

**Tourism Development on the Pondoland Wild Coast:
A Case Based Study**

By

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ABSTRACT

Tourism is widely perceived as an easy access, low-impact means to achieving economic growth and development. In South Africa, community-based tourism has been promoted as a way of delivering resources and services to historically marginalised areas, and as a means by which rural communities can begin to exercise more control over the decisions and resources that directly affect the quality of their lives. A history of deliberate underdevelopment during apartheid, has left the Wild Coast region with high unemployment, widespread socio-economic poverty, limited infrastructure; and a pristine coastline of 'untapped' tourism potential. Given its incompatibility to other forms of development, tourism has been identified by government as a key sector for driving economic development and poverty alleviation along the Wild Coast.

This study reviews four tourism enterprises in operation along the Pondoland Wild Coast in terms of their 'pro-poor' credentials (net benefits to local communities), socio-economic impact, participation and ownership by local communities, institutional establishment, and environmental sustainability. The selected operations exemplify different models of community and private sector involvement in tourism development on communal land. A wide range of investigative methodologies from primary and secondary data analysis, interviews, structured questionnaires, surveys, and quantitative assessment criteria, were employed in this study. The key findings and recommendations from the case studies are then considered in light of the developmental opportunities and constraints pertaining to the region.

This study revealed that the Pondoland Wild Coast is faced with numerous socio-economic and environmental challenges. The principal limitations to sustainable tourism development include lack of basic infrastructure and services, prevailing tenure insecurity, unclear legislation and overlapping jurisdictional mandates, direct environmental threats such as a proposed toll road and mining, haphazard/illegal developments, and a poorly defined spatial planning framework. Whilst all four tourism enterprises appeared to be underpinned by sustainable development principles, they differed widely in the nature and size of benefits they provided, and their degree of institutional, economic and environmental sustainability. The findings and conclusions drawn from this study are intended to contribute towards the theory, practice and sustainability of 'pro-poor,' 'community-based', and 'responsible' tourism development, and assist future tourism development planning in the region.

DECLARATION

I, Sarah Claire Colvin, Student number 202513740, hereby declare that the dissertation entitled, "Tourism Development on the Pondoland Wild Coast: A Case Based Study", is the work of my own research investigations, and that it has not been submitted in part or in full for any other degree, or to any other University. Where the work of others has been used it has been duly acknowledged in the text.

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LIST OF ACRONYMS

AA	Amadiba Adventures (Horse and Hiking Trail)
ACCODA	Amadiba Coastal Community Development Association
ANC	African National Congress
AT	Alternative Tourism
BEE	Black Economic Empowerment
CBNRM	Community Based Natural Resource Management
CBO	Community Based Organisation
CBT	Community Based Tourism
DBSA	Development Bank of Southern Africa
DEAET	Eastern Cape Department of Economic Affairs, Environment and Tourism
DEAT	National Department of Environmental Affairs and Tourism
DFID	Department for International Development
DLA	National Department of Land Affairs
DTI	National Department of Trade and Industry
DWAF	National Department of Water Affairs and Forestry
EC	Eastern Cape
ECDC	Eastern Cape Development Corporation
EIA	Environmental Impact Assessment
EU	European Union
EU WCCTI	European Union - Wild Coast Community Tourism Initiative
FTT	Fair Trade and Tourism
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution Strategy
GNP	Gross National Product
HDI	Historically Disadvantaged Individuals
HSIU	Heath Special Investigating Unit
I&APs	Interested and Affected Persons/ Parties
IDS	Institute of Development Studies
IIED	International Institute for Environment and Development
IPLRA	Interim Protection of Informal Land Rights Act
IUCN	International Union for the Conservation of Nature
KZN	Kwazulu- Natal
LAPC	Land and Agricultural Policy Centre
LED	Local Economic Development
MCM	Marine and Coastal Management, Directorate within National DEAT
MEC	Member of Executive Committee
MRC	Mineral Resource Commodities PTY Ltd.
MRL	Mbotyi River Lodge
NGO	Non Governmental Organisation
NRM	Natural Resource Management
ODI	Overseas Development Institute
PDLA	Provincial Department of Land Affairs
PG	Provincial Government
PLAAS	Programme for Land and Agrarian Studies, University of the

PMU	Western Cape
PPP	EU Programme Management Unit
PPT	Public-Private Partnership
PTO	Pro Poor Tourism
RDP	Permission to Occupy
RLCC	Reconstruction and Development Programme
SA	Regional Land Claims Commission
SANParks	South Africa
SATOUR	South African National Parks
SDI	South African Tourism Organisation
SLSA	Spatial Development Initiative
SMME	Sustainable Livelihoods in Southern Africa
STATS SA	Small Medium and Micro Enterprises
THETA	Statistics South Africa
UDM	South Africa's Tourism and Hospitality Association
UNDP	United Democratic Movement
WCCOA	United Nations Development Programme
WC SDI	Wild Coast Cottage Owners Association
WC	Wild Coast Spatial Development Initiative
WTO	Wild Coast
WWF	World Tourism Organisation
	World Wildlife Fund

CHAPTER 1: OVERVIEW

1.1 Introduction

Featuring undisturbed coastline, large indigenous forests, pristine grasslands and deep estuarine valleys, the Pondoland Wild Coast, in the Eastern Cape of South Africa, is highly acclaimed for its tourism potential. Furthermore, it is recognised as one of the most important centres of plant diversity and endemism in Africa (van Wyk & Smith, 2001; Cooper, 2003). A history of deliberate under-development under the apartheid political regime has left the region with exceptionally limited infrastructure and widespread economic and social poverty. This era of stifled development, has however, served to protect the natural integrity of the region from unharnessed coastal ribbon development, such has occurred on Kwazulu-Natal's South Coast (PondoCROP, 2001a; Russell & Kuiper, 2001).

After a number of politically-motivated acts of violence during the death throes of apartheid (the late 1980's), the Wild Coast region¹ experienced a considerable slump in tourism but is once again gaining popularity with tourists seeking a nature experience or 'off-the-beaten track' destinations (Huggins, 2002; Fong *et al.*, 2004). In a region characterised by unemployment levels exceeding 70%, and with over a third of rural households receiving no formal source of income (SA Municipal Demarcations Board, 2004), tourism has been mooted as a key sector for driving economic development and poverty alleviation along the Wild Coast (DEAET, 2000; Kepe, 2001; ECTB, 2003).

Tourism has been perceived not only as a means of delivering resources and services to those in need, or engaging rural communities in an industry which has historically excluded them, but also as a way of initiating a process which could result in people exercising more control over the decisions and resources that directly affect the quality of their lives (DEAT, 1996; DEAET,

¹ The terms 'Pondoland', 'Transkei Wild Coast', and 'Wild Coast', are used interchangeably throughout this study. 'Wild Coast' refers to that stretch of coastline in the Eastern Cape Province spanning approximately 300kms from the Great Kei River in the south to the Umtamvuna river in the north (the boundary between Eastern Cape and Kwazulu-Natal province), and formerly belonged to the 'independent' homeland of Transkei 'Pondoland' (the focus area of this research) is the northernmost section of the Wild Coast. The northern Pondoland region is included by any reference to 'Wild Coast'.

2000; Ashley *et al.*, 2001). South Africa's National Environmental Management Act (NEMA) supports development which is "socially, environmentally and economically sustainable" (RSA, 1998: 10). The Wild Coast Spatial Development Initiative, a nationally conceived agri-tourism development strategy was one such attempt at 'unlocking' the inherent economic potential of the region. In regions of unique scenic attraction and ecological value, such as the Pondoland Wild Coast, tourism initiatives which combine natural resource management and sustainable development in collaborative partnerships between communities, private sector and the statutory authorities, continue to be endorsed (Kepe, 2000, 2001; Ashley & Ntshona, 2002).

However, since the democratic elections of 1994, communities living along the Wild Coast have borne major political upheaval and have had scores of development promises made to them, but in reality, seen little delivery on the ground (CIETAfrica, 2001; Kepe, 2001; Ntshona & Lahiff, 2003a). Product development has lagged as a result of a multitude of factors which include: difficulties around securing rights to land by communities; unclear and overlapping jurisdictional mandates pertaining to natural resource protection and development; insecure and protracted tenure reform; poor access to the coast; political power struggles; and an unclear and lengthy development approval process (Kepe, 2001; Ashley & Ntshona, 2002; Ntshona & Lahiff, 2003a, b; Lahiff, 2003). Indeed, the northern Pondoland stretch of the Wild Coast (the focus of this research) is characterised by a relatively low-density population, high ecological and scenic value, but is a virtual 'blank slate' with respect to tourism development (Haynes, 2003).

Of late, the region has come under the media spotlight for other development proposals with considerable socio-economic and environmental implications for the area - particularly, the N2 Wild Coast Toll Road and dune mining at Xolobeni in Northern Pondoland (Luscombe, 2004; Oliver, 2004; SANRAL, 2004a; WESSA, 2004). These developments follow in the wake of an R 85 million European Union Funded Support Programme, designed to promote community-based tourism development along the Wild Coast (DEAT & EU, 2001).

1.2 Rationale for the Study

This research is an investigation of different tourism models, currently in operation on the Pondoland Wild Coast, in terms of their 'pro-poor' credentials (i.e. their *net benefits* to neighbouring rural communities), socio-economic impacts, participation and ownership by local communities, institutional establishment and environmental sustainability. Considering the ecological importance of the environment in which this tourism takes place, and the dire need for development and income-earning opportunities in the region (DEAET, 2000; Castley, 2001; CIETafrica, 2001); the key findings, successes, and lessons learnt from these tourism enterprises should be of assistance to local and regional tourism / development planners; future (and existing) tourism operator's on the Wild Coast; as well as provide an important contribution to the theory, practice and sustainability of 'pro-poor,' 'community-based', and 'responsible' tourism development.

1.3 Aims and Objectives

The aim of this study is to undertake a critical appraisal of tourism developments in operation on the Pondoland Wild Coast in terms of their 'pro-poor' impact, socio-economic, and environmental sustainability.

More specifically, the objectives of this study are to:

- i) Critically appraise existing tourism literature, and its construct as a platform for 'sustainable development'.
- ii) Present a contextual overview of the socio-economic, environmental and developmental factors affecting tourism development on the Wild Coast, with particular reference to the region described as 'Pondoland'.
- iii) Provide a case-based assessment of four selected tourism enterprises representing different 'models' of community and private sector involvement in tourism development on communal land. A critique of the socio-economic impacts, and where applicable, environmental sustainability of each operation will be undertaken.

- iv) Identify and compare the main successes and constraints pertaining to the selected case studies, with documentation of the key findings, recommendations, and lessons learnt, intended to assist future tourism development planning and policy in the region.

1.3.1 Critical Research Questions

The critical questions to be answered by this research are:

- i) Do the tourism operations being assessed adhere to sustainable development principles?
- ii) Are they exemplars for 'sustainable tourism' - i.e. are they socially, environmentally and economically sustainable developments?
- iii) What success indicators and lessons can be learnt from the documented tourism operations and their contributions to the sustainable tourism schools of 'pro-poor', 'community-based', and 'eco'-tourism?
- iv) How do the different tourism operations along the Pondoland Wild Coast - representing different ownership and management models - *compare* in terms of the net socio-economic benefits to their local region(s) and neighbouring communities (i.e. their 'pro-poor' credentials); environmental and socio-economic sustainability?
- v) What key findings can be found from a critique of these selected tourism operations that would benefit sustainable development planning in the region?

1.4 Research Methodology

A wide range of investigative and field research techniques were employed in this study. Quantitative methodology (such as Geographical Information System mapping, and economic indices) which involved the deduction of empirical data, was employed in the research process, whilst qualitative techniques (such as semi-structured and in-depth interviews, participant and field observations, and a community perception survey) was a principal source of enquiry (Kitchen & Tate, 2000; Neuman, 2000).

1.4.1 The Literature Review

"Theory informs our thinking which, in turn, assists us in making research decisions and sense of the world around us. Our experiences of doing research and its findings, in its turn, influences our theorising"

May, 1993: 20.

According to Valentine (2001) a literature review serves as a critical appraisal to the way in which a particular subject has been historically addressed, helps to define the strengths of weaknesses of previous research and methodologies, and provides the theoretical foundation, from which to dispute, compare or contribute to existing knowledge.

A thorough literature review and background study was undertaken through an examination of secondary resource material, which included: policy documents, local and provincial government plans, organisational reports, white papers, journal articles, published research and books, electronic (primarily university and government department web pages and online search engines i.e. Sabinet and Ebscohost), commercial media sources (i.e. newspaper, serial and television), archival records, academic dissertations and conference papers presented at meetings of professional societies. However, primary data in the form of semi-structured discussions, interviews, and a Geographical Information System Package used to create location maps and plot the alignment of the proposed N2, also supplemented the contextual overview (Chapter 3) of the research.

The literature review considers tourism, and specifically 'sustainable tourism' strategies, as a platform for sustainable development. A critique of the existing literature helped to identify, and refine, the broad research aim and objectives. It also helped to conceptualise the relevance of the research within contemporary academic debate regarding 'sustainable', 'community-based' and 'pro-poor' tourism development (Wilkinson, 2000; Limb & Dwyer, 2001).

A broad contextual study of the research area was also done prior, and concurrently to, the case study investigation(s). This comprehensive review addresses the main socio-economic and environmental conditions of the region and considers other development initiatives with potentially significant implications for tourism development in the region. It is intended that this background review will be of particular value to existing and future tourism operators on the Wild Coast, as well as local and regional tourism planning authorities, and will be disseminated to them and other interested and affected parties (I&APs), on Compact Disk.

1.4.2 Case Study Research

According to Bulmer (1983): the case study is a superior methodological approach when one is interested in gaining a holistic view of the perceptions, values and events that drive or shape a particular place, institution, organisation, or group of persons. A number of preliminary site visits (including an eight-day hike which traversed the extent of the study area) and 'pilot' investigations (informal interviews / discussions with NGO's, CBO's and tourism operators in the area) aided the selection of the tourism operations documented by this research.

A wide range of investigative methodologies from active participation, direct observation, ethnography, interview and questionnaire designs, to site validation and quantitative assessment criteria were employed in the case study research (as recommended by Hoggart *et al.*, 2002; and Bulmer, 1983). Triangulation² of the different research techniques enabled more extensive and in-depth analysis, as well as an information cross-check.

² **Triangulation:** the process of drawing upon different sources of information and perspectives by employing a range of research methodology. It is derived from a surveying term, where it describes using different bearings to give a correct position. In the same manner, researchers can use multiple methods or sources of information to try maximise understanding on a particular research question (Valentine, 2001: 45)

Interviews, with a wide range of stakeholders, constituted the primary source of information for the case studies. A diversity of approaches were employed, from the more structured case-study interview schedule to informal open-ended discussions, as a means to instil confidence, gain the trust of the interviewee, and elicit the necessary information from respondents. In most interview situations a combination of both structured questions and an exploration of interrelated themes ensued (Robinson, 1998; Kitchen & Tate, 2000). One-on-one semi structured interviews, were found to be most suited to fulfilling the research objectives especially where in-depth information was required, the subject matter was potentially sensitive, and/or the issues under review would benefit from expansion and additional insight, which a standardised questionnaire could not provide (Robinson, 1998; Wilkinson, 2000).

Over 60 individuals were interviewed during the course of this study. This number excludes those persons surveyed in the Mbotyi Household Survey (30 Mbotyi Households) and individual tourists (25 individuals) who were interviewed using a semi-structured tourist perception questionnaire. The tourist survey, though not an individual component of discussion, helped to provide useful insight into the target market, demand and product appraisal component of the selected case studies. Appendix 1 provides a list of the persons interviewed during the course of this research, the organisation or corps of persons they represent, and the form the interview took. Key interviewees for the case studies and study site review are listed under 'Personal Communications' in the main reference list. E-mail correspondence constituted another source of information (Appendix 1).

Field and in-depth discussions were frequently employed as a means to elicit comment on a wide scope of issues, personal perceptions and views, and varied in style from the more structured interview schedules, as employed in the case study questionnaires. 'Focus Group' discussions, such as those amongst members of an extended household, or co-workers of the same organisation (such as the staff at Mbotyi Hotel), were useful at providing insight into how particular organisations operate, the broad perceptions they hold, and the internal dynamics which exist within such groups (Wilkinson, 2000; Limb & Dwyer, 2001).

A potential pitfall of case-based research identified by Bulmer (1983): is that it runs a comparatively high risk of researcher bias, whilst the specific methodologies employed are not

necessarily replicable in other situations or contexts. This constraint has been recognised. The selected case studies are *not* diametrically comparable. Each have their own unique socio-economic and historical contexts, but an attempt has been made to document them with common objectives and research 'themes' in mind.

Since the principal aim of the research was to *critique* different tourism models (exemplified by the selected case studies) in terms of their 'pro-poor' and 'sustainable development' credentials – i.e. to appraise successful and impeding factors, lessons learnt, and be able to make supportive recommendations for (sustainable) future tourism development - the broad-based themes of the documented operations included:

- nature and degree of community participation and ownership;
- benefit-sharing arrangements;
- socio-economic impacts (i.e. job creation, community training and capacity building);
- economic and social spin-offs (i.e. SMME creation, education and infrastructural improvements);
- the procedural environment surrounding the operation's inception and its subsequent influence on policy directives;
- institutional sustainability; and finally
- where the enterprises' future directly relied upon continued access to, or use of the natural environment and specific resources: the potential environmental impacts and sustainability of the operation was critically appraised.

A case-specific, detailed, questionnaire framework was tailored for each of the documented operations informed by South Africa's 'Community Based Natural Resource Management' (DEAT, 2002a); 'Responsible Tourism'(DEAT, 2002b); and 'Fair Trade and Tourism'(Seif, 2002) guidelines. Quantitative indices were employed in assessing the economic impact and future sustainability of the selected operations. Appendix 2, the Ufudu Case Study Questionnaire, provides an example of this framework.

Furthermore, a detailed Household Questionnaire Survey was undertaken of thirty households within the Mbotyi district (refer to Figure 3.1 / 6.1) to give a community perspective on the hotel and joint-venture campsite case studies (Appendix 3). The 'General Household

Information', 'Natural Resource Management' and 'Trust Awareness' components of this survey were based upon, and comparable to, the Natural Resource and Socio-Economic Survey conducted by PondoCROP on the same number of households in the Amadiba Region. This survey helped to inform the Amadiba and Ufudu projects, the other two selected case studies of this research. The household questionnaire used a combination of open-ended, open-response option, and closed-ended questions (after Crawford, 1997). Care was taken not to use 'leading' questions, whilst potentially sensitive questions (such as household income) were only asked towards the end of the interview depending on the level of rapport and trust established with the interviewee (Devereux & Hoddinott, 1993). The questionnaire schedule was piloted with respondents from similar socio-economic backgrounds (though different area) to the targeted survey group. This served to identify ambiguities, repetitive or irrelevant questions, and where and if, the questionnaire had lost focus (Crawford, 1997).

In the community perception survey, each household was interviewed personally by the researcher, aided by a local translator. A number of persons were eager to fulfil the role of translator, but a young man who is currently attending the South African Wildlife College (and therefore had a good understanding of the natural resource and tourism components of the survey), was proficient in English, and would not be deemed a 'threat' or have too much political clout in the community, was selected. The same individual was employed on both survey visits, so as to ensure consistency.

1.4.3 Selected Case Studies

Four (operational) Pondoland tourism ventures, representing different models of private sector – community management / ownership, were selected as case studies. The rationale behind these selections, and focus of the documented enterprises, was as follows:

- i) **The Amadiba Horse and Hiking Trail:** This case study exemplifies a 'sole' community venture, and is one of the more established community-owned and managed tourism operations in South Africa. It has nonetheless, received extensive NGO and external donor support, the merits and failings of which will be considered.

- ii) **The Amadiba-Ufudu Partnership:** A case study of a private sector - community partnership around a high value natural resource. The driving forces shaping this agreement, institutional and partnership relationships, socio-economic impacts, and the community/operator's perspective of the venture will be assessed.

