# Tourism as a Catalyst for Local Economic Development in the Transkei Wild Coast, South Africa

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**Abstract.** The democratic dispensation of the post-1994 government in South Africa promised a better life for all. However, shortly after the establishment of new polices by government and governance institutions, the promise faced conflicting socio/politico/economic challenges. One of the key issues to be considered when deciding on the implementation of overdue promises is the question of equitable distribution of resources and how to manage this process. Despite the above explanations few benefits arose from the application of these arguments. It appears that because of challenges at the highest levels of the tourism industry, real benefits have not yet reached people who are in need. This state of affairs provided an opportunity to propose workable recommendations to improve the situation, with the intention of positively influencing the various impacts that such development would have on the relevant communities.

## 1 Introduction

The adoption of the Constitution of the Republic of South Africa, Act 108 of 1996 created numerous expectations for all South Africans, rich and poor, the conquered and the conquerors, and the developed and undeveloped. These expectations also emerged as legitimate rights: Chapter Two of the Constitution, pronounced them to be a Bill of Rights which serves as a cornerstone of democracy in South Africa.

The Constitution introduced a legislative framework requirement for South Africa, a country which, although previously divided, with different legislative frameworks, had to accept the path forward as a united society that should embrace the rule of law as binding for and equal to every citizen. The post-1994 legislative framework has specific relevance to tourism as a catalyst for local economic development of the Transkei Wild Coast.

## 2 Brief Background

South Africa's history has been marked by deep divisions amongst its indigenous peoples and those of European origin. A European settlement was first established at the Cape Good Hope by the Dutch East Indian Company in 1652, for the provision fresh produce for its ships bound for the East. As the settlement grew into a colony and expanded northwards, bringing the colonists into conflict with the indigenous population, European dominance gradually became extended and entrenched. During the centuries that followed, Black people were mostly excluded from representative government and from many of the rights and privileges that were enjoyed by the country's White inhabitants [1].

In the last decade of the $20^{th}$ century, after a long struggle to achieve equal rights for all, the above state of affairs has changed. In a historic speech at the opening of Parliament on 2 February 1990, Mr FW de Klerk (former President of the old Apartheid South Africa) announced the unbanning of the leading liberation movements, including the African National Congress (ANC), and the Pan Africanist Congress (PAC), which was followed by the release of political prisoners. Following a long negotiation process between apartheid government and the leading liberation movements, a new constitution was drafted and adopted on the $10^{th}$ Many 1996 which was preceded by an interim constitution.

This Constitution [4] established the fundamental elements of constitutionalism, and contained within the text are values, which include human dignity, the achievement of equality, the recognition and advancement of human rights and freedoms, the supremacy of the Constitution and the rule of law [1]. Nwabeuze [2] argues that there are many countries in the world today with written constitution but without constitutionalism, as the constitution, in some of these countries is used to facilitate or even legitimise the assumption of dictatorial power by the government.

Akiba [3] describes constitutionalism as a distinctive form of political order, which enshrines human dignity as a cardinal principle, emphasises the rights of citizens to political participation, and underlines the need for institutional restraints on substantive matters to prevent government trampling on fundamental rights. This study focused on ideal ways to improve standards of living in South Africa, within the provisions of the current South African constitutional democracy and in the absence of other forms of power organisation and distribution, for the good of society.

## 3 Tourism as a Catalyst

Of relevance to this study is the acknowledgement in the White Paper for the Development and Promotion of Tourism in South Africa [4] that notwithstanding particular advantages, South Africa has not been able to realise its full potential in tourism. Tourism development in South Africa and in the Transkei Wild Coast in particular, has largely been a missed opportunity.

Had its history been different, South Africa would probably have been one of the most visited places in the world. Hence, the potential of the tourism industry to spawn entrepreneurship, to create new service (for example local entertainment, handicrafts and so on.), to drive other sectors of the economy, to strengthen rural communities, to generate foreign exchange and to create employment, has not been realised. In this context, the investigation of the theoretical framework for tourism as a catalyst for local economic development in the Transkei Wild Coast became a reality.

This paper proposes, *inter alia*, that areas such as the Transkei Wild Coast, which, once the necessary infrastructure and solid partnerships have been established, will be one of the most popular tourist destinations in the country. There are key challenges that the tourism industry should overcome if it is to grow in South Africa and the Transkei Wild Coast in particular. The White Paper [5] points out a number of key constraints that should be taken into account, including a currently inadequately resourced and funded tourism industry concomitant with the government's limited view of the potential of this industry and, as a result, the marginal resources that have been devoted to developing and promoting the sector.

Another aspect is the myopic private sector of which the apparent short-sightedness seems to have a negative impact on the tourism industry. For example, hotels and, in this context, other tourism establishments, tend to have a limited view of the product that they offer as they seem to focus only on goods and services within the bounds of their own interests. In addition to the relatively limited involvement of local communities and with the lack of their involvement as previously neglected groups in the industry they present critical challenges that should be addressed. While this limited involvement has been largely owing to the previous government's policies, the need to reverse this situation is urgent.

