

Tourism Development in Africa: Focus on Poverty Alleviation

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Abstract

Tourism is one of the fastest growing sectors of the global economy and developing countries are attempting to cash in on this expanding industry in an attempt to boost foreign investment and financial reserves. Although the value of tourism has long been recognized, international attention to the role of tourism development especially in Africa is still lacking. The argument for tourism as a development strategy is primarily economic although ideals such as bringing increased understanding among peoples and cultures are invoked. Faced with civil wars, poverty, sanitation and other myriad of problems, Africa continuously faces the challenge of tourism marketing for various destinations against other competing regions such as Europe. This paper examines the contribution of tourism in African Development with an emphasis on poverty reduction. The analysis focuses on the performance indicators in the economic factors, employment and government revenue.

Keywords: Africa, Development, Economy, Poverty, Tourism

Introduction

With its huge diversity, its rich supply of natural resources, and its wealth of wildlife and cultural heritage, Africa is the one of the main destination for international tourism in the world. The majority of the international flows come from USA, Britain, and German which is economically significant for the continent. By 2007, some 44 million international arrivals were made to, or within, Africa (UNTWO, 2008). This phenomenal growth has been accompanied by the increasingly important impact of tourism on the economic, social and cultural as well as environmental aspects of life in individual African countries. Faced with civil wars, poverty, sanitation and a myriad of other problems, Africa continuously faces the challenge of tourism marketing for various destinations against competing regions such as Europe. Sub-Saharan Africa appears to have three development options: expanding and increasing the range of its primary exports from agriculture and mining; focusing on industrialisation as a strategy for achieving quick and sustained economic growth; and promoting tourism because of the existence of an overseas demand for it (Dieke, 2001a; Sindiga, 1999).

The first two options have been tried out in the past without encouraging results for the majority of the people of Africa. In the contemporary period, Africa suffers from endemic economic stagnation leading to chronic poverty. So serious is the problem that the continent has a burden of international debts, fiscal deficits, rising inflation levels and declining economic growth. In the wake of Africa's development crisis, some scholars have suggested that tourism could become a catalyst or basis for broad-based development thereby solving Africa's development challenge (Dieke, 1994; 2000).

Others have given tourism only qualified support and noted the negative characteristics of mass tourism (Lea, 1993; Shaw, & Williams, 1994). A growing literature argues for tourism as a means of export diversification aimed at reducing dependence on unstable exports (Sinclair, & Tsegaye, 1990) but a few scholars think that tourism can be beneficial to only a few countries with the majority having little opportunity to create a competitive and viable large-scale tourism industry. Many countries, however, acknowledge the crucial role of tourism in development (Tosun, & Jenkins, 1996). In Namibia, for example, tourism generates about 6% of the gross domestic product which is the same share as agriculture (Namibia, n.d) whereas in Kenya, tourism contribution to gross domestic product is 11% (Sindiga, 1999). Yet, development planners wishing to include tourism receipts in a country's books of accounts must be wary of their work. Tourism is an unstable luxury export. It is dependent on external demand which is in turn affected by many factors beyond the control of the planners. Under the circumstances, Sindiga (1999) asks, what contribution can tourism make to development in Africa?

Tourism and Development in Africa

The case for tourism and development is somewhat different from other sectors of the economy. Because it does not produce goods, tourism's contribution to development is indirect through generating revenues (Sindiga, 1999). It involves the creation of an infrastructure of attractions, accommodation facilities, travel and transport, and communications which allow visitors to go to the source of an attraction. For most of Africa, however, tourism development has elicited much critical commentary:

Tourism in most sub-Saharan African countries is hardly an industry since the tourism infrastructure is weak, tourism organisation is poor, and net revenue is meagre. Almost all tourist arrivals consist of African nationals resident abroad returning to visit friends and relatives, business visitors, and those visiting expatriate residents. The primary vacation or leisure tourism sector is undeveloped (Teye, 1991, p. 288).

It is a well appreciated fact that tourists are highly sensitive to political instability which could threaten their personal safety and security (Sharpley et al., 1996). So apart from developing the physical tourism infrastructure, political stability must be cultivated as an important factor in influencing tourism.