- iii) **The Mbotyi River Lodge:** A private sector owned and operated tourism enterprise - one of few places on the Wild Coast where the owners have title to the land. A detailed case study has been made of the socio-economic impacts and contributions that the hotel has made to the local economy in its two and a half years since inception. The Mbotyi Community Perception Survey, cottage-owner interviews, and the tourist perception survey contribute to this case study.

- iv) **The Mbotyi Campsite: A joint-venture initiative between Mbotyi Community and the Mbotyi River Lodge Partners:** This is a Department of Environmental Affairs and Tourism (DEAT) Poverty Relief funded Project, with the Mbotyi River Lodge owners partnering the community in a 50/50 partnership on a campsite development opposite the hotel. A promising development, which has been beset by early institutional conflict. A critique of these 'teething' problems provides valuable insight into the lessons learnt and recommendations for future joint-venture tourism initiatives.

1.5 Structure of the Thesis

The following chapter, the literature review, briefly considers the principles and evolution of development, and tourism as a dais for 'sustainable development'. An exploration of tourism's emergent role as a key development strategy in the third world, its links with globalisation, and its evolution from the mass tourism model to more ecologically and socially-sensitive alternatives, is carried out.

A detailed examination is undertaken of those tourism strategies, mooted by government and local development agents, to be the most suitable tourism option(s) for the Wild Coast region, notably: Ecotourism, Community-Based Tourism (as a form of Natural Resource Management) and Pro-Poor tourism (incorporating a 'Sustainable Livelihoods' approach). An investigation into the various institutional and ownership approaches to state, private sector and community partnerships in tourism, and South Africa's experience in community based tourism is reviewed. Finally, the role and contribution of tourism to South Africa's economy, and the policy framework supporting 'responsible' and 'sustainable' tourism development is examined.

Chapter three provides a contextual overview of the study region. Background information pertaining to the socio-economic profile, history and administration of the area is provided, followed by a brief overview of development initiatives with significant implications for future tourism development on the Wild Coast. A description of Pondoland's natural environment and developments with potentially negative consequences for tourism, biodiversity (i.e. the proposed N2 and mining) and natural resource utilisation, is also considered.

Since the issue of land tenure presents one of the principal obstacles to development along the Wild Coast, the policy environment and tenure reform strategies relating to communal land ownership, is comprehensively addressed. This includes a short case study of a proposed tourism development, which has failed to materialise as a consequence of contractual insecurity and protracted tenure reform.

The issue of legal and illegal cottage development on the Wild Coast is also considered in the background review, in addition to the overlapping institutional mandates of various government departments regarding land, natural resource management and development on the Wild Coast.

Finally, a critique of the Wild Coast tourism development planning, market demand, and policy environment is made, with reference to the key policy documents for tourism planning in the region.

Chapters four to seven constitute the documented case studies. An examination of the community-based horse and hiking trail, Amadiba Adventures, is made in **Chapter four**, whilst **Chapter five** looks at the private sector-community partnership between Ufudu Flyfishing and the Amadiba Coastal Communities Development Association. The Mbotyi River Lodge (a private sector owned hotel) is case studied in **Chapter six** whilst the Lodge's partnership with the community in a joint-venture campsite constitutes **Chapter seven**.

Chapter eight provides a critical evaluation of the selected case studies in relation to the key questions proposed by this study and tourism development theory. The main findings, lessons learnt, and recommendations from the case studies are discussed in light of the key opportunities and constraints pertaining to tourism development on the Pondoland Wild, followed by concluding comments to this study.

CHAPTER 2: LITERATURE REVIEW

2.1 The Doctrine of Development: A modern day discourse?

The term 'development' has rendered an array of different meanings through time (Rist, 1999). Modern day definitions construe it to be a process of "enlarging people's choices"; of enhancing participatory democratic processes; and of providing people with the "opportunity to develop to their fullest potential". Time and again, the idea of development is coupled with that of state sovereignty, defined as a means to "carry out a nation's development goals", and promote "economic growth, national self-reliance and equity" (Cowen & Shenton, 1996: 1; Rist, 1999).

Although the goal of 'universal human improvement' is not a modern-day aspiration, American president, Truman's, post-Second World War speech, unwittingly unleashed what was to become known as the 'modern day development epoch' (Esteva, 1992; Cowen & Shenton, 1996; Rist, 1999). Truman used the term "underdeveloped areas" (Truman, cited in by Rist, 1999: 249) as a synonym for Third World or economically repressed regions, which however unintentionally, modified the meaning of 'development' forever. The word 'development' began to take on a *transitive* meaning, corresponding with the principles of economic growth and social modernisation, whilst 'underdevelopment', came to be regarded as a naturally occurring state of affairs. This new modern day conception of development measured 'progress' along a western linear model of economic growth (Esteva, 1992; Coetzee, 2001), with Gross National Product (GNP), essentially an accounting measure of production, becoming the universal litmus test for national 'well-being' (Schuurman, 1993; Connelly & Smith, 1999).

One of the principal failings of this 'modernisation' paradigm, was that it assumed a single development strategy, that of 'diffusion of innovation', to be the principal means by which Third World countries could attain development. The approach was also distinctly pro-urban biased, with ideas and technology targeted predominantly at towns and cities, and the erroneous assumption that they would disseminate into the rural areas via a 'trickle-down' process (Leys,

1996; Wall, 1997; Graaf and Venter, 2001; Wang, 2002). Furthermore, modernisation theory employed a linear model of communication, which assumed western knowledge to be universally superior, and hence little effort was made to involve locals or to consider indigenous knowledge in the design and implementation of 'grand development schemes' (Sardar, 1999; Nederveen Pieterse, 1999; 2001). According to Tucker (1999), modernisation theorists became so preoccupied with discrediting the cultural and economic arrangement(s) of Third World countries that they failed to hold their own myth of unlimited progress and development up for inspection.

During the 1970's - 1980's, a new generation of dependency theorists emerged, who argued that the Third World was struggling not because of their own 'backwardness' (as the modernisation paradigm assumed), but because of the exploitive policies enforced upon them by the First World (Lewellen, 1995; Graaf & Venter, 2001). In other words, Third World countries remain 'undeveloped' because of their subjugation to the developed First World. In order to dissociate or break ties with this repressive relationship, a road to self-determination and sufficiency was advocated (Servaes, 1991 cited in Wang, 2002; Schuurman, 1993).

However, despite the dependency paradigm developing in reaction to an exploitive modernisation paradigm, it shared many of the same failings. Both paradigms employed top-down strategies, which neglected to obtain participation from the purported beneficiaries, and used economic indices as their principal gauge of 'success'. Development practitioners, on the whole, did not consider rural people in Third World countries as having anything meaningful or useful to say, thus depriving them of the opportunity to contribute or participate in their own development (Lewellen, 1995; Leys, 1996; Haines, 2000; Nederveen Pieterse, 2001).

2.1.1 A move towards 'Sustainable Development'

"We cannot persist in talking about development as the harbinger of human emancipation. It would seem that the model of development now widely pursued is part of the problem rather than the solution"

(Tucker, 1999: 1).

Although development intervention has received extensive criticism, this for the most part, has been levelled at the poor execution of the ideal; rather than the ideal itself. The response of development and aid agencies has always been to seek out more *effective* means of implementing development. In recent years this has meant emphasising the need for better consultation with, and understanding of, the professed beneficiaries. The current propensity towards 'participatory approaches' explicates this view (Latouche, 1993; Gardner & Lewis, 1996 cited in Crewe & Harrison, 1998).

When development flounders (which it so-often has), self-criticism tends to be limited to an admittance that there was '*insufficient understanding*' of the situation as it exists on the ground. Crewe and Harrison (1998:15) contend that whilst the "*colonial denigration of the customs of the natives*" may long be gone, the reification of "*culture as a barrier to development*" is still a widely employed excuse in the failure of development projects.

The dictum of 'alternative' development, is that there *is* no universal model for development. Since every society, community, or locality, has a unique set of circumstances, it should be encouraged, through the broadest participation of its members, to fashion its own development strategy. As a consequence, there are an ever-increasing number of new recipes reputed to 'pave the path' towards development. To name but a few: autocentric development; meeting basic needs; ethno-development; spontaneous development; and the most recent paradigm: sustainable development (Latouche, 1993; Leys, 1996).

2.2 Sustainable Development

“The modern sustainable development debate has tended to shift the focus away from growth versus the environment to one of the potential complementarity of growth and environment”

(Pearce *et al.*, 1989, cited in Connelly and Smith, 1999: 57).

It has been almost two decades since the term ‘sustainable development’ was adopted into the everyday lexicon of politicians, planners, academics and neo-liberal free-marketeers, alike (Butler, 1998; Connelly & Smith, 1999). The term was first coined in 1980 by the World Conservation Union (IUCN), but was only brought to prominence after the publication of the 1987 Brundtland Report: *Our Common Future*. The Report attributed the failings of development to poverty and the short-sighted way in which we have traditionally pursued ‘prosperity’ - i.e. the linear economic growth model. It recognised that many parts of the (Third) world are caught in a vicious cycle whereby they are forced to overuse their natural environment to ensure their daily survival, but in doing so, their survival is “ever more difficult and uncertain” (WCED, 1987: 27).

The Report defined sustainable development as:

“Development that meets the needs of present generations without compromising the ability of future generations to meet their own needs”
(WCED, 1987: 43)

This broad and rather ambiguous definition has since been adopted by a diverse array of actors, and applied within a wide range of contexts, in an attempt to address developmental and environmental imperatives simultaneously (Butler, 1998; Connelly & Smith, 1999; Hallows & Bond, 2002). Essentially, the concept of ‘sustainability’ entails the need to balance current consumption and use of natural resources, to predicted patterns of future use, such that demand does not outstrip the capacity of these resources to provide in the long-term (Connelly & Smith, 1999; Meethan, 2001).

Initially the concept was *radical* because it called for a critical assessment of existing practice. Its underpinning principles: belief in inter- and intra-generational justice, stewardship and moral responsibility towards mankind and the non-human environment, have not been disputed

(Reid, 1995; Hall & Lew, 1998). Rather, it is the apparent universal adoption of the ideal by members of society who were previously content to live by a generally unexamined belief in economic progress, that has been the greatest cause for concern amongst its genuine proponents (Hallowes, 1993; Connelly & Smith, 1999).

Although the Brundtland report managed to raise the profile of the environment on the political agenda, it advocated that action be taken along a discourse of '*ecological modernisation*'. For environmentalists, this philosophy was regarded as no more than a form of 'green capitalism', with its appeal weighted towards a greening of the production process rather than a basic reassessment of the core problem: that of superfluous production and consumption (Jacobs, 1993; Connelly & Smith, 1999; Hallowes & Bond, 2002).

Due to the all-encompassing nature of the concept, some academics (Turner *et al.*, 1994, cited in Swarbrooke, 1999) have redefined the term along a continuum from *very weak* to *very strong* sustainability. A 'strong' interpretation of the concept recognises the value in maintaining the functional integrity of ecosystems over and above human resource utilisation, whilst 'very strong sustainability' would advocate a steady-state economy with zero population growth and no substitution of natural resource stocks (Douthwaite, 1999; Swarbrooke, 1999).

In contrast, a 'weak' interpretation of sustainable development is distinctly anthropocentric, utilitarian, and growth orientated. It permits the substitution of natural capital with human-made capital through an unexamined belief in the global free market, which operates around satisfying consumer choice (Swarbrooke, 1999). By adopting a 'weak' interpretation of the concept, free-marketeers, developers and some politicians have granted themselves the green light to continue 'business as usual' (Redclift, 1987; Sachs, 1993; Connelly & Smith, 1999).

In not questioning the logic of uninhibited growth, many of those who have adopted 'sustainable development' as their mantra, have failed to challenge the modern value system which lies at the heart of our ecological crises: over-development, over-consumption, and 'profit' as the salient arbitrator of progress and wealth (Jacobs, 1993; Hunter & Green, 1995; Connelly & Smith, 1999).

Many eminent scholars have argued that 'sustainable development' should *not* be about economic development after all, but a new paradigm of wisdom based on sufficiency and equity, prioritising needs over wants, and supported (but not dominated) by modest technology that is appropriate, lean and responsible (Schumacher, 1973; Schuurman, 1993, Robertson, 1998; Connelly & Smith, 1999; Sachs, 1999; Emmot & Shiva, 2000). It has been suggested that tourism is one industry which lends itself to such an approach. Since tourism is dependent upon unspoilt environments and a diversity of cultures, it follows that tourism has both a responsibility for, and a need to, invest in sustainable approaches (Wahab & Pigram, 1997a; Mowforth & Munt, 1998; Honey, 1999).

2.3 Tourism: The 'Smokeless' Industry?

"Everything seems to suggest that developing countries look upon tourism consumption as manna from heaven that can provide a solution to all their foreign difficulties"

(Robert Erbes, 1973, cited in Wahab, 1997: 129).

With over 700 million international travellers, spending in excess of \$ 4.74 trillion dollars in 2002 (as recorded by the World Tourism Organisation (WTO), 2003), tourism is now one of the biggest contributors to global economics and employment. At the turn of the century it accounted for 11% of global GDP and one in twelve persons worldwide, were employed by the industry (Roe & Urquhart, 2001; WTO, 2003). It is estimated that by 2011, tourism will account for 19% of global employment, equating to more than 260 million jobs (Moosa, 2002a).

It was however, only during the late 1960's that tourism, as a distinct development strategy, shifted focus from the West to the unchartered territories of the developing world (Weaver, 1998; Gayle & Goodrich 1993 cited in Meethan, 2001). Growing weary of pre-packaged 'sea and ski' holidays, a new class of leisure tourist began to look to the Third World to experience new landscapes, people and cultures. The media played an instrumental role in the dissemination of 'exotic' images from these virgin lands (Wahab, 1997; McLaren, 1998; Honey, 1999).

According to Honey (1999) in the mid-1970's, only eight percent of First World tourists opted to visit developing countries on holiday. By the 1980's this number had increased to 17%, and recent statistics from the World Tourism Organisation (WTO, 2003) show it to be over 30%, and increasing annually. Since 1990, international tourism arrivals to developing countries have averaged an increase of 9.5% per annum, compared with 4.1% worldwide (Roe & Urquhart, 2001).

With today's speedlinks in communication, transportation, and global policies promoting free trade, the culture and natural assets of previously inaccessible places have never been within closer reach of those persons seeking adventure, culture, or life-enhancing travel (Honey, 1999; Duffy, 2002). The phenomenon of 'mass-tourism', that swept through Europe and America after the industrial revolution, was welcomed by many developing countries as a 'smokeless' industry that could boost employment, national income, foreign exchange earnings, and perceived as leading to 'development' (Cooper *et al.*, 1993; Harrison, 1994; Wahab, 1997). Furthermore, it was considered (albeit, erroneously) a 'soft' development option, requiring relatively little in terms of specific planning or resources (Wall 1991; cited in Wahab & Pigram, 1997b).

However, since tourism comprises a host of products and services, not easily disaggregated from one another, calculating the true socio-economic and environmental costs of tourism, is no easy task (Cooper *et al.*, 1993; Coccossis & Nijkamp, 1995). Research that emerged during the 1970's and early 1980's, began to reveal the economic benefits from tourism in the developing world, as 'marginal' in the light of high social and environmental costs (de Kadt, 1990; Martha, 1993; Honey, 1999). The model of 'mass tourism' being exported to such countries, came under heavy criticism for endorsing capitalist values, displacing people, destroying nature, and advancing western consumerism in previously self-reliant economies (McLaren, 1998; Mowforth & Munt, 1998; Fennel, 1999). McLaren (1998) and Fennell (1999) argue that over-development, environmental pollution and invasion by culturally insensitive and economically disruptive foreigners, have become many of the hallmarks for mass tourism in the developing world.

Over the last few decades, however, many host countries, and tourists themselves, have become increasingly disillusioned with this form of tourism (Honey, 1999). By the late 1980's -

early 1990's, in the wake of greater environmental consciousness and a shift in thinking towards 'sustainable development', more socially and ecologically benign alternatives (to mass tourism) began to be sought (de Kadt, 1990; Zeppel, 1998).

2.3.1 Sustainable Tourism

The World Tourism Organisation (2004: 1) defines 'Sustainable Tourism' as:

"... development that meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems."

'Sustainable tourism' was initially referred to as 'green tourism' with a focus on *minimising* the environmental affects from mass tourism. It has since been embraced by many government's, in both the north and south, as an opportunity to put their 1992 UNCED³ commitments to practice (Butler, 1998; Swarbrooke, 1999).

However, like the wider philosophy in which it is rooted, the practical implications of sustainable tourism are not always clear. Phrases such as 'appropriate', 'responsible' and 'alternative' have all been used interchangeably by a wide array of stakeholders. To some, sustainable tourism is all about 'green products' and 'eco-friendly' tourists; to others it is a set of underlying principles to which the tourism industry should aspire (Hunter and Green, 1995; Neale & Nicholson, 1999). Much of this confusion comes from the endeavours of many to use 'mass tourism' as their gross point of reference. In this respect, terms such as 'soft post-industrial', 'responsible', 'alternative', 'rural', 'low-impact' and 'nature' or 'eco-based' have all been used to denote this perceived move *away* from the mass tourism genre (de Kadt, 1990; Mowforth & Munt, 1998; Honey, 1999).

³ UNCED: The United Nations Conference on Environment and Development, also referred to as Earth Summit I, held in Rio de Janeiro, 3-14 June 1992.

Sustainability, nonetheless, is often context specific, with a particular type of tourism being appropriate for one geographic or social environment, but entirely unsustainable for the next. Even when tourism seems sustainable today, it cannot be guaranteed that it will be sustainable in the future (Nitsch & Van Straaten, 1995; Spenceley, 2003a).

Cronin (1990, cited in Moran, 1998) made the following suggestions in making tourism development more sustainable:

Sustainable Tourism needs to:

- i. follow ethical principles which respect the culture and environment of the target destination, the economy and indigenous ways of life, as well as traditional leadership and political systems;
- ii. involve local people from the outset and proceed *only* with their full approval. This includes having local people in management capacity;
- iii. should be undertaken with both inter- and intra-generational justice in mind. It is imperative that there is a fair distribution of costs and benefits among all stakeholders both now and in the future; and
- iv. be planned in a holistic, integrated manner which can be monitored on an ongoing basis to counteract negative impacts.

Many researchers insist that it is in the long-term best interests of both developed and developing countries to agree on the principles, policies and management tools that would facilitate tourism as an engine for economic growth, whilst conserving the natural resource base upon which it depends (de Kadt, 1990; Wahab & Pigram, 1997a; Swarbrooke, 1999; Spenceley *et al.*, 2002). As a consequence, many countries are developing responsible tourism guidelines, to assist individual tourism operations in becoming more sustainable. Ashley and Roe (2002a) and Spenceley *et al.* (2002) believe that enterprises, given practicable recommendations and a forum to report responsible behaviour or activities (as in changing to enviro-friendly waste disposal, or increasing local produce purchases) will over time, result in a more sustainable tourism industry.

Where as before tourism may have been considered a 'soft' development option, requiring little in terms of institutional planning and resource allocation, the implications of sustainable tourism development are manifold. Sound organisational, marketing, planning and technical expertise have been identified as key requisites in making future tourism development more sustainable. In order to achieve this, a *strong* interpretation of what sustainable development entails, both principally and practically, is imperative (Hunter & Green, 1995; Wahab & Pigram, 1997b; Deloitte & Touche, 1999).

2.3.2 Alternative Tourism(s)

"What distinguishes more recent forms of tourism development from previous manifestations, driven by notions of modernisation, is the fact that it is difference, rather than similarity, which is striven for and tourism arguably encourages the commodification of uniqueness"

(Meethan, 2001: 65).