Another consideration in this context is inadequate tourism education, training and awareness in South Africa, which should be addressed on a priority basis. Also, in the relevant context, is the inadequate protection and management of the environment pertaining to a number of key identified environmental problems and issues, including unequal land distribution and landlessness, soil erosion,, deforestation, water shortages, and pollution [5].

There is a general culture of poor service delivery within the tourism industry and its related sectors. There is little excitement in delivering service or to go the extra mile to satisfy the customer. The problem is that this is regarded as an accepted norm by the bulk of domestic tourists.

There is a lack of fully integrated infrastructures in South Africa's rural areas, which limits the participation of rural communities in the tourism industry. In addition, the absence of adequate public transportation services effectively prevents rural communities from participating in the industry, both as potential suppliers of products and services, and as tourists themselves.

The lack of commitment to the tourism industry in South Africa is partially evident from institutional provisions that exist for the sector.  For example, the South African Tourism Board (SATOUR) is the statutory body which is mandated with the marketing and promotion of tourism in South Africa. Although SATOUR has representative offices in the international marketplace, SATOUR offices have been disbanded in the provinces and are being replaced by Provincial Tourism Organisations.

The major constraint to overseas tourism growth is the actual and perceived levels of ongoing violence and crime. Well publicised incidents which involve tourists as well as a high level of crime that affects the local population, who invariably play host to significant numbers of foreign visitors, significantly constrain tourism growth in respect of the number of overseas visitors.

The White Paper [5] outlines its vision of tourism as a united, sustainable and competitive industry in South Africa which it argues will lead to global best practice. This vision is supported by the objectives within environments such as, *inter alia*, economic, social and environmental.

The Eastern Cape Provincial Growth and Development Plan [6]  include key performance areas of this programme such as ensuring institutional alignment, branding and destination marketing, international and domestic marketing, tourism information services, shows and exhibitions, registration programmes, co-operative marketing fund, media leverage and market research programmes among others.

The promotion of visitor access and a destination management strategy that is focused on product improvement, broadening of ownership, BEE, SMME development and Community Tourism Development are other factors that cannot be lost sight of.

Regarding transformation of the tourism industry within the context of BEE, the Tourism Charter, and the Tourism Development Fund exists to ensure that effective external communication systems and mechanisms are established for active participation.

A strategy focused organisation is envisaged that communicates for success while building service excellence, financial, administrative and operational control, risk management and internal controls. In this context, the Eastern Cape Tourism Master Plan 2009 – 2014 states that the development of the Wild Coast area in the province, which includes the Transkei Wild Coast area as a tourist destination, is a high priority.

The above key requirements for tourism development in the Eastern Cape are subject to a number of critical success factors such as political leadership, which requires commitment by political principals in the province. The draft National Tourism Growth Strategy proposes the establishment of MEC Tourism Forum in the provinces to promote co-operation within the tourism sector.

Adequate coordination between provincial, district and local tourism functions is quite critical. Efforts to intensify or revive the existing tourism structures at all levels are urgently needed. The ECTB should accelerate the establishment of a wider tourism co-ordinating structure which will ensure broader representation of all industry players in the tourism sector. DEDEA and ECTB should ensure that such structures function effectively and efficiently. Successful coordination depends on the commitment by the various participants in such structures. If tourism is well pronounced in the national and provincial strategies, it should be expressed in the budget allocation by the Treasury [7].

The current budget allocation for tourism in the department as well as the budget for ECTB is inadequate. The same applies to the municipalities that attach a minimal budget to the tourism programme. With increased current fiscal allocation and municipal tourism budget allocations, implementation of the tourism Development Fund and strategic partnerships concomitant with private sector investment, will enable the realisation of the benefits of tourism in the Transkei Wild Coast.

The legislative framework for tourism as a catalyst for local economic development in the Transkei Wild Coast, from national and provincial government perspectives, has been given a number of intents and pronunciations. These will have to be equally complemented with good results at an operational level. This operational level of implementing, monitoring and evaluating what works and what does not, currently falls short of meeting the challenges that need to be met, particularly in the Transkei Wild Coast.

The Eastern Cape Tourism Master Plan, which is fundamental for tourism development and growth outcomes in the region, with its effects felt and seen in the Transkei Wild Coast, becomes important for the realisation of South African policy. Thus far, the existing legislative framework for tourism development has only managed to talk about its clear intent to address the challenges of the main historical role of the Eastern Cape in South Africa's industrial development under apartheid, which was to function as a labour reserve for mining and all other forms of semi and unskilled work.

## 4 Conclusion

For tourism to become a catalyst for local economic development in the Transkei Wild Coast, infrastructural development such as roads, communication, stable electricity supply, quality water supply, health facilities and sporting and entertainment entities are needed as a key foundational base that can act as an impetus for the realisation of tourism industry development and growth.

Local government in the Transkei Wild Coast should play a leading role that covers the creation of a business environment, which is conducive to a viable tourism industry that will achieve, maintain and enhance the general welfare of all the inhabitants in the area. In order to facilitate the above ideal outcome for the Transkei Wild Coast, it will be necessary to establish public/private partnerships between business, government and host communities.

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