton, 18 September 2001, <http://satour.com/media/releases/messages/77.html>, last updated, 12 January 2002).

South Africa Tourism 'South Africa Domestic Travel and Tourism Survey,) April-May 2001'.www.environment.gov.za/Documents/Audiovisual/DomesticTravel Tourism Survey last updated, 12 January 2002).

South Africa Tourism, 'South Africa – A destination in High Demand'. South African Tourism Media Release, Sandton, 16/11/2002,<http://satour.com/media/releases/messages/92.html>, last updated 12/1/2002.

South Africa Tourism, 'South African Tourism Outlines Strategic Shift'. South African Tourism Media Release, Sandton, 10 October 2001,<http://satour.com/media/releases/messages/81.html>, last updated 12 January 2002.

South African Provinces, Cities and Towns, Vol 12,2001/2002,www.tourismnorthwesr.co.za, last updated in February 2002.

South Africa-The Journal of Trade, Industry and Investment Vol 2 issue No 34,1999,pp.45-48.

Smith, S.L.J. "The Tourism Product," TTC (Tourism and Transport Consult International). "Impact of Tourism on the Economy of Kenya." The EDF Kenya Tourism Development Project, (Kenya: East African Educational Publishers: 1998) Annals of Tourism Research, 21(3): pp.582-595.

Spenceley, A. 'Sustainable Nature-Based Tourism Assessment, Pretoriuskop Camp, and the Kruger National Park'. (Unpublished Draft report to Kruger national park: 2001).

Spenceley, A. 'Tourism, Local Livelihoods and the Private Sector in South Africa: Case Studies on the Growing Role of the Private Sector in Natural Resources Management.' Sustainable Livelihoods in Southern Africa Research Paper 8, (Brighton. Institute of Development Studies: 2003) pp.32-37.

Stiglitz, J. Globalization and its Discontents, (London, Penguin Press: 2002) pp.73-75.

Stiglitz, J. Externalities in Economies with Imperfect Information and Incomplete Markets, Quarterly Journal of Economics 101(2), pp 229-64, May 1986.

The East African Standard. (Nairobi, The Standard Group Limited: Thursday, May 1-72000.), p. 5

The East African Standard. (Nairobi, The Standard Limited, Wednesday, August 18:2004) pp.5-6.

The Economist January 10, 1999,pp.23-24.

**UNIVERSITY OF NAIROBI
EAST AFRICANA COLLECTION**

The Daily Nation, The 1993/94 Budget Speech, June 15th, (Nairobi, Nation Media Group: 1993.) Pp.5-7.

The Daily Nation, October 25th 1997,p.3, November 28th, 2002,p.6. (Nairobi: Nation Media group publications: 1997)

The Daily Nation, Budget Speech read on 12th June. (Nairobi, Nation Media Group: 2000)

The Daily Nation, Budget Speech read on 10th June, (Nairobi, Nation Media Group: 2004) p.5.

The Financial Standard. (Nairobi, The Standard Limited, Tuesday, June 22nd: 2004) p.9.

The Horwath Worldwide Hotel Industry Review, (London, Macmillan press: 1995) Vol 4, p.45.

The Kenya National Tourism Development Master Plan beyond the year 2000(Nairobi, National Tourism Trust Fund: 2000) pp.23-25.

The Kenya Wildlife Society (Nairobi, Government printer: 1999) p.35, see also the Kenya Tourism Policy Framework, (Nairobi, Tourism Trust Fund: 2003) p. 25.

The Tourism and Development Magazine, Eastern cape, Madiba Action, (Port Elizabeth, Yithethe Publishers: 2004), pp.46-50.

The Sunday Standard, February 28. (Nairobi, The Standard Limited: 1999) p.13.

Towards a Ten Year Review, South Africa Budget, (Pretorai, Government Communication, September 18th: 1999), pp.12-14.

Tourism and Trade Council, Providing Just in Time Services to Tourists. (New York, Cambridge: 2002) pp.12-14.

The Weekly Review "International Tourist Exhibition: A Dynamic Industry". (New York, Harper, April 23: 2000), pp.27-28.

The Zulu Kingdom, Travel and Tourism Guide, 2002/2003(Durban, Artworks Communications: 2002) pp.30-32.

Turner, S. Conservation by the people in South Africa: Findings from Transform Monitoring and Evaluation'. Research Report 7, PLAAS, (University of the Western Cape, Cape Town: 2001)

Turner, L. The International Division of Labor: Tourism and the Third World. World Development, Report, 4 (3) (New York, John Wiley: 1999) pp. 253-260.

Wade, R.H. 'Is Globalization making World Income Distribution more equal?' (Development Studies Institute, London School of Economics, London: 2001).

Waguku, J The Performance of the Tourism Industry in Kenya: The Priotisation of Determining Factors. (Nairobi: 1998).

Wakawiti, B.C Factors that affect the Demand for Domestic Tourism among Professionals in Nairobi: An Application of the AIDA model. (Nairobi: 2000).

Weaver D.B., "Magnitude of ecotourism in Costa Rica and Kenya." Annals of Tourism Research 26(4): (London: 1999) pp.792–816.

Webber W.B., South Africa at a Glance, 2003-2004 (Pretoria, United Litho: 2003) pp.67-75.

WTCA (Southern African Development Community's Travel and Tourism: Economic Driver for the 21st Century. (World Travel and Tourism Council, Brussels: 1999) pp. 67-72.

World Tourism Organization, Tourism Development Report: Policy and Trends. (Washington DC:Institute of International Economics: 2000) pp. 86-89.

World Tourism Organization, African Review, 2000 Vol 3, pp.56-60.

World Tourism Market Report. (London, John Wiley: 2000) pp.15-17.

World Tourism Organization, Tourism Highlights. 2nd edition (Washington DC: 2000) pp.56-62.

World Tourism Organization, National and Regional Tourism Planning Methodologies and Case Studies (World Tourism Organization: Madrid: 2000) pp.16-17.

Www.tourism/Gambia/ac.za/org.