Alternative tourism (AT) is a generic term, encompassing a wide range of different tourism strategies, which profess to be more socially and ecologically benign alternatives to conventional mass tourism. 'Appropriate', 'eco', 'small-scale', 'community-based', 'green', 'low-impact', and 'nature' tourism are some examples classified under this broad classification (Weaver, 1998; Fennell, 1999; Swarbrooke, 1999). What these different brands of AT have in common, is that they proclaim to place the natural and cultural resources of the host destination at the forefront of development planning, rather than as an afterthought. They place greater emphasis on 'self-determination' and 'participation' from host communities, such that decision-making power remains with the people that shoulder the cost of tourism development, rather than outside investors and multinational corporations (Murphy, 1994; Weaver, 1998).

Nonetheless, not all tourism scholars are convinced that alternative tourism has emerged as a reaction to the 'failings' of mass tourism. Urry (1990, cited in Meethan, 2001: 60) believes that 'alternative tourism' may be "little more than reflecting the wants of particular consumer niches underpinned by a romanticised view of nature and a western moral agenda". Meethan (2001: 60) further explicates this opinion, by saying that the shift from mass to alternative forms of tourism development, stems from modern societies desire to experience the "otherness of

places untainted by modernity". Alternative forms of tourism development are thus a form of market segmentation, rather than purported remedies to the ills of modernity.

A critique of the following 'alternative tourism' models will be made, as they have been mooted in one form or another, as the most 'sustainable' (tourism) development options for the Wild Coast region:

- Eco-tourism
- Community Based Tourism and Community Based Natural Resource Management (CBRM); and
- Pro-Poor Tourism.

2.3.3 Ecotourism

“Real ecotourism, is travel to fragile, pristine, and usually protected areas that strives to be low impact and (usually) small scale. It helps educate the traveller; provides funds for conservation; directly benefits the economic development and political empowerment of local communities; and fosters respect for different cultures and for human rights”

(Honey, 1999: 25).

Ecotourism is purported to be the most rapidly expanding sector of the global tourism industry; but this is because it is often lumped together with all forms of nature, wildlife and adventure tourism. It should in fact be distinct from these forms of tourism, for whilst nature, wildlife and adventure tourism are defined principally by the activities undertaken by tourists; ecotourism – at least a resolute form of it - is defined by its *benefits* to both people and conservation in the host region (Fennell, 1999; Honey, 1999).

Ecotourism has become one of the leading ‘sustainable tourism’ strategies, with international development agencies, under the banner of ‘sustainable rural development’, donating millions of dollars towards ecotourism developments in the Third World. The World Travel Organisation (WTO) has developed definitions and guidelines, initiated ecotourism programmes, and held numerous conferences on the subject, whilst existing tourism organisations have undergone massive restructuring and media campaigning in an effort to ‘green’ their image (Boo, 1992; Honey, 1999; Duffy, 2002).

In the years since its inception, there have however, been many disputes regarding the precise objectives and implications of ecotourism. Nonetheless, there is general consensus that ecotourism should at *least* subscribe to the following criteria:

- Contribute to conservation of biodiversity;
- Sustain the well-being of local people;
- Include a learning experience;
- Involve responsible action on the part of the tourist and tour operator;

- Be delivered primarily to small groups by small-scale operatives i.e. a deviation away from mass tourism;
- Require the lowest possible consumption of non-renewable resources; and
- Stress local participation, ownership and business opportunities, particularly for rural people

(UNEP, 2001).

Ecotourism is, or should be, far more than a 'nature experience'. The concept implies that benefits should remain with the people supplying the product, but without harming the environment or host community in the process. In essence, ecotourism advocates resource sustainability, minimum negative impact on environment and culture, participation, and economic viability (Handley, 1996 cited in Naguran, 1999; Beeton, 1998). According to Reid (1999), *active* involvement of local communities, in the decision-making and management of local tourism ventures, is also a critical constituent of ecotourism.

However, ecotourism as a vehicle to sustainable development is still a highly contested issue. Much of the evidence to date suggests that the majority of 'ecotourists' are motivated more by their desire to see untouched and native ecosystems first hand, than a wish to protect the environment or traditional societies (Swarbrooke, 1999).

If ecotourism grows in a particular region, as it has in many areas (particularly where regulations have been lax), there is the potential for this type of tourism to become even more harmful than mainstream forms of tourism. This is because it tends to take place in rare and fragile ecosystems, which have become "ever more off the beaten track" (Neale & Nicholson, 1998: 33). In Honey's (1999) opinion, ecotourism is still a far cry from fulfilling its promise to reform the way in which conventional mass tourism is conducted. "With few exceptions, it has failed to move beyond a rather narrow niche tourism sector, to a broader set of principles and practices that infuse the entire tourism industry" (Honey, 1999: 394).

2.3.4 Community Based Natural Resource Management (CBNRM) and Community Based Tourism (CBT)

In the last ten to fifteen years there has been increased recognition that effective natural resource management should be linked to issues of equitable access to natural resources and promotion of sustainable livelihoods. In an era where 'community development' and 'natural resource management' have become the guiding principles for rural development, the need to involve local people in decision-making, planning and implementation of Community Based Natural Resource Management (CBNRM) projects has been well acknowledged. CBNRM is thus a move towards more *active* participation by communities in the management of their natural environment and resources (IIED, 1994; Twyman, 2000).

Socially and ecologically responsible tourism development, has been identified as a (relatively) easy entry pathway towards sustainable development and effective natural resource management. Murphy (1985) argued that top-down, centralised tourism planning, on the whole, had only served to marginalise host communities in pursuit of western economic growth. This, in turn, resulted in failed expectations and outward hostility from host communities, and since tourism often depends heavily on the co-operation and goodwill of local people, has often jeopardised the success of tourism initiatives.

Murphy (1994) contends that in order for tourism to become sustainable it needs to be managed as a resource industry based on local capacity and community decision-making. He insists that collaboration, from the nascent planning phases to day-to-day management of the tourism operation, is needed to provide communities with a fairer opportunity to influence proceedings and provide greater sustainability to the project (Murphy, 1994; Adams & Hulme, 2001; Ashley & Wolmer, 2003).

Pimbert and Pretty (1994, adapted by Roe *et al.*, 2000) point out that there is a broad continuum (Table 2.1) in the degree of participation and stake in ownership, that communities have in tourism enterprises, classified under the auspices of CBNRM.

Table 2.1: How people participate in development programmes and projects. Adapted from Pimbert and Pretty (1994), IIED.

HOW PEOPLE PARTICIPATE IN DEVELOPMENT PROGRAMMES AND PROJECTS:	
Type	Characteristics of Each Type
1. Manipulative Participation	Participation is simply a pretence, with the people's representation on official boards being un-elected officials who have no power.
2. Passive Participation	People participate by being told what has been decided or has already happened. It involves unilateral announcements by a project's management without listening to people's responses. The information being shared belongs to external professionals.
3. Participation by Consultation	People participate by being consulted or by answering questions. External agents define problems and information gathering processes, and so control analysis. Such a consultative process does not concede any share in decision-making, and professionals are under no obligation to take on board people's views.
4. Participation for Material Incentives	People participate by contributing resources, for example labour, in return for food, cash or other material incentives. Farmers may provide the fields and labour, but are not involved in either experimentation or the process of learning. It is very common to see this called participation, yet people have no stake in prolonging technologies or practices when the incentives end.
5. Functional Participation	Participation seen by external agencies as a means to achieve project goals, especially reduced costs. People may participate by forming groups to meet predetermined objectives related to the project. Such involvement may be interactive and involve shared decision-making, but tends to arise only after major decisions have already been made by external agents. At worst, local people may still only be co-opted to serve external goals.
6. Interactive Participation	People participate in joint analysis, development of actions plans and form local institutions. Participation is seen as a right, not just the means to achieve project goals. The process involves interdisciplinary methodologies that seek multiple perspectives and make use of systemic and structured learning processes. As groups take control of local decisions and determine how available resources are used, so they have a stake in maintaining structures or practices.
7. Self-Mobilisation	People participate by taking initiatives independently of external institutions to change systems. They develop contacts with external institutions for resources or technical advice they need, but retain control over how resources are used. Self-mobilisation can spread if governments and NGOs provide an enabling framework of support. Such self-initiated mobilisation may or may not challenge existing distributions of wealth and power.

(Source: Responsible Tourism Manual - PondoCROP, 2001a)

The notion of 'community participation' is a broad concept (Table 2.1), which ranges from the minimalist approaches of information receiving, to empowering approaches that involve the creation of self-sufficient, community instigated (and operated) institutions (Barrow & Murphree, 2001). According to Barrow and Murphree (2001) the categories of 'manipulative', 'passive', 'material gain', and 'information giving', cannot be conceded as falling within the rubric of community based natural resource management, as they do not involve local collective action. In their opinion, it is only the last three categories (Functional- and Interactive Participation, and Self-Mobilisation), where collective activity and agreement is required, that the concept of 'community' has any significance.

Many community-based tourism and conservation programs tend to be 'relational' rather than participatory. This infers that they seek to improve relationships between the community and state, or private partner, through compromise and trade-offs, rather than a genuine devolution of ownership or management of the protected area or tourism project to the local community (Koch, 1997; Barrow and Murphree, 2001; and Jones, 2001).

The rationale for a community-based approach to resource management is founded upon the following premises:

- That communities, who have for centuries depended on such natural resources for their survival, would have a better knowledge of local ecological conditions and processes than outside organisations;
- That they are better positioned to respond and/or adapt to locally specific social or ecological changes and to represent local preferences and cultural traditions; and
- That they will be more accountable for their natural resource management (NRM) decisions and actions, given the relative importance of these decisions to local livelihoods

(Adams & Hulme, 2001; Boyd, 2001; PondoCROP, 2001a).

However, the term 'community'⁴, is a rather nebulous concept (Barrow & Murphree, 2001). 'Communities', are in fact seldom, homogenous entities, and collective interest is often fragmented by the wider economic and political structures in which they operate. Community power structures are not always representative or accountable, and they often find themselves at the mercy of external political forces and bureaucratic regulations (IIED, 1994; Renard, 1997; Roe *et al.*, 2000).

Where communities have had success in establishing authentic community owned and managed tourism initiatives, they often share a tradition of strong collective roots based on:

- Collective ownership and management of land;
- Abiding support for local structures of communal organization; and
- A shared history of 'struggle' - such as defending their land against prospective colonisers.

2.3.4.1 South Africa's Experience in Natural Resource Management

Historically, South Africa's strategy towards natural resource management was characterised by a militant 'fines and fences' approach which tended to be highly restrictive, interventionist and exclusionary. Forced removals of many thousands of people from newly declared 'protected areas' and the withdrawal of traverse and harvesting rights to many natural resources required for daily survival, set many marginalised communities in direct conflict with protected area managers (Katerere, 2000; Fabricius *et al.*, 2001; Shackleton & Fabricius, 2001).

⁴ The term '**community**' is one of the most frequently cited in but ambivalent terms in development circles. It has a long history of usage but remains a rather broad and elusive term, with numerous interpretations. It is thought, assuming the interests and grievances of marginalised 'communities' to be homogenous, to be one of the chief failings in 'community-based' tourism initiatives (Renard, 1997; Roe *et al.*, 2000). But there is a need to define what constitutes a 'community' for academic and referral purposes. South Africa's government delivery programmes, have defined 'the community' as that group of persons meeting the criterion of three key characteristics. These are: location, common ties, and social interaction. In simpler terms, a community can be viewed in relation to space (geographic boundaries); as economic units; and as a web of kinship, social relations and cultural entities (Dikini *et al.*, 1996 cited in Kepe, 2001)

As in many societies structured around iniquitous power differentials, the 'weapons of the weak' have rarely included open discussion, or above-board conflict resolution (Fabricius, 2000; Adams & Hulme, 2001; PondoCROP, 2001a). On the contrary, historically disadvantaged communities, if they did not resort to outward hostility and violent acts of protest, tended to protect their livelihood strategies by means of subterfuge, passive resistance, feigned misunderstanding or calculated raids - as was demonstrated by the defiant mass harvesting of marine resources in Dwesa-Cwebe nature reserve (1994) and the hunting of wildlife inside Mkambati Nature Reserve, justified under the notion of '*ukujola*' (refer to Chapter 4 in Kepe, 1997 and Chapter 5 in Palmer *et al.*, 2000).

Once protected areas (PA's) were proclaimed, little attention was paid to the increased pressure on natural resources beyond their boundaries. The importance of wild resources in sustaining rural livelihoods was not recognised, whilst paltry attempts at rural development (especially within the ex-homelands) was focused almost exclusively around the agricultural sector - primarily betterment zoning policies and government sponsored farming schemes - which were politically resented, and by and large, unsuccessful (Shackleton & Fabricius, 2001).

A general neglect towards resource management in communal lands, compounded by high population densities and dire land shortages, resulted in decades of abuse and degradation. The situation today, is that many communal areas have limited wildlife potential. (Koch & de Beer, 2000; Palmer *et al.*, 2000; Shackleton & Fabricius, 2001).

However, since democratisation, South Africa has been at the forefront of pioneering policies and legislation towards redressing past inequities and improving access to ownership, use, and management of natural resources for historically disadvantaged communities (Koch & de Beer, 2000; Shackleton & Fabricius, 2001; Spenceley, 2003b). According to Wynberg and Kepe (1999, cited in Shackleton & Fabricius, 2001: 49): "South Africa has entered a new era of conservation and environmental management where concerns for human rights, equity and sustainable development have become as important as biodiversity conservation".

⁵ *Ukujola* is the isiXhosa term for the non-confrontational agreement that villagers living around Mkambati Nature Reserve have. In terms of this notion, hunting in Mkambati does not constitute a crime because there is a common understanding amongst the villagers that the reserve is still a part of their natural environment. This is because their traditional hunting grounds were fenced off, with little consultation, when the area became a nature reserve (Kepe, 1997: 41).

2.3.4.2 CBNRM Policy in South Africa

The need to generate tangible benefits from CBNRM through community tourism initiatives, was first highlighted in 1995 Southern African Developing Countries (SADC) discussions (Steiner & Rihoy 1995 cited in Ashley & Wolmer, 2003). Since then, a number of community tourism and community-private partnership support programs have been established, including a Regional Community Tourism Association in 2002 (Ashley & Wolmer, 2003).

However, Barrow and Murphree (2001), and Jones and Murphree (2001), point out that CBNRM approaches vary considerably in extent and degree of local participation, underlying social, economic, and conservation orientation. In South Africa, there is a particular emphasis on black economic empowerment (BEE) and community-private partnerships in natural resource use, which do not always comply with the management principles of CBNRM (Ashley & Wolmer, 2003).

South Africa's Department of Environmental Affairs and Tourism (DEAT), defines Community Based Natural Resource Management as "a multi-dimensional approach to natural resource management, encapsulating economic, social, institutional and ecological issues" (DEAT, 2002a).

A guideline document for the implementation of CBNRM programmes in South Africa has recently been drawn up in response to the lack of clarity and haphazard development of CBNRM initiatives to date. It maintains that whilst South African's tourism policies are clear and specific, there has been a shortage of 'how to do' guidelines which could:

- Help facilitate adaptive learning and managing processes instead of compliance to blueprints;
- Equip communities and ecosystems to respond (and recover) from external shocks and surprises;
- Help incorporate local knowledge and institutions more fully into CBNRM planning;
- Specify *how* to involve local illiterates in decision-making; and

- Create new awareness through successive steps in learning and discovery, so that plans and actions can be tailored to a local context

(DEAT, 2002a).

Seven key principles, developed by Shackleton (2000), were adopted as guidelines for the implementation of community-based natural resource management (CBNRM), in South Africa (DEAT, 2002a: 2). They are as follows:

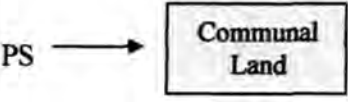
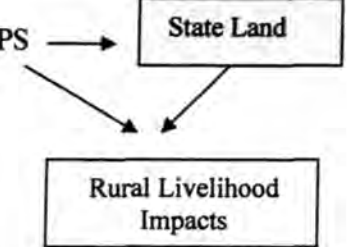
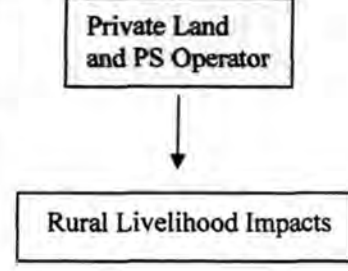
- i. A diverse and flexible range of livelihood options must be maintained;
- ii. The productive potential of the resource base should be maintained or improved;
- iii. Institutions for local governance, land and resource management should be in place, and effective;
- iv. Economic and other benefits should provide adequate incentive for the wise use of natural resources;
- v. There must be effective laws and policies in place and implemented, whilst authority should be devolved down to the lowest level at which there is still capacity;
- vi. There should be sensitive and responsible facilitation from outside; and
- vii. Local level power relations should be fully understood and be in favour of CBNRM

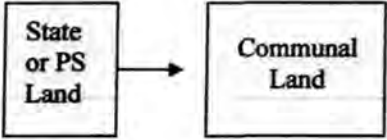
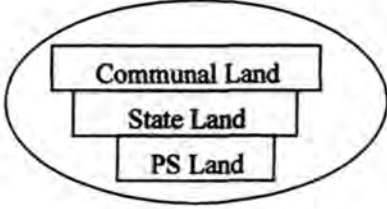
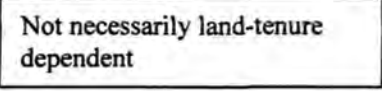
Grossman and Koch (1996) identified South African CBNRM initiatives as falling into three main categories:

- Those facilitated by government conservation departments;
- Those initiated as partnerships between host communities and a private-sector investor / entrepreneur; and
- Those (less commonplace) initiated by the communities themselves, with or without involvement from NGOs.

There are, however, permutations on this classification, where in many cases 'tripartite partnerships' between conservation agency, community and private sector are formed (Grossman & Koch, 1996). This tripartite arrangement, often referred to as the 'three-legged pot model', is fueled by investment capital and a sophisticated institutional support system (Ferrar *et al.*, 1997). Following on from this, Spenceley (2003b) classified the growing interaction of state, private sector and community involvement in South African tourism, into six main models based on land and enterprise ownership (Table 2.2).

Table 2.2: Operational approaches to state, private sector and community engagement in South African tourism

<u>Scenario</u>	<u>Spatial Illustration</u>	<u>Description</u>
1. Private Sector (PS) on Communal Land		Communal land can be used through variable partnerships between rural people and the Private Sector (PS) to develop tourism initiatives. Local people benefit from training, employment and associated business opportunities.
2. Government Land with Private Sector involvement and community linkages		Land is owned by the State and the PS operates tourism on it through a lease or enterprise agreement. Community linkages may be formed through equity in the tourism enterprise, employment in the PS, or associated business opportunities.
3. Private Land and Private Operators with Community Linkages		Privately owned land with PS tourism development. Corporate Social Responsibility (CSR) programmes may have beneficial implications for rural livelihoods, in addition to employment and business opportunities.

<p>4. Community Land Claims and Land Transfers</p>		<p>Through land claims or land invasions. Transfer of land ownership from State or PS to communities. Communities then have the opportunity to utilise the land for tourism via community-based tourism, or joint-venture partnerships.</p>
<p>5. Amalgams of Land Ownership Types</p>		<p>Destinations and planning initiatives that focus over a wide geographical area may include areas of communal, State and private sector land. Tourism has a strategic focus and may have employment, business and natural resource use implications for rural livelihoods.</p>
<p>6. Community Businesses</p>		<p>Individuals or groups from rural communities develop business enterprises related to tourism, and fulfill the role of the private sector.</p>

(Source: Adapted from Spenceley, 2003b: 22)

This classification is particularly relevant to the delineation of the different tourism models case studied in this research. Tourism development along the Pondoland Wild Coast is characterised by a broad spectrum of institutional – land holding -- and equity / ownership models.