Only countries which practise democratic ideals, adhere to the rule of law, and respect human rights will maintain political stability essential for tourism development. The argument for tourism as a development strategy is primarily economic although esoteric ideals such as bringing increased understanding among peoples and cultures are invoked. Among the economic factors for developing tourism are generating foreign exchange, employment and government revenues through taxes. Tourism also aids in regional development (Sindiga, 1999).

Economic factors

A more meaningful measure of foreign exchange receipts discounts the leakages from the gross receipts and arrives at a figure of net receipts from tourism. Many tourism enterprises in the Third World are owned and managed by foreign companies, usually multinational corporations. In the

case of Botswana and Lesotho, South African companies invested large sums of money in hotel development in the years following independence (Crush, & Wellings, 1983; Sindiga, 1999). These companies which monopolise the organisation of international mass tourism (Brohman, 1996) earn handsome profits by charging management fees, making limited direct investment, and through various licensing, franchise and service agreements. This keeps the parent company in a controlling position thereby allowing it to repatriate most of the foreign exchange. Relatively large amounts of foreign exchange are lost to the developed world because of the structural dependency created through widespread foreign ownership, control and management of tourism enterprises in the Third World (Lea, 1993).

The magnitude of the leakage varies from country to country. These large outflows put into question the profitability of tourism in a country. It has been argued that small, less diversified economies such as that of The Gambia suffer the greatest leakages and therefore obtain the least benefits from tourism. This reduces tourism's potential for generating broad-based development through economic growth (Brohman, 1996. cited in Sindiga, 1999). In contrast, a country with a large diversified economy will reduce the imports and retain most of the foreign exchange. Kenya is frequently cited as one such example (Dieke, 1995; 2001a; Sindiga, 1996a,b; 1999). Kenya is, however, fortunate as considered by Sindiga (1999), in the sense that its economy is reasonably big and can save some foreign exchange earnings by reducing imports for the tourist industry.

Still, from the perspective of tourist expenditure, including airfare and payments to overseas tour operators, the proportion of tourist income accruing to Kenya is relatively low. This is because of the predominance of institutionalised tourists whereby the trips are paid for overseas. The overseas tour operators are in a stronger position in bargaining for a bigger share because they determine the demand for Kenya's tourism in their countries. Kenya's tourism enterprises including hotels, tour firms and travel agencies are owned and managed by foreign nationals from developed countries. These firms arrange all inclusive tours which tend to be cheap and as such foreign exchange is never really remitted to Kenya.

Employment

Sindiga (1999) notes that tourism is labour-intensive. People serve in various sub-sectors of the industry including tour guiding, nature and cultural interpretation, game viewing, travel and transport services, promotion, sport, and in the area of food, beverage and alcohol service, and accommodation. Other tourism-related employment is in entertainment as well as the arts and hand-craft curios. Indirectly, tourism creates employment in agriculture for the food requirements of the visitors. Also, infrastructure development such as road construction and hotel construction may provide many short-term jobs. Tourism also supports other areas such as money and banking. It may also be mentioned that tourism attracts a number of activities in the informal sector. The activities in the informal sector include male and female prostitution, hawking of various merchandise, professional friendships, begging or simply following the tourists.

There is also the issue of tourism and child prostitution in such countries as Sri Lanka, Thailand, Philippines and in Africa it is reported to be on the increase in Kenya (Christian Aid, 1995; Lea, 1993). These linkages, through employment, tend to spread the benefits of tourism in a local area. However, direct employment in tourism has been criticised on two grounds: most of it is unskilled

and its availability is highly seasonal. Lack of skills and seasonality are very intricately intertwined. Some estimates indicate that 75% of workers in tourism have no skills or training for the jobs that they do (Sindiga, 1999). This is a problem in so far as it affects the level of wages, security of tenure and the ability to achieve better working conditions. Also, the quality of productivity is affected by lack of training.

International tourism in Africa tends to be highly seasonal. The majority of the West European and North American tourists visit during the northern hemisphere winter. The numbers begin to dry up in April, and the annual cycle commences again in August, September or October. The problem of seasonality affects all tourism destinations especially those that promote the beach holiday from Tunisia to The Gambia and Kenya. During the low season many employees lose their jobs. In The Gambia, for example, 50% of the hotel workers are laid off as the hotels close down between April and October for lack of patronage (Dieke, 1993; 2001a). In Kenya, residents are encouraged to utilise the hotels at special rates adjusted downwards (Sindiga, 1996a).