The issue of land tenure and proprietorship, as discussed in Chapter three, is a key issue affecting the success of CBNRM initiatives. Ashley and Wolmer (2003) highlighted some of the potential strengths and weaknesses of different tenure and ownership models, from an appraisal of new forms of engagement between communities and the private sector, in southern Africa's tourism and forestry sectors (Table 2.3).

Table 2.3: Summary of the potential strengths and weaknesses of different proprietary and joint venture arrangements in southern Africa's tourism and forestry sectors

Community-private investments on:	Strengths	Limitations
Communal land	<p>Relatively easy to implement</p> <p><i>De facto</i> community power: investor needs local support (buy-in)</p>	<p>In absence of strengthening of communal tenure, legal and negotiating rights remain limited</p> <p>Lack of capacity to hold private sector to account</p> <p>Driving force rarely community – unlikely to veto</p>
State-owned commercialised land or assets	<p>The considerable power of the state as lessor/seller, and the commercial value of the assets can be used to leverage in socio-economic commitments from operators (if used as a major criteria in judging bids)</p>	<p>Reduces options of future land claimants</p> <p>Requires commercially competitive environment, political will, and administrative capacity</p> <p>To date, focus on Black Economic Empowerment (BEE), not necessarily 'pro-poor' measures</p>
Private land	<p>Corporate Social Responsibility (CSR): an improvement over past practice</p> <p>Establishing contact can lead to further dialogue/action</p>	<p>On private sectors' terms, with community as 'recipient', so structurally weak</p> <p>Remains philanthropic donations rather than adapting core business philosophy</p>
Restituted land (reclaimed, resettled)	<p>Community as 'land-owner' has commercial rights and negotiating power. Benefits based on ownership, not good will of others</p> <p>Gains ownership of potentially valuable sites inside reserves</p> <p>Land-ownership has multiplier effect, such as access to training, and funds. Negotiation can enhance non-financial benefits too, i.e. management issues</p>	<p>Trade-off (in South Africa): cannot use reclaimed land for residence or agriculture</p> <p>Benefits from commercial tourism may be slow, variable and inequitable</p> <p>Commercial development may be blocked, particularly in conservation areas</p> <p>Requires capacity and support to exploit opportunities</p>

<p>Spatial amalgam</p>	<p>Can raise commercial value of communal area – increasing negotiating power of investors</p>	<p>Top-down: little scope for participation from grassroots communities</p> <p>Conservation / political / commercial agendas dominate</p>
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(Source: Ashley & Wolmer, 2003: 49)

It is evident from this table, that differing levels of proprietorship are accompanied by their own distinctive set of advantages and disadvantages. At one end of the scale, investment on communal land is ‘relatively’ easy to implement, but without explicitly defined tenure rights, communities simply do not have collateral with which to negotiate, nor can potential private-sector investor be granted contractual security. At the other end of the continuum: investment on private land, a joint-venture project is often initiated out of ‘philanthropy’, or as an attempt to improve ‘neighbour relations’. Through this ownership model, communities tend to be more disposed to becoming passive beneficiaries of the development, with token negotiating power and limited social investment return.

2.3.4.3 Community-Based Tourism Models

From research on community-based tourism in the Northern Province, South Africa, Ferrar *et al.*(1997) defined four common ‘models’ for community-based tourism development. These models, though somewhat dated, are still widely applicable to the types of community-based initiatives, developing on a national scale. They represent different levels of community involvement and ownership, but have the following traits in common:

- Payment, in various forms, to a common property trust or institution i.e. a Development Trust Committee, which defines rights to use by area. These rights may be limited to a single (tourism) operator, or shared amongst a number of enterprises. Some rights may also be shared amongst community members, but rights to scarce natural resources are usually limited and monitored (by either provincial or national conservation authorities, and sometimes local watch-dog organisations) to ensure resource sustainability.

- Tourism enterprises must operate in terms of a contract or contractual agreement, negotiated through institutions such as the Development Trust Committee. The terms and conditions are usually tailored to a local context. Important elements of the contract should be made public, especially amongst affected communities.
 - The aim should be to maximise local benefits. This includes access to (non-threatened) natural resources and financial benefits such as service fees, bed night levies and fair wages. Non-financial benefits include education, training, business experience and development of alliances, networking and improved private-state-community relationships.
- i. Consultation and management structures should be established to inform and interact with local stakeholders. Management structures range from 'consultation' with local organisational structures to a joint Board of Directors for decision-making. Other more public forums should also be established to ensure wider dissemination, communication and meet public relation needs.

(Ferrar, 1997; Fabricius *et al.*, 2001, 2003; Spenceley, 2003b)

These three community tourism models (identified by Ferrar *et al.*, 1997), as outlined below, exemplify the type of tourism operations, selected for case study on the Pondoland Wild Coast:

I) Financial Incentive Model: Private Lodge revenue sharing with Community

The defining characteristics of this model are:

- assets are partially merged, but private sector entrepreneur remains the dominant partner;
- shared management responsibilities requires 'consultation' (a *weak* interpretation of participation according to Pimbert & Pretty, cited in IIED, 1994) with the local community before final decisions are taken; and
- benefits include profit sharing rental of land, plus a percentage of turnover or negotiated levy proportional to business volume i.e. bed-night levy charged on every guest which goes directly to the community (refer to Figure 2.1).

According to Ferrar *et al.* (1997) this revenue sharing can take many forms: percentage profit, annual rental fee, bed-night levy, or payments to community for services. The actual scale of revenue depends upon what is acceptable by the community, and what is affordable to the entrepreneur.

II) The Management Sharing Model: Private / Community Joint Venture

The defining characteristics of this model are:

- a complete merge of assets;
- weight of decision making in proportion to share of ownership in business;
- corporate style business structure involving share allocations proportional to value of assets brought into the enterprise;
- increased community involvement gives rise to more diverse and preferred benefits including non-financial benefits such as training, tourism and business experience; and
- direct financial benefits linked to the success of the operation (and transparent distribution of dividends), engenders better understanding of the link between protecting natural resources, tourism and improved livelihoods.

A full joint venture implies that the community contributes their share to the tourism initiative in the form of land, cultural or wildlife resources; whilst the private-sector investor provides an injection of capital, marketing, business knowledge and formal links to a cash economy. The profit-sharing arrangement is often negotiated around the value of the assets (both natural and human) that the community brings to the enterprise, in relation to the business skills and capital investment that the private sector partner contributes. A 50% profit-sharing agreement would indicate that the assets or skills that the two parties contribute, are perceived as being of more or less equivalent value (Ashley & Jones, 2001; Spenceley, 2003b). However, this begs the question: how does one measure (or place a value on) the status of the environment, or protection of natural resources, against the business skills or financial contributions of a potential investor?

The 'contribution' that the community makes to the joint-venture can take a number of forms, which may include: increased revenue by attracting a niche (high-paying) tourism market *or* reduced operating costs by contributing cheap labour and access to natural resources, that would otherwise have been costly to purchase (Barnes *et al.*, cited in Ferrar *et al.*, 1997). High start-up costs, shared profits, time constraints, insecure land tenure and training, participation and negotiating costs, often deters potential investors from the outset (Ferrar *et al.* (1997), Ashley and Jones (2001), and Ashley and Roe (2002*b*). Community participation is often assisted through a professional NGO or state agency (Swanepoel & de Beer, 1998). However, practitioners and those with expertise in the field of CBT advise that it is as much the responsibility of the community to make the 'participation' process easier for potential entrepreneurs, appointing accountable community representatives that will put the interests of the wider community before personal agendas, as the temptation to make personal gain is a high risk factor in this model (Ferrar, 1997; Ashley, 1998; Pienaar, 2000; and Fabricius *et al.*, 2001).

III) Community Business Model: Community-Based Enterprise

The defining characteristics of this model are:

- all assets and decisions are community owned and managed;
- ventures usually exist as small labour intensive satellite or service businesses with small capital and managerial requirements i.e. arts and craft businesses - often in association with larger corporate operations;
- business decisions are made entirely by community leaders;
- a larger corporate, NGO or Community-Based Organisation (CBO) may act in an 'advisory' role, providing guidance or access to a market for the products and services of the business (PondoCROP, 2001a); and
- encourages small, micro and medium business enterprise (SMME) development

(Ferrar, 1997; Lewis, Mander and Wynne, 1999; DEAT, 2002*a*).

Figure 2.1: Income / Revenue Sharing Model (after Lewis *et al.*, 1999: 20)

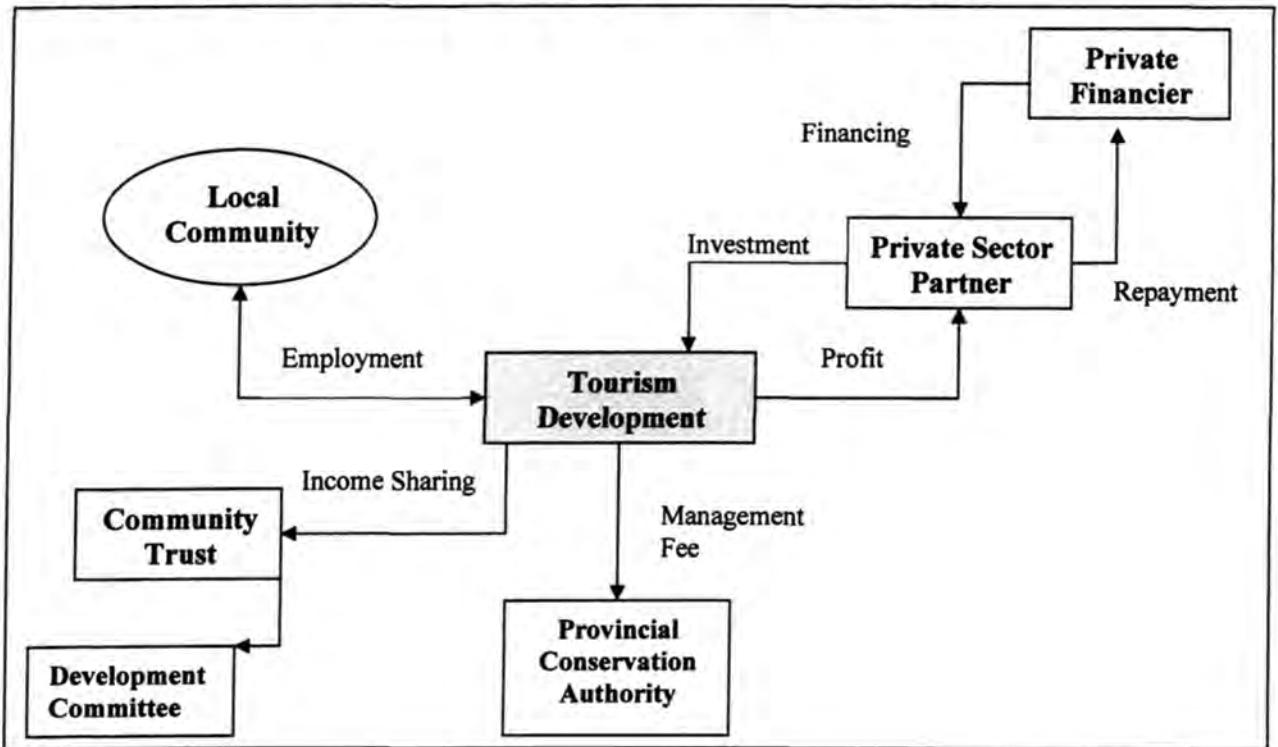
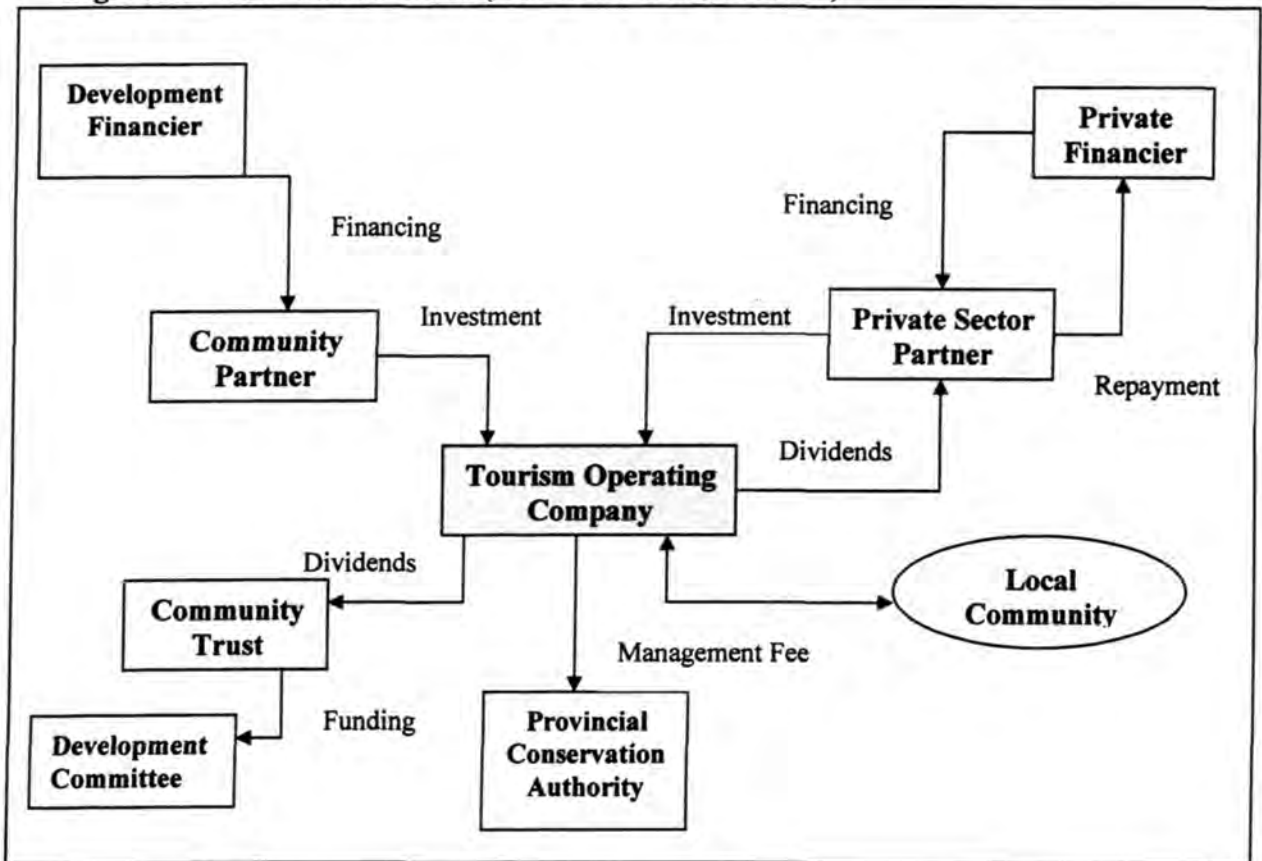


Figure 2.2: Joint Venture Model (after Lewis *et al.*, 1999: 20)



Smaller scale enterprises or products, for example: community-run campsites, arts and craft centres, cultural performances, and nature or adventure-based ventures are often more amenable to high levels of community ownership and management, since they require less in terms of initial capital outlay, sophisticated marketing, and specific tourism expertise (Lubbe, 2003; Spenceley *et al.*, 2002; Spenceley, 2003b). However, given that the level of investment on sole community-ventures tends to be much lower, revenues and resultant employment are usually smaller compared to privately or jointly owned enterprise. According to Roe *et al.* (2001): if 'ownership' is of greater value to the community than direct financial benefits, then the sole community venture would be the preferred tourism model. However, participating communities should realise from the outset that the associated 'cost' of this option is often less income.

According to Western (cited in Honey, 1999: 392): "low quality service and facilities, and lack of international marketing efforts", are two of the main reasons for community based tourism enterprises (CBTE), often failing to compete with other private sector operations. Although alliances with NGO's and experts can provide funds, skills, and even political clout, it is often difficult for community-run tourism projects to take hold and expand without full support from the state (Koch, 1997; Halstead, 2002).

Another important issue to take cognisance of in this model, is that whilst the community need not share its profit (after costs), it accepts *full* responsibility for potential losses. In other word, it is a high-risk model for the community. If the enterprise were to fail, this may adversely impact on the prospects of future business opportunities, since potential investors or tourism partners may feign shy of a community which has failed to run an enterprise on their own (Koch, 1997; Barrow & Murphree, 2001; Fabricius *et al.*, 2001).

2.3.4.4 Community Based Tourism in South Africa

South Africa's provincial and national government departments have, by in large, begun to build the concept of CBNRM into their policies and development strategies (Fabricius *et al.*, 2003). South Africa's Tourism White Paper (RSA, 1996) and most recent CBNRM and Responsible Tourism Guidelines (DEAT, 2002a;b) explicitly recognises 'community-based tourism' as a form of sustainable development, appropriate to the socio-economic and

environmental context of the country. Nonetheless, some tourism practitioners, such as McKenzie (2003), argue that whilst community-based tourism (CBT) has gained prominence in national and provincial legislature, it appears that it has not been conceptualised in a systematic manner by local municipalities, who have tended to equate all forms of *ad hoc* support for historically disadvantaged groups as 'community-based tourism'.

Whilst South Africa lays claim to some of the most pioneering and supportive policy regarding CBT, putting policy into practice is where the real challenge lies (Boyd, 2001; Mokgope, 2001; Fabricius *et al.*, 2003). According to Fabricius *et al.* (2001) there is mounting evidence to suggest that many CBNRM projects – including some previously touted as 'success' stories – are experiencing problems. The reasons provided for their high incidence of degeneration include:

- a lack of delivery of benefits large or tangible enough to make a significant impact on people's livelihoods;
- ill-defined property rights or protracted tenure reform;
- weak inter-agency and (government) departmental collaboration;
- undeveloped expertise around business management tasks and the operations of legal community institutions;
- inadequate emphasis on maintaining the adaptive qualities of communities and natural ecosystems (i.e. encouraging a diversity of livelihood strategies);
- a lack of strong community cohesion - i.e. micro politics, jealousies and factionalism often preclude community tourism initiatives from getting off the ground; and
- scant clarification on the responsibilities, functions and jurisdiction of traditional authorities versus local, provincial and even national government in terms of land and resource management

(Koch, 1997; Fabricius *et al.*, 2001; Ntshona & Lahiff, 2001*b*; Ashley and Ntshona, 2002 and Ashley and Wolmer, 2003).

These 'impediments' will be referred back to in the case studies and final research discussion.

2.3.4.5 Conclusion

After more than a decade of experimentation in community-based tourism, many researchers and policy makers have developed a better understanding of the factors supporting and encumbering community-based tourism initiatives. Whilst 'active' participation by beneficiary communities is being widely entrenched and accepted as important to the long-term success of the CBNRM initiatives, it is nonetheless recognised, that it is not *always* desirable to vest all management authority with the community (as advocated by the sole community-venture model), especially when capacity is lacking (Roe *et al.*, 2000; Fabricius *et al.*, 2001).

The paucity of appropriate tourism skills and business knowledge, at both an individual and collective level, is frequently documented as being the single largest barrier to meaningful participation of communities in tourism development (Ferrar *et al.*, 1997; Ashley & Jones, 2001; Ntshona & Lahiff, 2003*b*). The removal of this barrier would require well-resourced, appropriate skills and capacity building programmes in a broad range of skills from specific hospitality expertise to more general organisational, administrative and business management capacities. It is generally agreed that local NGO's and international donor agencies are well positioned (or have the access to grants) for such training and community 'capacity building' (Koch, 1997; Katerere, 2000 Ashley *et al.*, 2001; Jones, 2001).

Furthermore, the implicit assumptions of CBNRM are increasingly being called into question by practitioners, researchers and academics. Principally, these are that benefit-sharing, devolution of power, and the establishment of community development forums or natural resource management institutions, will automatically lead to more sustainable utilisation or protection of the natural environment (Katere, 2000; Mohamed, 2000; Fabricius *et al.*, 2001).

In recent years, a new approach to tourism, focused on 'harnessing of the industry to the direct benefit of the poor' (Roe & Urquhart, 2001), is being developed. This new approach is aptly referred to as 'Pro-Poor Tourism'.

2.3.5 Pro-Poor Tourism

Pro-poor tourism (PPT) is defined as “tourism that generates *net* benefits for the poor” (Ashley *et al.*, 2001:1). It is neither a product nor a niche sector but an approach to tourism development and management which aims to enhance the linkages between tourism businesses and poor people (PPT website, 2004). Strategies for making tourism ‘pro-poor’, focus on the ‘unlocking of opportunities’ that would benefit the poor rather than expanding the overall size of the sector *per se*. Benefits to the poor may be economic, but they may also be social, cultural or environmental (Roe & Urquhart, 2001; Spenceley & Seif, 2003). This approach contrasts with national development strategies, in which tourism is so often touted as the ‘most sustainable development path’ towards ‘growing the (national) economy’ – and where the overarching goal is increased Gross Domestic Product (GDP) and foreign exchange earnings (Mowfoth & Munt, 1998; Magi & Nzama, 2002).

According to Spenceley and Seif (2003: 7): Tourism’s potential as a ‘pro-poor’ strategy lies in four main arenas:

- “Tourism is a **diverse industry**, which increases the scope for a wide number of stakeholders and participants, including the informal sector;
- Because the **customer comes to the product**, this provides many opportunities for linkages and a multiplier effect in terms of economic (and other) benefits;
- Tourism is **highly dependent on natural capital**, which are assets the poor usually have access to, even in the absence of poor social or financial capital; and
- Tourism is a **labour intensive** industry with a high proportion of earnings accruing to women”.

Whilst the PPT approach has adopted many of the principles aligned to sustainable tourism, it denounces the sustainable tourism industry for not placing poverty at the heart of its agenda (Ashley *et al.*, 2000). Recognising the critical links between poverty – environment – and development, supporters of PPT maintain that in a world of mounting inequality, poverty reduction should become the driving cog for the sustainable development agenda (Roe & Urquhart, 2001).

Pro-Poor Tourism does overlap with other 'alternative' sustainable tourism niches such as ecotourism and community-based tourism (CBT), but it is not synonymous with either. According to Ashley *et al.* (2000; 2001), PPT considers environmental protection as being important to the sustainability of the tourism operation (endorsed by ecotourism), but this remains secondary to poverty alleviation goals. Community-based tourism initiatives, on the other hand, aim to increase local people's *participation* in tourism. Whilst this is a key component of pro-poor tourism, advocates of PPT maintain that their approach intends to unlock opportunities for the poor at all levels and scales of operation, not just at the community level. This would include such things as: expanding informal sector linkages, and creating a supportive planning and tourism policy framework that would directly address the needs of the poor.

2.3.5.1 PPT Principles

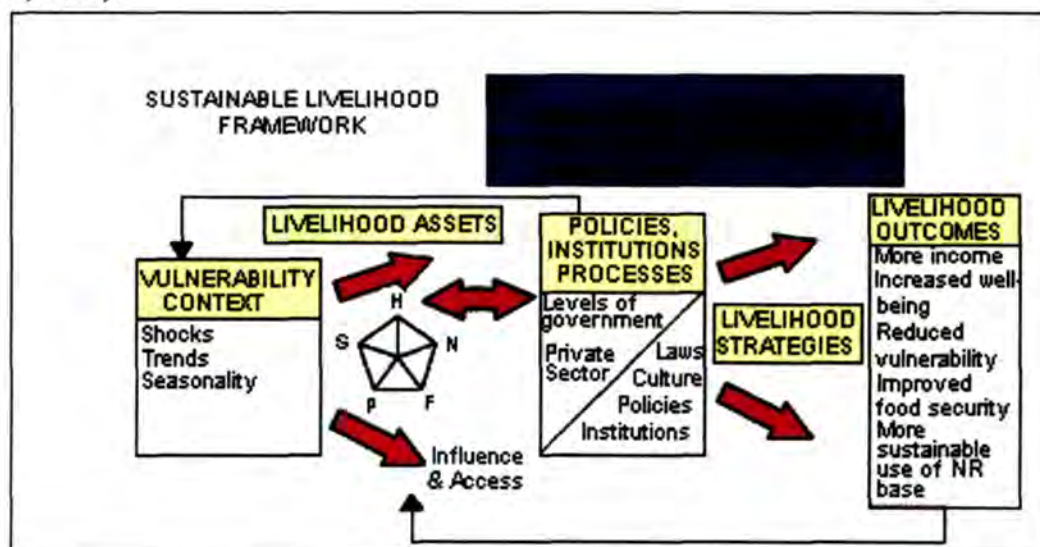
The key principles underlying pro-poor tourism, as identified by Deloitte & Touche (1999), and Ashley *et al.* (2000), are:

- **Participation:** poor people have to participate in tourism decisions from the outset, if their livelihood strategies and priorities are to be accounted for;
- **A holistic livelihoods approach:** a wide range of socio-economic and environmental concerns need to be recognised. Focusing merely on jobs and wages is inadequate. A pro-poor strategy also needs to be complemented by the development of wider tourism infrastructure;
- **A balanced approach** to the tourism industry as a whole is necessary. If competitive products, transport systems or marketing do not exist, the industry will decline and so will any pro-poor strategy;
- **Distribution:** promoting PPT requires some analysis of the distribution of both costs and benefits, and how to influence these. PPT aims to concentrate more on expanding benefits, not just minimising costs to the poor;
- **Commercial realism:** involve businesses in development initiatives and seek ways to enhance positive impacts for the poor within the constraints of commercial viability;

- **Flexibility:** pro-poor principles can be applied to any tourism segment from conventional mass tourism through to special-interest products, but a blue-print approach is unlikely to maximise benefits for the poor. As the contexts are widely divergent, so strategies need to be adapted to maximise positive impacts. These also take some time to develop; and
- **Learning:** as there is no single blueprint, learning from trial-and-error, and documenting this experience, is essential. Key lessons can also be drawn from other sectors such as small enterprise development, good governance, poverty analysis and environmental management, and adopted to a tourism context.

The pro-poor tourism approach pays particular attention to the impact that tourism has on livelihoods of the poor. Drawing from the Department for International Development (DFID's) experience in promoting 'Sustainable Livelihoods', PPT practitioners have made use of the Sustainable Livelihoods Framework (Figure 2.3) in case based assessments. For a detailed explanation of this framework refer to DFID's Website: <http://www.livelihoods.org>. Tourism affects livelihoods by changing access to different assets. However, assessing potential livelihood impacts is not simply a matter of counting jobs or estimating wage income (Cattarinich, 2001; Ashley & Roe, 2002b; Spenceley, 2003a;b). Pro-poor research has revealed a complex interplay of factors affecting livelihood security and the impacts of tourism (both positive and negative) on the poor (Ashley *et al.*, 2000; Meyer, 2003).

Figure 2.3: DFID Sustainable Livelihoods Framework. (Source: DFID Livelihoods Guidance Sheets, 2000).



Ashley *et al.*, (2000) have succinctly tabulated some of the potential impacts that tourism has on poor (and rural) livelihoods in Table 2.4

Table 2.4: Potential positive and negative impacts of tourism on livelihoods.

Tourism affects	Possible positive impacts	Possible negative effects
Livelihood goals	<i>Tourism can</i> support livelihood goals such as economic security, cultural life, health, increasing cash income of workers/entrepreneurs, contributing to cultural restoration, and catalysing improvements in hygiene.	<i>Tourism can</i> undermine economic security, self-determination and health, i.e. by creating dependency on a volatile industry among workers, creating local inflation, disempowering residents from decision-making, or exacerbating spread of disease.
Livelihood activities	Expand economic options, for example by creating employment and small business options for the unskilled and semi-skilled, or by complementing other activities, i.e. earnings in the agricultural lean season; or development of transferable skills.	Conflict with other activities, for example, impeding fishing, gathering, or agriculture, if land and natural resources are taken away. Clash with busy agricultural seasons; increase wildlife damage to crops and livestock.
Capital assets	Build up assets (natural, physical, financial, human, and social), for example, enhanced physical assets, if earnings are invested in productive capital; enhanced natural capital, if sustainability of natural resource management is improved.	Erode assets, i.e. lost access to natural assets if local people are excluded from tourism areas; erode social capital if conflict over tourism undermines social and reciprocal relations; over-burdening of physical infrastructure (sewage or water supply).
Policy and institutional environment	Improve the context or residents' ability to influence it, for example, by expanding local markets, focusing policy-makers' attention on marginal areas. Participation in tourism planning and enterprise can give residents new status, information and skills to deal with outsiders.	Exacerbate policy constraints, i.e. by diverting policy-makers' attention, resources and infrastructure investment to prioritise tourism over other local activities. Improved transport access and markets can undermine local production.
Long-term	Fit with people's underlying long-term	Create or exacerbate threats to long-

<p>livelihood priorities</p>	<p>priorities, for example, to diversify against risk, build buffers against drought, or by developing an additional source of income which continues in drought years.</p>	<p>term security, i.e. physical threats from more aggressive wild animals due to disturbance by tourists; economic vulnerability can be exacerbated due to dependence on volatile tourism.</p>
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(Source: Adapted from Ashley *et al.*, 2000; Ashley & Roe 2002b).

2.3.5.2 Findings from PPT Research

Although the concept is still relatively new, case-based research is currently being carried out to review livelihood impacts and lessons learnt from adopting PPT strategies (Cattarinich, 2001; Meyer, 2003; and PPT, 2004 - for working papers and publications). Although time will be the ultimate test for many of these PPT initiatives, it would appear that PPT intervention has proved effective in improving the livelihoods of the poor. Whilst some have been lifted out of the income defining bracket of 'poverty', even more have benefited from the non-financial livelihood opportunities created – such as improved access to infrastructure and information, capacity building, pride and cultural reinforcement (PPT, 2004).

However, more critical evaluation and critique of PPT initiatives remains to be made. A potentially contestable issue that may arise from this new tourism approach is whether poverty alleviation goals should, or would be, prioritised over notions of 'sustainability'. Should job creation be prioritised over the natural environment? Is tourism viewed as the 'most sustainable' development option by PPT advocates, or is it being peddled first and foremost, for its considerable employment potential and economic spin-offs that would benefit the poor and reduce poverty?

Although PPT appraisal has been mostly 'in-house' to date, researchers and practitioners have identified a number of issues, with potentially negative impacts for PPT. Ashley *et al.*, (2001) have summarised these in Table 2.5.

Table 2.5: Critical issues and implications for PPT

Issues		Implications
Market Access	Strength of existing economic elites	Breaking in is not easy. Government intervention, marketing links, intensive communication, profit motives and realism are needed.
	Location of poor people	Poor people – and hence PPT products – are often in remote areas with poor infrastructure. Investment in infrastructure (particularly roads and communications) may be needed to ensure viability.
Commercial sustainability	Attractiveness and quality of product	Unattractive products do not sell and will threaten the commercial viability of an enterprise. Involving the private sector (PS) in product development should help to ensure that initiatives are commercially realistic.
	Marketing	Marketing is critical if PPT is to compete in an already satiated tourist product market. Government or PS support may be needed to develop effective links and marketing strategies.
	Cost benefit	PPT can be expensive, especially when transaction costs are included. Costs may exceed the capacity of a company, community or government tourism department, making external (donor) funding necessary.
Policy framework	Land Tenure	Secure land tenure is important for attracting PPT investment. Land rights need to be clarified before tourism development goes ahead.
	Government attitudes	Government attitudes can be the driving force or stumbling block for PPT. Commitment is critical but not enough on its own.
Implementation issues	Skills and capacity gap	Capacity building is likely to be an essential part of any PPT initiative. Some form of external facilitation may be required.
	Communication and collaboration	PPT is most effective when different stakeholders work together. Investment in communication is required.
	Meeting expectations	Mismatched expectations and benefits can thwart initiatives. It is important to deliver short-term benefits while long-term schemes are developing.

(Source: Ashley *et al.*, 2001: 36).

2.3 5.3 Conclusion

Under the umbrella of 'pro-poor' tourism, many practical lessons have been learnt and recommendations made towards expanding opportunities and directing a larger portion of the benefits from tourism, towards the poor. Although PPT shares many of the same principles as other 'sustainable' tourism sectors, it is the first to place *poverty alleviation* as its principal objective (Deloitte & Touche, 1999; Ashley *et. al.*, 2000).

This approach therefore has particular relevance for countries such as South Africa, where after ten years of democracy, economic and political analysts estimate that approximately 40% of South Africans are still living below the poverty line - defined by the Marketing Research Bureau of South Africa in March 2004, as those members of society surviving on less than R 1 871 / per household of 4.7 people (Landman *et al.*, 2003).

2.4 Tourism and Sustainable Development in South Africa: The Policy Framework

In 1994, the Economist Intelligence Unit estimated the value of South African tourism to be less than two percent of total GDP. Latest available statistics show South Africa to be the best performing and fastest growing tourism industry in the world with tourism contributing R 72.5 billion to South Africa's GDP in 2002 (7.1% of total GDP) and accounting for one in eight jobs, including those jobs created in the informal sector⁶ (Moosa, 2003a, Makwakwa, 2003). Despite adverse global trends, the first quarter of 2003, showed an 11.2% increase in overseas arrivals, from 2002. This, according to the Ministry of Environmental Affairs and Tourism (2003a: 1), bestows our prominence as a "world favourite travel destination", and reiterates the value of the sector as a "leading contributor towards GDP, transformation and the creation of sustainable jobs" (Makwakwa, 2003; Moosa, 2003a).

The growing popularity of South Africa as a tourism destination can be to a large degree attributed to the remarkably smooth transition that South Africa has undergone from minority

⁶ Koch (1997) maintains that the more integrated and diversified the local economy. The more indirect employment is created.

rule to a united democracy. 'Madiba' magic and the rainbow nation acted as powerful magnets in stirring the interest of international tourists to visit the country. The new Department of Environmental Affairs and Tourism (DEAT)⁷, recognising the significant and largely untapped potential of tourism's contribution to economic growth and social reconstruction, began drafting a participatory, non-discriminatory *White Paper on the Development and Promotion of Tourism in South Africa* (RSA, 1996), in order to provide a policy framework for this rapidly mushrooming industry (Koch & Massyn, 2001; Magi & Nzama 2002: 68).

The 1996 Tourism White Paper recognised that, due to a racially discriminatory history and deliberate 'protectionism', tourism development in South Africa had largely been a "missed opportunity" (RSA, 1996: 5). During the apartheid era, the industry had been catering to a homogenous, predictable, and minority clientele, of the privileged (read: white) domestic tourist. As such, the potential of the tourism industry to boost national income, strengthen employment and rural economies, generate foreign exchange, spawn entrepreneurship and new services to stimulate other sectors of the economy, had not been fully realised (RSA, 1996).

It is fortunate that South Africa's transition to democracy and subsequent drafting of a new constitution and legislation coincided with a global movement towards a more socially and environmentally responsible development philosophy (Oelofse & Scott, 2002). In line with global trends towards sustainable development, the 1996 Tourism White Paper proposed '*Responsible Tourism*' as its principal sector (RSA, 1996; DEAT, 2002b; Spenceley, 2003a). '*Responsible Tourism*' is, like pro-poor tourism, ecotourism and CBNRM, essentially another brand of 'sustainable tourism' (Refer to Section 2.3.1, pp. 21).

Roe and Urquhart (2001: 5) define **Responsible Tourism** as:

"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".

⁷ The amalgamation of the Department of Tourism (previously located within the Department of Economic Affairs) with the Department of Environmental Affairs – i.e. the creation of DEAT – reflected the link between environmental protection, sustainable development and sustainable tourism.

Responsible Tourism advocates that all stakeholders involved in the tourism industry, from national government to one-man tourism operators, should take a proactive approach in developing, marketing and managing tourism initiatives, such that they comply with the three pillars of sustainable development: i.e. that they strive towards greater social responsibility, environmental sensitivity, and economic sustainability (RSA, 1996; Spenceley *et al.*, 2002).

The Tourism White Paper (RSA, 1996) recognised that whilst tourism had traditionally been promoted by government as a means to increase national income and foreign exchange earnings, there was a dire need to harness tourism for poverty relief, sustainable job creation, fostering of entrepreneurial opportunities for historically disadvantaged persons, and local economic development. According to the White Paper (RSA, 1996: 16): “responsible tourism is not a luxury for South Africa. It is an absolute necessity if South Africa is to emerge as a successful international competitor”. Responsible Tourism offers South Africa a unique opportunity to be a world leader in ‘new tourism’ and to set benchmarks for global best practice (DEAT, 2003).

In 1997, a follow-on report, *Tourism in Gear*, outlined a consolidated framework for implementation of the White Paper, emphasising the need for tourism to be “government led, private sector driven, community based and labour conscious” (Spenceley & Seif, 2003: 33). This publication was aligned with a more general shift in the African National Congress’ (ANC’s) policy framework towards a neo-liberal macro-economic policy (Hallowes, 2002; Spenceley & Seif, 2003).

The gazetting of the 1998 National Environmental Management Act (no. 107 of 1998), however, has been the most powerful piece of legislation passed, with the potential to convert a cornerstone of our constitution: ‘*that development must be socially, environmentally and economically sustainable...*’ into a more concrete reality (RSA, 1998; Oelofse & Scott, 2002). This Act explicitly identifies the need to promote greater co-operative governance and public interest in the environment, and focuses on three core domains: resource conservation and exploitation; pollution control and waste management; and land use planning and development (RSA, 1998; Wiggishof & Pienaar, 2001).

In May 2002, the DEAT published a set of National Responsible Tourism Guidelines, to provide guidance, quantifiable indicators and targets for South African tourism enterprises to adhere and strive towards (Kotze, 2002). These guidelines were formulated after a twelve-month participation and research process supported by the Department for International Development (DFID), with a sizeable complement of 'pro-poor', 'sustainable livelihood' and 'Fair Trade in Tourism'⁸ practitioners and researchers', making valuable contributions (Spenceley *et al.*, 2002; Spenceley & Seif, 2003).

Since the publication of the Tourism White Paper (RSA, 1996), the enactment of NEMA (RSA, 1998) and DEAT's National Responsible Tourism Guidelines (DEAT, 2002*b*), the transformation of South African's tourism industry is being spearheaded via two main tactics: black economic empowerment programmes aimed at emerging entrepreneurs; and policies to promote greater involvement in and benefit from tourism by poor rural communities (Roe & Urquhart, 2001). A number of government and parastatal-driven programmes, such as DEAT's Poverty Relief Programme and the Tourism Enterprise Programme (TEP), have also been created to promote greater involvement of previously disadvantaged individuals in the tourism industry (Spenceley, 2003*b*; Spenceley & Seif, 2003).

2.4.1 Conclusion

South Africa's remarkable democratic transition, its diverse landscape(s), wildlife, and rich cultural heritage, makes it one of the fastest growing tourism destinations in the world. The industry's potential to contribute towards job creation, income and development in regions previously neglected (i.e. through the colonial and apartheid years), is widely recognised. However, tourism should not be considered a quick fix solution to rural development and poverty alleviation. In order to contribute towards the redistribution of wealth and growth of the South African economy – whilst ensuring previously disadvantaged citizens are able to play a more meaningful role in the industry – tourism developments need to be carefully planned and implemented.

⁸ **Fair Trade in Tourism South Africa (FTTSA)** – the brand and trademark - was launched in January, 2001. The brand, into which 'responsible' tourism operators are encouraged to buy into (though they must comply with a minimum set of FTT principles and criterion), recognises and awards the private sector for support for community-based, emerging and micro-enterprise development, as well as trade with previously disadvantaged individuals and the informal sector (Seif, 2002).