Finally, Dieke (1997) has noted that tourism employment remains a relatively new opportunity in Africa. Most people, especially in remote villages, do not even understand the concept of tourism. Consequently, many Africans hold misconceptions about tourism employment. Such cultural barriers, however, can be reduced through a programme of education.

Government revenue

This discussion relates to the small share of tourism's economic benefits gained by a government from taxes and duties on things tourists use and buy. Duties on alcoholic drinks, petrol and a hotel room tax constitute an extra source of national income from the tourist industry. The figures for Tanzania suggested that for every tourist dollar, 40 cents goes on imports, 40 cents to private hotel and other businesses, and only 20 cents to the government in the form of taxes (Lea, 1993; Sindiga, 1999).

Sindiga (1999) reviewed the quantitative data on governments' direct earnings from tourism and found that in general only qualitative generalisations can be made. Apart from injecting foreign exchange earnings into the economy, tourism generates government revenue through various taxes. Such include customs and excise duties for imports; sales tax and value added tax for goods bought in the local market; accommodation taxes and training levies on hotel guests; concession or rental fees paid by game lodges and camp sites; and trade licenses and company taxes paid by various enterprises. The government also charges income tax on the personal earnings of the employees in the tourism sector. However, government tourism revenue is much smaller than those accruing to the private sector which controls the industry.

The Issue of Poverty Alleviation

Poverty, famine, HIV/AIDS are national disasters in most countries in Africa. The reduction of poverty has become one of the most compelling challenges of our time. Poverty is more than a lack of income – it is multidimensional and complex phenomenon with an intricate relationship to issues such as disease, illiteracy, infant mortality, environmental degradation and many other aspects. Tourism has, up to now, not been seriously considered in most of the poverty reduction strategies of international aid and development agencies. Tourism development has often been focused at the macro level, on international promotion, attracting inward investment, major hotel and resort developments and on national and regional master planning. There needs to be a shift towards building partnerships which bring to the international and national market places tourism experiences which reflect the characteristics of the destination, involving local communities and giving them a degree of control as hosts.

The development of appropriate complementary products will increase the attractiveness of the destination and increase tourist spending in the local economy. In existing destinations, hoteliers and tour operators, local government and local communities all need to be empowered to take control of their destination within the context of the domestic and international tourism market. Local benefits, including poverty elimination, will be maximized where tourism develops strong linkages into the local economy. The distribution of employment, including gender distribution, and access for local entrepreneurs from the formal and informal sectors to the tourism market are essential to poverty elimination. Infrastructural development can also be planned so as to benefit local communities through the provision of roads, telephones, piped and treated water supplies, waste disposal and recycling and sewage treatment. There is considerable scope for using this kind of planning gain to generate infrastructural benefits, which can directly benefit the poor. Pro-poor tourism (PPT) is tourism that generates net benefits for the poor. PPT is not a specific product or sector of tourism, but an overall approach. The relationship between tourist attractions and tourism is dynamic and may involve conflicting values hence the need to manage all touristic activities in a sustainable way for present and future generations without compromising the visitor experience.

The pro-poor tourism philosophy is to make tourists feel closer to nature and better understand how they are connected to it so that they make a more proactive stand for sustainable tourism while accruing benefits to the millions of poor locals living in or close to the Tourist Destination Areas (TDAS). Since pro-poor tourism is a new form of tourism in Africa a lot of studies must be undertaken to identify the best ways to adopt the new concept and how to increase community benefits from tourism without compromising the tourist's satisfaction. Various organizations such as the African Pro-poor Tourism Development Centre in Kenya are committed to conducting research related to pro-poor tourism so as to accelerate its growth and maximize the benefits for the local communities who have been ignored by opportunistic tour operators who ecolabel their products. Pro-poor tourism strategies can be applied to all sectors of the industry. They present an opportunity to place emphasis in tourism development on benefiting the poor and marginalized as well as to focus on local economic development in ways that benefit the poor. PPT is not a panacea, but where the strategy is pursued by government, the private sector and local communities, it can provide a way of benefiting the poor by improving their livelihoods and also contribute to national revenues. Effort is required but it is a win-win scenario in which there is much to be gained.