In his address at the launch of southern Africa's 'people-first' tourism campaign, Koch (1997: 6) alluded to the paradox of where: despite the opportunity for international tourists (visiting South Africa) to see "off the beaten track destinations" and community-based tourism enterprises, there was little evidence to suggest that the traditional distribution of tourists to "Cape Town, the Garden Route, followed by a visit to Kruger National Park", had really changed. He stressed the responsibility that tour operators, the media, environmental and community-based pressure groups had, to ensure that travelers were made more aware of the significant socio-economic contribution they would make (i.e. to rural communities) by visiting areas that were off these well-worn travel routes (Koch, 1997) – such as the Pondoland Wild Coast and tourism enterprises documented in this research.

Whilst South Africa's new 'Responsible Tourism' philosophy, is designed to 'level the playing field' in this previously minority-lead industry, converting policy into practice is where the challenge lies. Since tourism is essentially a labour intensive industry, with limited scope for technological substitution, there is significant potential for job creation (both formal and informal) for individuals with a wide range of skills and education.

Future tourism development, focused around South Africa's natural and cultural assets, should be informed by the lessons learnt, experiences, and recommendations made by academics and practitioners with experience in the 'sustainable tourism' niches such as 'ecotourism', 'community-based' and 'pro-poor' tourism. Whilst a principal element of 'responsible tourism' is its commitment to environmental and cultural sustainability (as both ecotourism and community-based tourism stress), it is not enough to ensure the long-term sustainability of a 'responsible tourism' operation by simply safeguarding the attractions upon which it is based. For an environmentally and culturally sustainable tourism enterprise to become a more 'responsible' tourism operation, it needs to contribute tangible and lasting socio-economic benefits to its purported beneficiaries (Murphy, 1994; Koch, 1997; Fabricius, 2000; Shackleton & Fabricius, 2001). With an estimated 40% of South African's living below the poverty line (Landman *et al.*, 2003), the exigency to challenge poverty with environmentally responsible (and sustainable) development is paramount (Oelofse & Scott, 2002). Tourism development, which is people-centred but at the same time, sensitive to the ecological systems which form the basis of human survival, has potential to address poverty alleviation and environmental protection simultaneously.

CHAPTER 3: STUDY SITE IN CONTEXT

The Eastern Cape's Pondoland Wild Coast: A Socio-Economic and Environmental Perspective

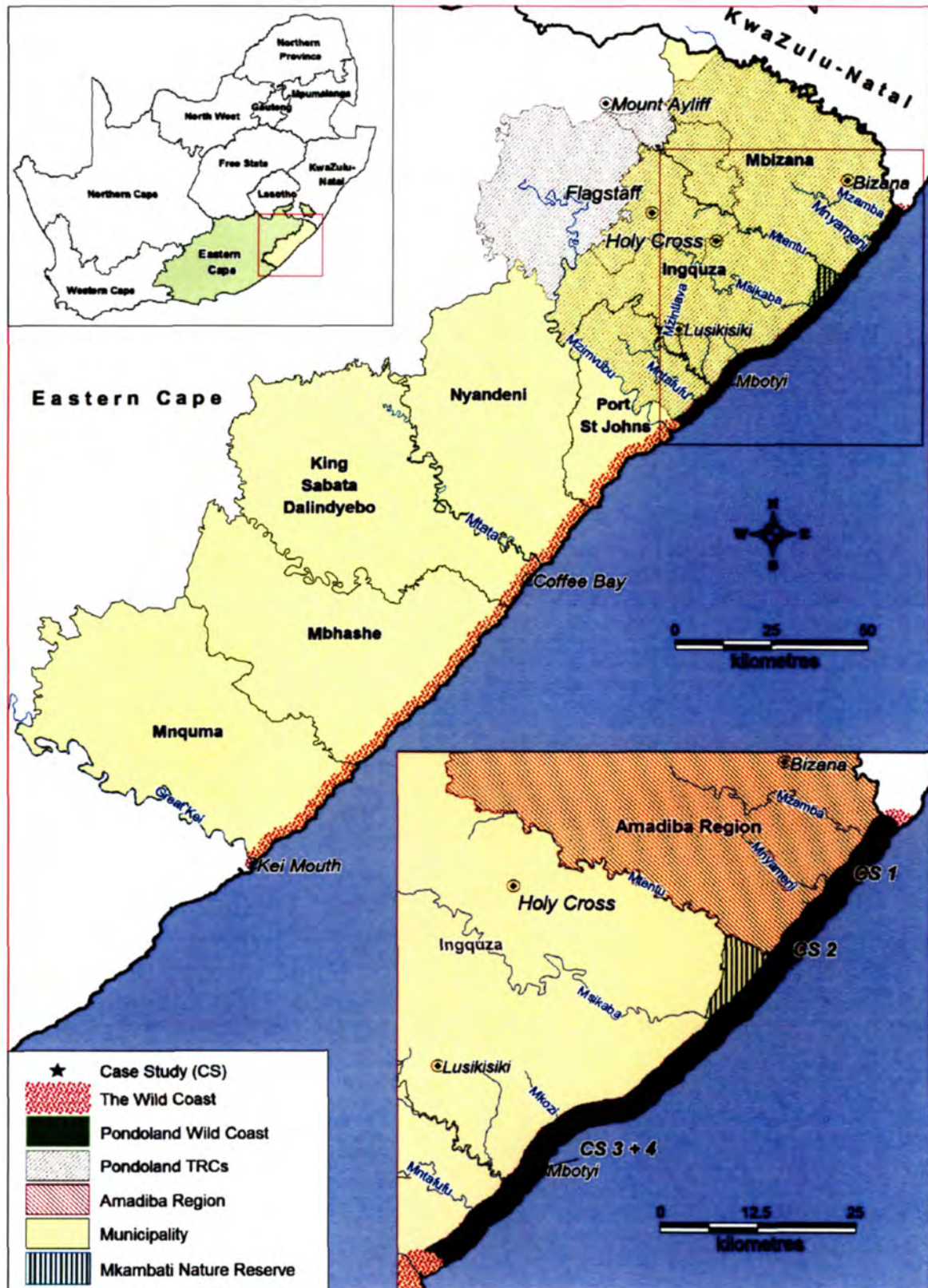
3.1 Study Area

'Pondoland', as defined by Nicholson (1997), is the northernmost section of the Wild Coast, stretching from the southern boundary of the Umtamvuna river (31°31'S 30°11'E) to the northern banks of the Umzimvubu river – boundary of Port St John's municipality (31°37'S 29°32'E) - in the south. The straight-line distance between these two boundaries is approximately 90 kilometres and falls within the administrative boundaries of the Eastern Cape Province (Nicholson, 1997; Ashley & Ntshona, 2002).

According to the most recent municipal delineations, this area is now classified as 'Eastern Pondoland', extending inland to include the old districts of Lusikisiki, Bizana, Flagstaff and Tabankulu but not Mt Frere or Mt Ayliff (Feely, cited in White *et al.*, 2002 – refer to Figure 3.1). The boundaries of Western Pondoland stretch from the Umzimvubu River in the North to the Umtata River in the South and includes the districts of Port St John's, Libode and Nqeleni (White *et al.*, 2002). The scope of this study, lies within the demarcations of Eastern Pondoland, but for convenience, will hereafter be referred to as 'Pondoland'.

It should be noted, that the terms 'Pondoland', 'Transkei Wild Coast', and 'Wild Coast', are used interchangeably throughout the research. To clarify the boundaries of these terms, the 'Wild Coast' refers to that stretch of coastline in the Eastern Cape Province spanning approximately 300kms from the Great Kei River in the south (north of Morgan's Bay, Eastern Cape Province) up to the Umtamvuna river in the north (the boundary between Eastern Cape and Kwazulu-Natal province – Figure 3.1), and was formerly part of the 'independent' homeland, referred to as 'Transkei' (Kepe, 2001). 'Pondoland' (the focus area of this research) is thus the northernmost section (third) of the Wild Coast. When the term 'Wild Coast' is used in the research, the northern Pondoland region is automatically included by this reference.

Figure 3.1: Location of the five case studies within the Pondoland Wild Coast, Eastern Cape.



(Source: Cartographic Unit, University of Kwazulu-Natal, Pietermaritzburg, 2004).

3.2 History and Administration

Pondoland has a long and colourful history. Archaeological evidence dates the presence of hunter-gatherers in the region from 150 000 - 500, 000 years ago (Cawe *et al.*, 1983, cited in Nicholson, 1997), whilst agro-pastoralist settlement in the fertile coastal valleys, dates back to the late 7th century AD. The language, customs and traditions of the Pondo people have developed over a thousand years of co-existence, with persons of Khoi-Khoi, Nguni and San origin (Feely, 1987).

The Pondo people have, over the centuries, passionately defended their land and culture against occupation from other groups. These have included the Mfengu and Bhaca, who fled from Shaka's reign of terror during the early 18th century (Nicholson, 1997), and in more recent times: the violent uprisings (known as the 'Pondoland Revolts') against apartheid betterment planning imposed by the former nationalist government (Mbeki, 1984; Pinnock, 2002).

Today, the smallest administrative unit within rural 'Pondoland', falls under the authority of the local headman (whom are usually government-appointed). People often refer to this person as the 'chief', but this is technically incorrect. The chief is actually the paramount chief or king, who in this case, is King Sigcau. The regional tribal authority of Western Pondoland is home to the Nyanda people, whilst the Qaukeni people are affiliated to Eastern Pondoland. Both the Nyanda and Qaukeni descend from the Mpondo tribal group (White *et al.*, 2002).

After 1994, the heads of the various tribal authorities, together with government councillors from the district municipality, formed the new District Authority. Approximately 30 or 40 of these headman administered areas make-up a magisterial district, which is under the control of a local government magistrate. There is however some overlap between the local municipal boundaries and the regional tribal authorities. Bizana and Lusikisiki constitute the regional tribal authorities within the study area, whilst Mbizana, Ingquza and part of Port St John's municipality are the magisterial districts. These all fall within the municipal demarcations of the O.R. Tambo District Council, which is a district municipality of Eastern Cape Province (SA Explorer Data, 2001 and 1: 500 000 Surveyor General Data, University of Kwazulu-Natal Cartographic Unit, Pietermaritzburg – Figure 3.2).

Amalgamating traditional leadership structures with new democratic forms of local government, within the ex-homelands, has not been an easy task. As was confirmed through a broad spectrum of field interviews: incapacity, jealousies, and power struggles frequently jeopardise many (potential) development projects, where consensus and compromise simply cannot be found. This is in addition to the contested division of responsibilities between national and provincial government departments (Ashley & Ntshona, 2002).

Figure 3.2: District Councils and overlapping Regional Tribal Authorities and Magisterial Districts on the Pondoland Wild Coast.



(Source: Cartographic Unit, University of Kwazulu-Natal, Pietermaritzburg, 2004).

3.3 Socio-Economic Background

The Eastern Cape Province has one of the lowest socio-economic development indices within the National Space Economy, and a human development index (HDI) which is one of the lowest in the country, second only to Northern Province. Nowhere is this more evident than in the rural coastal communities of the former Transkei homeland (RSA, 2002; Statistics South Africa (STATS SA), 2003).

Census 2001 statistics reveal that 38% of households within the O.R. Tambo Municipal District have *no* formal source of income. In other words, they are subsistence farmers, living off government grants and sporadic informal earnings. Twelve percent of households survive on less than R 4 800 per annum, and 25% on less than R9 600 per annum. Only 1% of households in this district earn more than R 153 600 per annum (Municipal Demarcation Board, 2004).

To afford a more in-depth insight into the socio-economic status of rural Pondoland coastal communities, some of key demographics from the latest census survey⁹ (2001), for the Mbizana and Ingquza magisterial districts (referred to as 'Qaukeni' by the 2004 Municipal Demarcation's Board) are provided as follows:

The total number of people living within the Mbizana and Ingquza magisterial districts, was calculated at 480 191. These people were divided amongst 86 023 households at an average of 5.6 persons/household.

Fifty-nine percent of the population is under the age of 20 years, whilst 35% of the population falls within the economically active age category of 20 - 64 years. However, 71% of this age group are unemployed. These rural coastal communities have a slightly higher percentage of aged people relative to the national average: 5.2%, in contrast to the national average of 4.9% (STATS SA, 2003). This is possibly as old people are well taken care of, often being the principal, or most regular source of income (in the form of monthly state pension), for many of

⁹ These statistics come from the most recent - 2001 Census Survey - as reported by the South African Municipal Demarcation Board (2003). Available online: www.demarcation.org.za. Since only a small portion of Port St John's (PSJ) municipality is included within the boundaries of the study area, PSJ statistics are excluded from these calculations.

these rural households. Eighty-three percent of households survive on *less* than R 12 000 total annual income, with 33% of these households having *no* formal source of income.

3.3.1 Basic Service Provision

As summarised in Figures 3.3 – 3.5, the number of households within the Mbizana and Ingquza magisterial districts, with a tap on-site, is less than two-percent (some white cottage owners, and tourism operations). Six percent of households have access to a public tap or government stand pump, and the remainder (89%) still depend on streams, springs and other natural water bodies for this basic, indispensable resource (Figure 3.3).

Forty-percent of households surveyed have no sanitation, whilst 58% make use of a pit latrine. Less than one-percent use a bucket latrine, and less than two-percent have a flush toilet within their place of residence (Figure 3.4). Eighty-one percent of households have no access to telephone services (either public or private). Sixteen percent of households have access to a public phone booth, but not necessarily within their village locale.

Less than five-percent of dwellings are on the local electricity grid, whilst 81% of households rely principally on candles for their lighting requirements. Thirteen percent make use of paraffin, and less than one-percent use gas (Figure 3.5).

Figure 3.3: Water Provision in Mbizana and Ingquza magisterial districts.

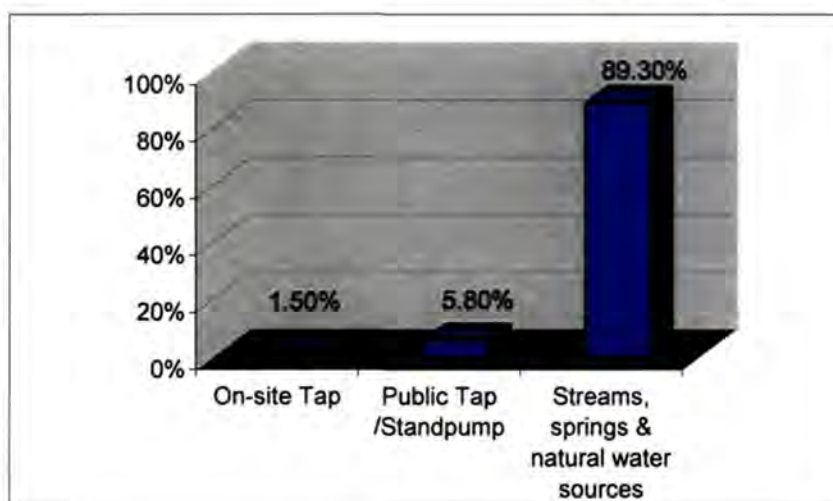


Figure 3.4: Sanitation in Mbizana and Ingquza magisterial districts.

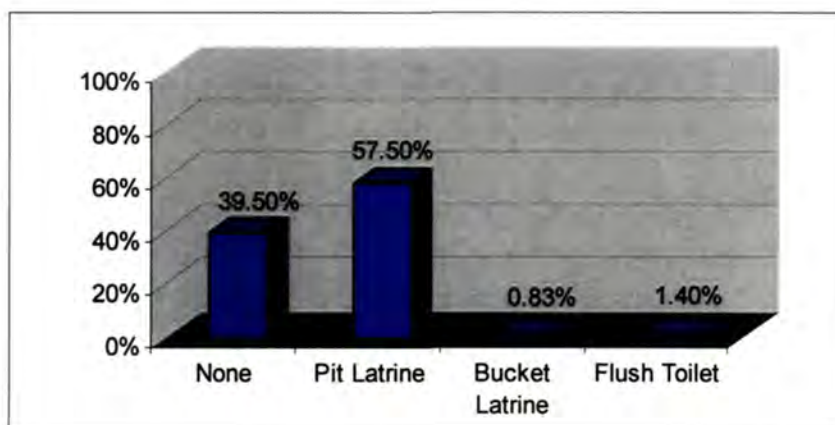
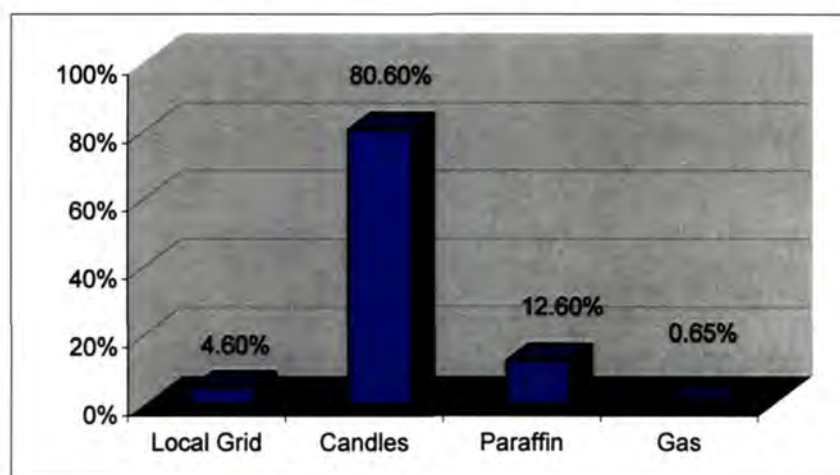


Figure 3.5: Lighting Sources in Mbizana and Ingquza magisterial districts



It is evident from these statistics that national government's 'Basic Service Delivery' programme is still to stretch as far as these historically marginalised coastal communities. Poverty and lack of access to even the most basic services, means that rural coastal communities are usually heavily reliant upon the 'free' goods and services provided by their natural environment. Sustained access to, and provision of, these resources remains key to their well-being and quality of life. If 'sustainable development' is about using natural resources to improve human welfare today, without compromising the needs of future generations, then it should follow that the development initiatives planned for the Pondoland Wild Coast, recognise this fact. Is this the case?

3.4 Wild Coast Development Strategies: From a macro-scale Spatial Development Strategy to a 'Community-Based' Tourism Initiative.

The Wild Coast, as Kepe (2001: 20) describes it “ is an area of deep contrasts”. As is clear from the previous section, it is characterised by high levels of unemployment, poor health care and rudimentary infrastructure with poverty levels some of the highest in the country (Anderson & Galt, 1998 cited in Kepe, 2001; CIETAfrica, 2001); and yet its pristine natural beauty and rich biodiversity makes it, potentially, one of the most economically valuable regions in the province. Poverty and the environment are thus two core issues at the heart of the Wild Coast development debate (Kepe 2000; 2001).

Development projects which seek to harness the natural environment for socio-economic upliftment, have become a prevailing discourse for the Wild Coast. After the 1994 elections, with the homeland of Transkei once more included on the South African map, government devised a macro-economic strategy to redress the situation of poverty and underdevelopment, entrenched by an “apartheid space economy” (ECDC, 1998: 1). This was in the form of a Wild Coast Spatial Development Initiative.

3.4.1 The Wild Coast Spatial Development Initiative (WC SDI)

The Wild Coast SDI, conceived of in 1995-1996, was one of ten nationally-implemented development strategies, intended to ‘unlock’ the inherent economic potential of the region through targeted government investment in key areas: specifically, infrastructure and service provision, which it was envisioned, would help attract private-sector investment to the region. The Wild Coast was naturally identified as a ‘high-priority’ development area because of its extremely high poverty levels and legacy of deliberate ‘underdevelopment’. Tourism, commercial forestry, and agriculture were earmarked as the lead economic sectors for the WC SDI, in line with government’s Growth, Employment and Redistribution (GEAR) policy (ECDC, 1998; DTI, 1999; Ashley & Ntshona, 2002).

The ‘agri-tourism’ SDI initially fell under the Department of Transport, as its anchor project was to be a coastal road connecting the province of Kwazulu-Natal to the city of East London,

Eastern Cape, cutting through the Pondoland section of the Wild Coast. However, when the toll road failed to materialise (as government never managed to secure private sector financiers), responsibility for the SDI shifted to the Department of Trade and Industry (DTI) for a brief period before it found a home in the national Department of Environmental Affairs and Tourism (Gerardy, 2001; Ashley & Ntshona, 2002).

The SDI's approach to tourism development, was that it should be private sector driven, but that government would act as an intermediary agent - removing key blockages (such as through the upgrading of infrastructure) and facilitating a more 'investor-friendly' environment. It did however recognise, that due to the Wild Coast's pristine environment and unique geography, a planned nodal approach (as opposed to haphazard ribbon development) to tourism development would be prudent (Nicholson, 1997; Sturgeon, cited in Ashley & Ntshona, 2002, Cooper, *pers comm.*, 2003).

Although underpinned by laudable social-development goals, the Wild Coast SDI has on the whole, failed to translate into practice (Kepe, 2000, 2001; CIETAfrica, 2001; Ashley & Ntshona, 2002). Some of the key reasons given for its failure, as identified by Kepe (2000; 2001), was that: it sought fast-track, large-scale development and investment which was not entirely appropriate to an undeveloped, low-skilled and ecologically sensitive environment); it tried to skirt around the contentious, albeit critical, issue of land-holding and tenure reform; it made massive assumptions regarding 'beneficiary communities' without taking the time to understand local realities or competing agendas; there was a lack of sustained leadership driving the initiative in addition to weak inter-governmental cooperation; and it pursued a top-down technocratic approach without first taking the time to secure 'buy-in' from community, local, or provincial government authorities. Finally, Ashley and Ntshona (2002) maintain that the underlying assumptions of the WC SDI, were themselves, inherently flawed. The belief that a small amount of public sector spending would leverage in huge sums of private sector investment, and that the private sector would be *willing* to finance this infrastructural development, was a highly unrealistic expectation, in their opinion.

In essence, the Wild Coast SDI never made a meaningful contribution to improving the lives of the rural poor it was designed to benefit as it took a neoliberal, macro-economic approach to developing the Wild Coast, which failed to take sufficient cognisance of the complex

environment and local communities into which it was being prescribed. Although it was conceived with a 'sustainable development agenda', for the reasons provided above, this did not translate into practice. In fact, Kepe, (2000; 2001: 78) believes that, it has in fact been more of a "disruption" to the lives of the people it was intended to benefit, by "raising expectations and failing to deliver". This is especially true for those individuals who clung onto land or other assets in the expectation of becoming party to new developments, which never materialised (CIETafrica, 2001; Ashley & Ntshona, 2002).

For a while things went ominously quiet on the SDI front, until in March 2000, the European Union (EU), "in support of the Wild Coast SDI", provided a €12.8 million grant (between R 80 – R 85 million, depending on the rate of exchange) to promote "community-based tourism development on the Wild Coast" (DEAT & EU, 2001: 1).

3.4.2 The EU Wild Coast Community Tourism Initiative

The Wild Coast Community Tourism Initiative (WCCTI) is a bilateral partnership between the National Department of Environmental Affairs and Tourism (DEAT) (as central implementing agents) and the European Union (as principal funders), and was designed to foster 'community-driven', 'responsible' tourism development along the Wild Coast (DEAT and EU, 2001; ECODES, 2003). Tourism was identified as a logical means to fulfilling the national SDI directive aimed at unlocking the inherent and under-utilised development potential of a previously marginalised homeland; generating long-term international competitiveness; forging stronger public / private sector partnerships; and economic growth - all advocated by national government's GEAR strategy (DEAT & EU, 2001; Ashley & Ntshona, 2002).

The national DEAT appointed three non-governmental organisations (NGO's) as the principal implementing agents of this programme (considered to be an 'unconventional approach' for a Programme of this size). They were: PondoCROP (a local NGO, responsible for enterprise development and community facilitation); the South African arm of the World Wide Fund for Nature (to ensure tourism developments proceed in compliance with environmental best practice); and Triple Trust (responsible for the community training and skills development component of the programme). It would appear however, that these NGO's were appointed without first having to go through a competitive tender process, or providing evidence that they

would be capable of delivering on a Programme of this magnitude and funding (DEAT & EU, 2001; ECODES, 2003).

The original financing agreement proposed that in collaboration with the established private sector, a total of 300 viable community projects would be developed within five anchor areas (covering the entire Wild Coast) over the four-year lifespan of the Programme. The five selected development nodes, were much akin to those identified by the original Wild Coast SDI (Bailey & Haynes, *pers comm.*, 2003; ECODES, 2003). It was soon discovered however, that the remote, politically-sensitive, and complex institutional environment of the Wild Coast, made this a highly unrealistic target (Bailey, Haynes, Trebble, Wiggishof, *pers comm.*, 2003/2004). Many of the issues blamed for 'poor delivery' of the EU WCCTI Programme, were akin to those identified in the critique' of the Wild Coast SDI failings. Principally, these entailed: a non-acceptance of the Programme at provincial and local government level as it was perceived as having been 'parachuted' in from a national directorate; the inability to fast-track land reform – so that rural communities can gain access to land to use as collateral in joint-venture tourism partnerships, and that private sector investors may be offered some form of contractual security; confusion around overlapping institutional mandates with respect to development and access to natural resources; and too large a development area, with resources and development nodes being too widespread.

The EU Programme was initially designed to be a 'pilot project', to test different tourism models, with a view to replicating these nationally. The two principal business models proposed for trial, were: a) the community-driven tourism model and b) private sector–community partnerships. However, it would appear, that only the 'community-based' tourism model has gained any advance or 'reality-test' (ECODES, 2003; Research Findings, 2004).

The relevance of the EU WCCTI Programme to this study is that the Amadiba Horse and Hiking Trail – the 'sole' community-based tourism enterprise and first case study of this research – became the 'lead product' for this external donor programme. The benefits and ramifications of this patronage will be discussed within the Amadiba Adventures case study (CS 1 – refer to Figure 3.1).

3.5 The Natural Environment

Pondoland has a mild sub-tropical climate with a small seasonal temperature variation. This makes it favourable for tourism all year round, but temperate enough to avoid tropical diseases such as malaria. However, the region does experience a relatively high average annual rainfall¹⁰ (1 200mm/ pa), with the rainiest months experienced during summer from October to March, and a minimum of at least 50mm expected on a monthly basis. Tourism operators should plan for inclement weather conditions any time of year (Nicholson, 1997; White *et al.*, 2002).

A typical Pondoland landscape is characterised by step-like grassland plateaus descending down towards the coast, dissected by steep gorges and a forest patch mosaic (Low & Rebelo, 1996; Nicholson, 1997; van Wyk & Smith, 2001). Arenite Quartzitic sandstone forms the substrate for this landscape, stretching in an approximately 15km wide band from the Umtamvuna River (Port Edward), to a clear-cut termination at the Egossa Fault, 3kms north of Mbotyi (Johnson, 1991 cited in Nicholson, 1997; White *et. al.*, 2002). It is this substrate which underlies the Tongoland-Pondoland centre¹¹ of plant endemism, which is one of three major regions of plant biodiversity in South Africa (van Wyk & Smith, 2001; Cooper, 2003). Natal Sandstone soils, which predominate along this coastline, are largely unsuited to intensive agriculture because of their shallow, highly leached, and acidic nature (Shone, 1985; Van Wyk, 1992, cited in White *et. al.*, 2002).

Although the hard quartzitic rocks have created gentle 'tableland' like formations running parallel to the coast, the deep ravines created by the numerous youthful rivers, which cut through them, have thus far provided a serious barrier to the construction of a coastal road. As a result, there are numerous arterial (predominately dirt and 4x4) roads, which feed off the

¹⁰ Estimated at around 1 200 mm/year as taken from average annual measurements of Mkambati Nature Reserve (Nicholson, 1997).

¹¹ The **Pondoland Centre** (PC), albeit small, is recognised as one of the most important centres of plant diversity and endemism in Africa (Davies *et al.*, cited in van Wyk & Smith, 2001). The centre is demarcated edaphically as encompassing the relatively large outcrop of the Msikaba Sandstone Formation, which extends along the Indian Ocean from the Umzimkulu River in southern Kwazulu-Natal to the Egossa Fault (just north of Mbotyi in the Ntsubune region) in Pondoland. Also included are the smaller outcrops of sandstone around Port St Johns (Mt Sullivan and Mt Thesiger), Uvongo, and the small interval of predominantly Karoo sediments between the Egossa Fault and Port St Johns. There are in excess of 1 800 different vascular plants within this centre, with more than 120 of them (6.7%) being endemic to the area (van Wyk & Smith, 2001).

main R61 and run between these river gorges, to the coast (Nicholson, 1997). In the southern parts of Pondoland, these tablelands end precipitously as steep cliffs, giving rise to scenically dramatic coastal features such as Cathedral Rock and Waterfall Bluff (Nicholson, 1997; White *et al.*, 2002) Refer to Plates 1-2.

In the northernmost portion of the study area, there are ancient sand dunes which contain fossils dating back to the Middle and Upper Pleistocene (Johnson, 1991 cited in Nicholson, 1997). Within the Amadiba region, coastal dunes near Xholobeni, have recently come under threat from mining, after a prospecting lease found them to contain high traces of the heavy metals rutile, titanium and ilmenite (Pinnock, 2002; Sapa, 2002; TEM, 2002; Bishop, 2003a;b).

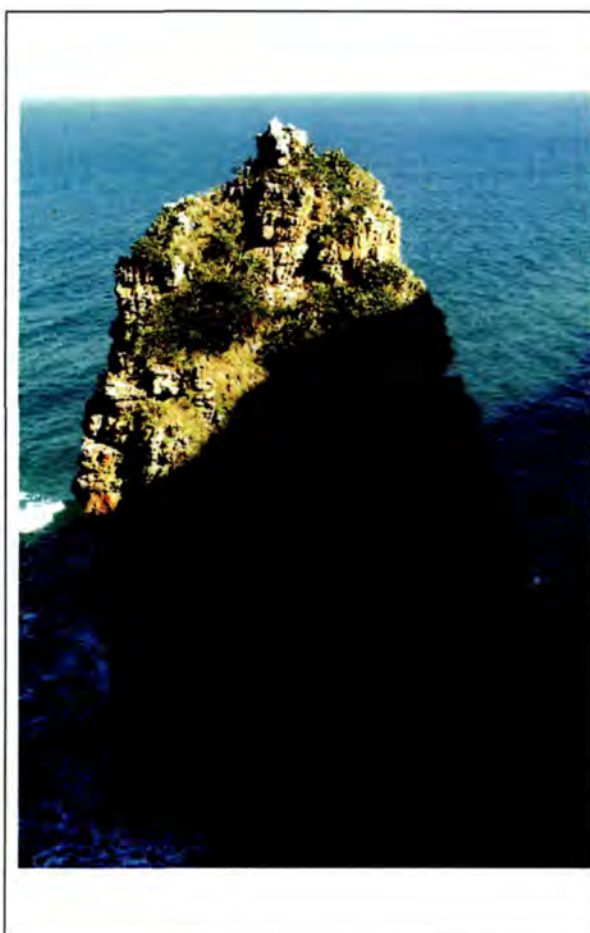


Plate 1: 'The Castle': A freestanding rock feature similar to (and 2km south of) Cathedral Rock (Source: Colvin, 2003).

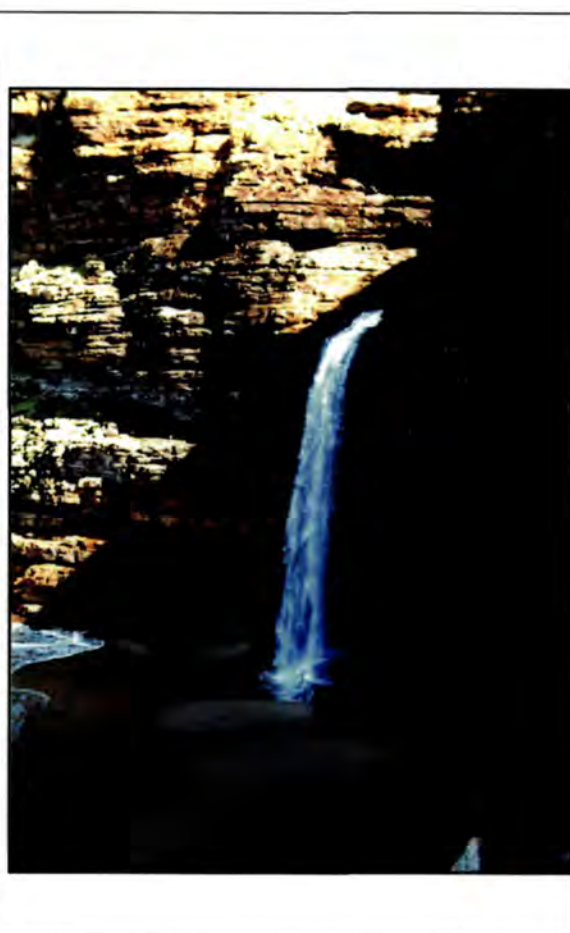


Plate 2: Waterfall Bluff. One of the highest waterfalls with fresh water plunging directly into the ocean (Source: Colvin, 2003).

3.5.1 The Marine Environment

The Wild Coast is both revered and feared for its high-energy waves, jutting headlands and rocky reefs (Costello, 2001). A storm zone inimical to human structures and freak wave phenomena, makes this coastline hazardous to shipping. The many ancient and modern shipwrecks strewn along the coastline bear testimony to this (Nicholson, 1997).

Whilst the Pondoland coastline supports a high degree of biotic diversity, largely due to the southward sweeping Agulhas current which transports tropical fish species from northern equatorial waters, the low nutrient content of these waters makes them unsuitable for supporting large fish populations or capable of sustaining a commercial fishing industry (Nicholson, 1997). It is however, a popular holiday destination amongst recreational fishermen. Coinciding with the first gales of winter, huge shoals of sardines migrate up the coastline, accompanied by an entourage of predatory gamefish, dolphins, sharks and seabirds. This annual phenomenon is a potentially massive, but remains a largely untapped, tourist attraction. (Costello, 2001; Heydorn, 1989, cited in White *et. al.*, 2002).

In terms of biological importance, the Pondoland coast scores high in marine invertebrate (including intertidal) and fish diversity (Fielding *et. al.*, 1994 cited in White *et. al.*, 2002). It is an important spawning area for many linefish species, such as red steenbras (*Petrus rupestris*) and poenskop (*Cymatoceps nasutus*) (Buxton & Clark, 1989, cited in White *et. al.*, 2002), and is home to some of the most productive and pristine estuaries in the country (INR, 2003).

In February 2004 (Sapa, 2004), Marine and Coastal Management (MCM) officially declared the Pondoland Wild Coast a Marine Protected Area (MPA) in compliance with the Marine Living Resources Act (Act 18 of 1998, refer to Appendix 4). Stretching from the Umtamvuna River (Port Edward) down to the Umzimvubu River (Port St Johns) and 15kms out to sea, this MPA is approximately 1 300 km² in extent, and brings the proportion of South Africa's coastline under 'formal protection' to 19% (just short of the 20% recommended internationally) (Enslin, 2004; Sapa, 2004).

3.5.2 Terrestrial Ecology

In the northern Pondoland tablelands, a dense and sour grassland comprising primarily *Themeda triandra* and *Tristachya leucothrix* species, predominates (Acocks, 1988; Nicholson, 1997). Grasslands constitute a valuable natural resource as thatching material, traditional medicine, and cattle grazing. Containing over 80 species endemic to the Pondoland Centre, grasslands are the most threatened vegetation type in the area. Whilst grasslands closest to the coastline are considered to be in relatively good condition, those further inland have come under increasing threat from overgrazing, subsistence agriculture, afforestation and commercial maize and sugar cultivation (White *et al.*, 2002).

According to Nicholson (1997) and Cooper and Swart (1992), the main forest types occurring within the study region are Pondoland coast forest, dune, swamp forest and mangroves. All of these are of a high ecological and conservation value.

3.5.3 Status of Nature Conservation and Environmental Legislation pertaining to the Pondoland Wild Coast.

There is a plethora of legislation and policy relating to natural resource utilisation, management, and environmental protection on the Pondoland Wild Coast. The situation is further complicated by the fact that although the former self-governing territories, as it was 'Transkei', no longer exist as legal entities, many of the former statutes and proclamations still apply. These stand until they are officially repealed in a court of law, and succeeded by the environmental laws pertaining to the rest of South Africa. This has resulted in 'legal plurism' (Wiggishof, *pers comm.*, 2003), where according to the specialists: there is no single policy or legislative framework which exists to formally legislate or guide development in the region, other than 'guideline' documents such as the Tourism Development Guidelines for the Wild Coast (1997) (Wiggishof & Pienaar, 2001).

Appendix 4 summarises the key legislation pertaining to conservation, management and utilisation of natural resources on the Wild Coast. However, of particular relevance to tourism development on the Wild Coast is the Transkei Environmental Conservation Decree (no. 9 of 1992), commonly referred to as 'the Decree'. Originally a military decree, proclaimed under

the old Transkei authority of General Bantu Holomisa, this decree effectively serves to establish a Coastal Conservation area 1 000 metres landward of the high water mark, measured:

(a) in relation to the sea, as distinct from tidal lagoons;

(b) in relation to a tidal river or lagoon, from the highest water level reached during an ordinary storm, excluding exceptional or abnormal floods.

The decree explicitly prohibits a number of listed activities, including: clearing of land, erection of buildings, establishment of waste disposal sites, building of dams and roads, and / or any other activity which has potential to disturb the natural state of vegetation, land or waters, without the authority of an appropriate permit. Although it is not overtly stated, the issue of such permits is unlikely to be granted without a full environmental impact assessment (EIA) (Wiggishof & Pienaar, 2001).

The 'decree', in theory, provides a powerful environmental blanket over communal land in the coastal zone. It is in fact the contravention of this decree, which forms the basis for the alleged illegality of holiday cottages established along the coastline after 1994 (Nicholson, 1997; Wiggishof & Pienaar, 2001).

Recognising the unique environment of the Pondoland coastline and its incompatibility to regular forms of development, it was proposed by the Wildlife and Environment Society of South Africa (WESSA) that a protected area be established here. The Pondopark proposal, in Ashley and Ntshona's (2002: 28) opinion is, potentially...