Key issues to be addressed

The following key issues need to be addressed so that they can direct or facilitate progress in implementing pro-poor tourism:

- First it is necessary to enable the poor to access the market. There are a number of challenges: physical location (how to get the poor to tourists or vice versa?), economic elites (how to create links with well established operators?), social constraints on poor producers (how to overcome gender or caste barriers?).
- The second issue is commercial viability. Issues include: product quality and price (are pro poor products competitive?), marketing (which market to target, how is marketing sufficient?), the strength of the broader destination (if the destination is not flourishing, how can pro-poor tourism thrive?). Commercial viability is central to the success of any pro-poor tourism strategy.
- Governments need to play an important role in providing an enabling policy framework. Land tenure, the regulatory context, planning process, government attitude and capacity all play an important role in determining whether or not a pro-poor tourism strategy can prosper. If governments do not commit to pro-poor tourism development strategies they will not become part of a mainstream approach – they will not move beyond the experimental.

The Role of Governments and Donors

There is much that only government can do – in terms of policies, regulations, and co-ordination. They can assist pro-poor tourism by:

- consulting with poor residents when making decisions about tourism;
- providing secure tenure for the poor over tourism land or assets;
- using planning controls and investment incentives to encourage private operators to make and implement pro-poor commitments;
- encouraging the dispersion of tourism to poor areas, where commercial viability can be demonstrated, through infrastructural investment and marketing;
- revising regulations that impede the poor in employment or small business, and supporting small business more generally;
- incorporating pro-poor elements into tourism, rural development and growth strategies; and
- catalysing pro-poor tourism, facilitating efforts of others, or at least removing obstructions.

Donors (individuals and organisations) can encourage other stakeholders to develop their roles in pro-poor tourism by:

- supporting tourism development and influencing national tourism plans, requiring the assessment of pro-poor tourism issues;
- ensuring that tourism consultants are aware of pro-poor tourism issues and briefed to address them;
- ensuring that the pro-poor potential of tourism is assessed when supporting growth or anti-poverty strategies;
- promoting pro-poor tourism at the international level, emphasizing a pro-poor and Southern focus within sustainable tourism; and
- funding the implementation and spread of pro-poor tourism strategies.

Conclusion

Our most precious resource is the people and their potential to work for the collective betterment of the nation. Poverty wastes this resource and its potential (Okech, 2009). Poverty has numerous manifestations including low and unreliable income, poor health, low levels of education and literacy, insecurity and lack of access to justice, disempowerment, and isolation from the mainstream of socio-economic development. It is, therefore, necessary to devise multi-dimensional policies and interventions that will provide a permanent solution. Apart from the socio-economic benefits that tourism can generate for the well being of countries, it is important to explore the possibilities of using various types of tourism as a potential tool in fighting against poverty. The poor must be provided with the means to help themselves through income earning opportunities, ready access to means of production, the provision of affordable, basic services and the protection of the law. This will not be achieved through temporary relief programmes but only through a deliberate and long term policy to increase equity of opportunity and to ensure that all members of our society can participate fully in the socio-economic development of Africa.

As is known to all, many poor and remote communities are rich in intangible resources such as culture and are often located near famous tourist sites. If well combined and integrated into tourism products, these resources, intangible and tangible, can become a powerful and perhaps the only tool for reducing poverty levels of such communities. Through tourism it is hoped that the remarkable growth rate projected and the higher expenditure profile of tourists will help to generate economic growth, investment and employment and consequently, make an important contribution to poverty reduction. A fundamental prerequisite for poverty reduction is economic growth that considerably outpaces population growth. Over the past few years Africa's economy has declined in per capita terms in most countries. As a result, the standard of living for the vast majority of the population has suffered and the level of poverty has risen alarmingly. Therefore, the governments' immediate priority is to restore and sustain rapid economic growth in order to generate the wealth and economic expansion necessary to reduce the incidence of poverty. Over the next few years, the foundations for a broad, sustained attack on poverty and the creation of a more equitable society must be strengthened. At the same time, Governments, working together with civil society and development partners, must take a number of targeted short term measures to directly address some critical causes and manifestations of poverty.

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