"the biggest thing to happen on the Wild Coast, potentially another big plan that goes nowhere, and potentially a plan that sparks popular resistance that goes well beyond the apathy and jibes sparked by the SDI"

3.5.3.1 The Pondopark Initiative

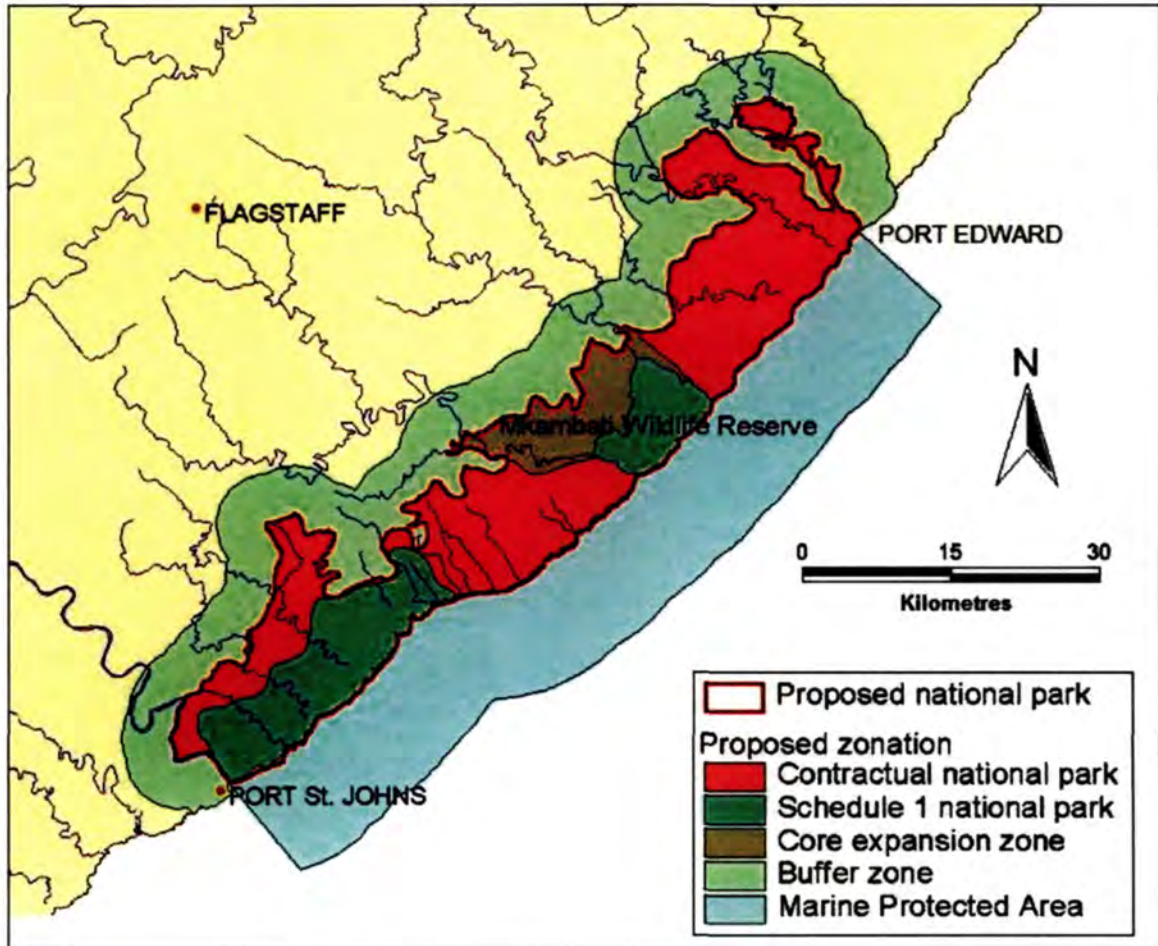
In line with a general shift in conservation ethos from a preservationist 'fines and fences' approach, towards more sustainable utilisation and participatory resource management, the development of a contractual 'biosphere'¹² park, stretching from Port St Johns to the Umtamvuna River (Port Edward), was first proposed by the South African Wildlife and Environment Society (WESSA) some twenty-seven years ago (Cooper, 1977 cited in Nicholson, 1997; Cooper, 2002; 2003). Figure 3.6 details the proposed boundaries and zonations of this contractual park.

The Transkei Coastal Development Planning documents of Els and Taylor (1979, cited in Nicholson, 1997) and Nicholson (1993) endorsed the vision, on the grounds that Pondoland was incompatible to regular forms of development such as commercial agriculture or industry, but that its pristine beauty, and high biological diversity, was ideally suited to sensitively planned tourism development within a formally protected area (Nicholson, 1997).

The overall vision was to create a protected area which would combine high level protection (i.e. Schedule 1 areas) for sites of high ecological value - such as the State forest reserves, estuaries, biodiversity hotspots, and nature reserves - with other settled and lower conservation priority areas, into a biosphere type park (Cooper, 2002). A 'nodal' approach to development would then promote environmentally compatible land use (such as forestry and eco-tourism) in the 'buffer' and 'transition' zones.

¹² Biosphere reserves are effectively multiple land use areas, organised into three interrelated zones of 'core conservation' area(s), *buffer zone* and *transition area(s)*. Ideally, the intensity of human activities decreases concentrically from the periphery transition zone out towards the 'core' conservation area(s), but there may be multiple core areas within a single reserve (UNESCO, 2004).

Figure 3.6: Proposed boundaries and zonation for a Pondoland Conservation Area



(Source: Conceptual Report to DEAT, Castley, 2001, edited by Cartographic Unit, University of Kwazulu-Natal, Pietermaritzburg, 2004).

The Nicholson Report (1997) (commissioned by WESSA), put forward a well-documented and convincing proposal for the establishment of a National Park. It was never intended to be prescriptive regarding *how*, or *who* should spearhead the initiative, but recommended that a National Park Task Team be formed, which could collaborate with some form of broader stakeholder authority (much like the Greater St Lucia Wetland Park Authority) and would include representatives from Eastern Cape Government (Mkambati Nature Reserve is currently under control of the Eastern Cape Department of Nature Conservation), the National Department of Water Affairs and Forestry (responsible for indigenous State forest reserves), National Parks Board, the Department of Environmental Affairs and Tourism (responsible for

the marine and intertidal zone), Wild Coast business and community groups, as well as the local municipal and tribal authorities (Nicholson, 1997; de Beer *et al.*, 2002; Cooper, 2003b).

However, it would seem that in early 2000, the initiative got 'hijacked' into the realm of the Wild Coast SDI (then being headed-up by the Department of Environmental Affairs and Tourism), with South African National Parks suddenly taking a spirited interest in the park proposal, to the perceived 'exclusion' of province¹³. In February 2001, President Mbeki, in his State of the Nation Address, confidently announced (to the surprise of many) that the Pondopark plan was to go ahead (Bailey & Cooper, *pers. comm.*, 2003). However, it appears that province has voiced staunch dissent against the Pondopark proposal (as they feel they will be losing their prime nature reserves over to SANParks) and managed to defer further action. Since President Mbeki's speech there has been no word or clarification as to whether the Pondopark will proceed or not.

The latest development, according to Keith Cooper (*pers comm.*, 10 April, 2004), is that province, under the mentorship of the Wilderness Foundation and backed by Global Environment Facility (GEF) funding, are re-examining the entire Pondoland coastline for future protected area status. Those in the know surmise that this protected area will be closely aligned to the original boundaries of the Pondopark, as much of the original literature and environmental surveys are being redeployed.

With the impending threat of mining and the extension of the N2 highway, an almost *fait accompli*, there has never been a more critical need for a decision to be made. Whether Pondoland is declared a National Park, or not, has momentous bearing for future tourism development, conservation, natural resource management and 'sustainable Pondo livelihoods'.

¹³ If the area were declared a 'National Park' according to the National Parks Act (57 of 1976), South African National Parks (SANParks) would become the principal administrative authority for the park. Eastern Cape Province were understandably opposed to this plan as this would mean conceding ownership and control over protected areas such as Mkambati (considered a 'gem' in their portfolio) to SANParks.

3.5.4 'Sustainable Development' or Environmental Threat?

3.5.4.1 Where to, the N2?

Perhaps *the* single biggest development, with implications for the sustainability and development of tourism on the Pondoland Wild Coast, is the proposed extension to the N2 highway, which is planned to cut through the Amadiba coastal region. Over and above its impact on the natural environment, this toll road could have a significantly adverse impact on the community-based horse and hiking trail currently operating in the area.

A 'superior primary road' was first identified in 1997 by the Wild Coast Spatial Development Initiative (WC SDI), as an essential catalyst to "facilitating access to previously untapped areas of the Wild Coast... and creating local development opportunities in the short and long-term" (Alli, cited in Rogers, 2004a [online]). It was one project of the WC SDI, which had backing from *all* sectors of government, but which ironically, ended up being shelved due to insufficient private sector buy-in at the time (Ashley & Ntshona, 2002; Bailey *pers comm.*, 2003). However, in November 2000, after an unsolicited in bid from a consortium of private and parastatal construction companies (SANRAL, 2001), the Wild Coast Toll Road was back on government's 'priority' agenda. Bohlweki Environmental were appointed to carry out a mandatory EIA, which after two years and four volumes later, was explicitly detailed, but critics maintain, "inherently flawed" (Kay, *pers comm.*, 2004 cited in WESSA, 2003, 2004; Davies, 2003:1; Guy & Herrington, 2003) as it failed to consider alternative routings or other development options, including the 'no go' option.

The South African National Roads Agency Limited (SANRAL) (a private company representing government), fervently denies this assertion. According to them: eleven alternative routings were investigated for the greenfields section between Port Edward and Lusikisiki, as laid out in the EIA. These routes included some that were more closely aligned to the coast, and others that were further inland (Figure 3.7 maps three of these 'proposed' routes – information for mapping provided by de Beer *et al*, 2002 and Bohlweki Environmental, 2003) According to SANRAL (2004 a;b): what transpired from the EIA recommendations was that a route closer to the coastline would endanger more ecologically sensitive areas (including rare vulture colonies), whilst routes aligned further inland would need to traverse more river basins

and large tracts of indigenous forest. They maintain that the route they have selected (Delineated as 'Proposed Inland Route' (green) in Figure 3.7), on the basis of the EIA recommendations, strikes the most favourable balance between protection of the environment and social welfare requirements. It is, in their opinion, "the most sustainable development option" (SANRAL, 2004 *b*:1).

Whilst approximately 80% of the 550 kilometres of proposed highway will follow the existing road alignment of the R61 and N2, the new road sections, proposed to cut through 'greenfield' (pristine or undeveloped) sites in Northern Pondoland, is what has spurred a heated, and high-profile, debate. These new road sections will extend between Ndwalane and the Ntafufu River (north of Port St Johns) and link Lusikisiki to Port Edward, with costly suspension bridges straddling the Mtentu and Msikaba river gorges (Figure 3.7). The preferred inland route will skirt around the boundary of Mkambati Nature Reserve, but this is in fact an obligatory requirement as Mkambati is a recognised protected area (Bohlweki Environmental, 2003; Olver, 2003). According to SANRAL (2004*b*: 1), the total 'pristine' area to be affected by the road reserve in the Pondoland greenfields section will only be 0.16%, whilst the actual road surface will comprise 0.12% of the total area. However, it is the associated developments which accompany such a highway which is of as much concern to the environmentalists and anti-road lobbyists.

In December 2003, the DEAT sanctioned the proposed alignment of this highway, finding the potential impacts, as identified in the EIA, to be "reasonably acceptable" (Olver: 3 December, 2003). A 30-day extension was granted to elicit public comment and appeals against DEAT's record of decision. At the time of writing, there have been no further (or final) decisions announced by either SANRAL or the DEAT, as to whether the project will go ahead. In the interim, criticisms, allegations, and counter-allegations, continue to be voiced through the media, with warranted concern that the debate is becoming increasing "personalised and polarised" (Olver cited in Yeld, 2004 [online]).

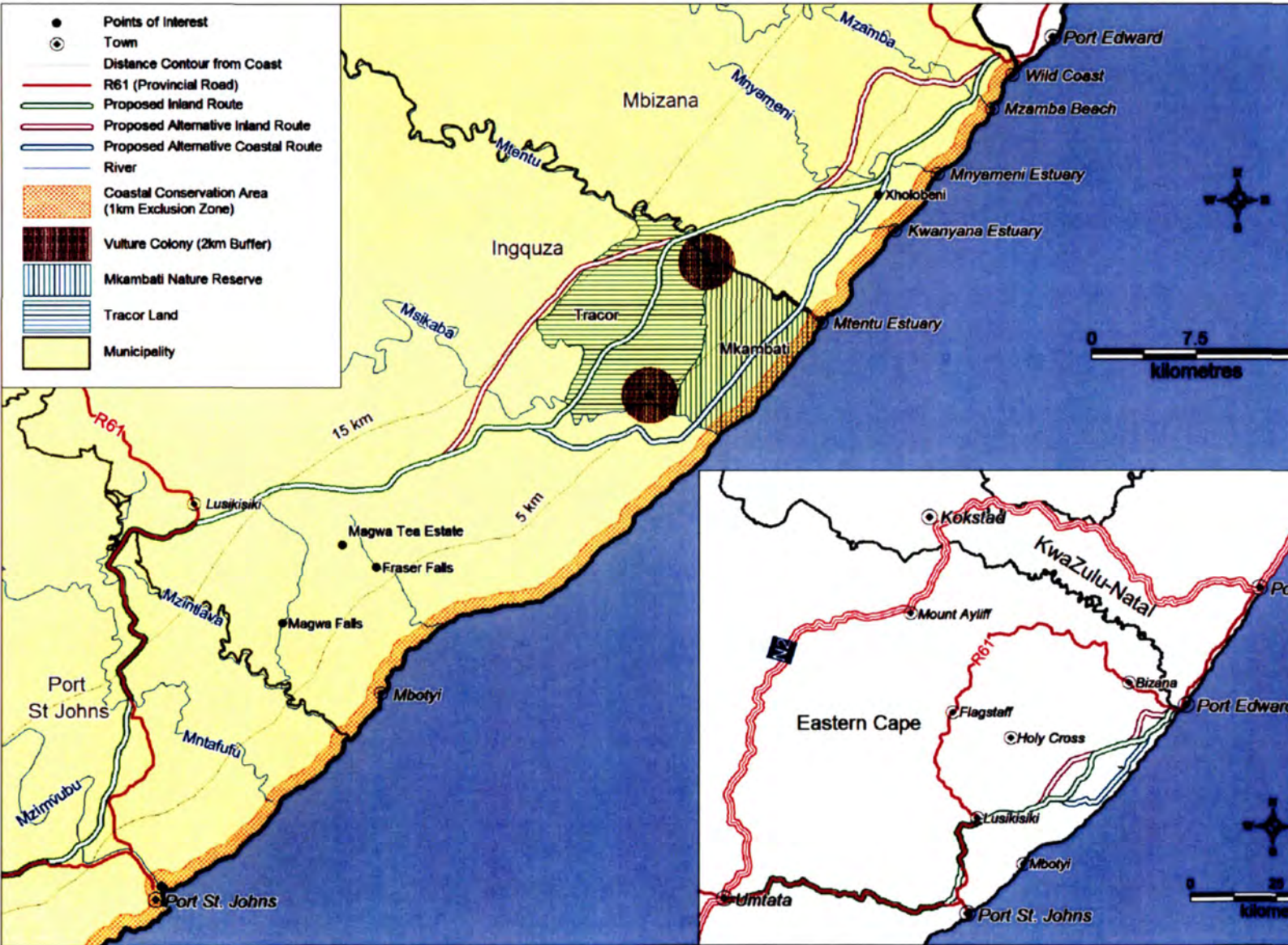
South Africa's Wildlife and Environment Society (WESSA) have been one of the most outspoken dissidents in the campaign against the toll road (with strong links to the media), over and above the many thousand of individual appeals lodged. Much of the criticism has been directed at the way in which the whole process (including the EIA) has been handled, an

inadequate public participation process, and question the rationality of such a high-speed toll route. The key arguments of those opposing the highway, and the rebuttals of those in favour of its development, have been summarised in Appendix 5.

Some critical questions requiring consideration with respect to the highway's impact on sustainable tourism development on the Pondoland Wild Coast, are:

- Firstly, will a toll road which bypasses the present economic centres and provides no arterial roads or access to the coastal area, provide the kind of 'social development' the highway proponents maintain it will? Can this toll road really help to boost tourism in the area... at least the kind of tourism which will be sustainable in the long-term i.e. low-impact, socially and ecologically responsible tourism? Is not an upgrade of the existing R61, with better-maintained coastal roads (already in existence), a less costly and more appropriate response to facilitating tourism growth on the Pondoland Wild Coast?
- What *kind* of development will accompany the existence of such a road? Surely not the kind that local communities (whom are largely illiterate and are characterised by a low skills base) will benefit most from?
- What impact will this highway, and the development accompanying it, have on the ecologically sensitive area (a biodiversity hotspot- refer to footnote 10) through which the road traverses? Will the highway not impair upon the 'sense of place' and marketable natural assets (i.e. its 'pristinity', underdevelopment and significant biodiversity) upon which the Wild Coast tourism industry currently hinges?
- And finally, one has to question the 'incidental' link between the highway and the proposed mining deal (refer to Appendix 5).

Figure 3.7: Proposed alignments of the N2 Toll Road (Source: Cartographic Unit, University of Kwazulu-Natal, Pietermaritzburg, 20



3.5.4.2 Proposed Dune Mining

In August 2001, an Australian mining company, Mineral Resource Commodities (MRC), was awarded a concession to prospect for heavy minerals between the Mzamba and Mtentu estuaries in the Amadiba region of Pondoland (Sapa, 2002; Bishop, 2003a;b). According to MRC, this 22 km long strip, extending 1,5 kms inland (also the area over which the Amadiba Horse and Hiking Trail traverses), is one of the “ten biggest mineral sand deposits in the world”, with a potential resource of sixteen million tons of heavy minerals and eight million tons of ilmenite (Sapa, 2002: 10; Sapa & Ashe, 2004; Enslin, 2004).

When the Pondoland Marine Protected Area (MPA) was proclaimed by parliament in February, 2004, many erroneously considered this to be an automatic annul to the controversial mining plans (Naidoo, 2004; Bishop, 2003b). However, this has *not* proved to be the case. Marine protected areas typically only stretch up to the high-water mark and the proposed 326 ha mining site at Xolobeni (marked as a ‘point of interest’ in Figure 3.7), is outside of this zone. However, the stricter international regulations accompanying this new MPA, will make it harder for mining to obtain approval (Enslin, 2004; Rogers, 2004b).

Responding to criticisms that mining would negatively impact on ecotourism operations in the area, Mineral Resource Commodities CEO (Luscombe [Online Press Release], 2004: 1), insists that both mining and ecotourism could co-exist in harmony, and that “other industries besides eco-tourism would be required to provide significant economic stimulus and deliver long-term growth for the Eastern Cape Province.” In many respects, this is a valid comment, considering the dire socio-economic conditions of the region and the employment opportunities (albeit limited and ‘short-term’) that the mining would afford.

Whilst the mining company has voluntarily nominated all beaches, coastal dunes (which support coastal bushland and thicket), riverine areas, and a five metre zone around mature thicket and trees, as “No Go” areas for prospecting (TEM, 2002: 14), environmentalists point out that during the actual mining phase, enormous quantities of freshwater (as saltwater is unsuitable) will be required to sustain the type of open-pond mining that is likely to occur (Uken, cited in Sapa & Ashe, 2004). With no water pipelines anywhere near the proposed mine site, it is a

warranted concern that this freshwater would need to be extracted from adjacent estuaries (Kay, cited in Bishop, 2003b).

According to a DEAT spokesperson: the former minister was strongly opposed to mining in the area – believing that eco-tourism would constitute a much more ‘sustainable development’ option for the area. However, the new DEAT minister, is yet to take a stand on this contentious issue. Although the DEAT ministry has a platform from which to oppose the mining, unfortunately the final decision (as to whether mining goes ahead or not) rests with the Minister of Minerals and Energy, whom together with Eastern Cape government, would appear, are in favour of mining (Enslin, 2004; Sapa & Ashe, 2004). Their argument is that the mining will help to generate massive economic and employment spin-offs for one of the poorest regions in the country¹⁴. R 1,5 billion worth of investment, R 500m annual revenue (for 25 years), more than 300 permanent jobs, and the possibility of a \$ 202 million smelter in East London, should the project go ahead, is what the mining company is promising. To sweeten the deal, MRC has also reportedly negotiated a 15% equity deal, with a local black empowerment company (Bishop, 2003b; Enslin, 2004).

Fears that the mining company are ‘buying into’ the local community are warranted, despite a number of community gatherings – attended by local households and headman of the Amadiba region, and even the Pondo Queen (acting chief of the local traditional authority) – to voice their concerns and as a show of solidarity against mining in the area (Herrington, 2004).

At the time of writing, the Department of Minerals and Energy (DME) is still to take a final decision on the Xolobeni Mineral Sands Project. In the interim, the *threat* of mining has provoked a national outcry from a wide number of environmental groups, politicians, community leaders and the public sector. Joining forces with opponents of the N2 extension, it would appear that preparations are well underway for what could become South Africa's biggest and most concerted green battle since the ‘Save Lake St Lucia’ campaign of the early 1990s.

¹⁴ These are similar arguments to the ones used to justify the clearly unviable deepwater port development at Coega (refer to Chapter 2 in Bond, P. (2002): Unsustainable South Africa). The mining ore would be shipped out from Coega, which many surmise, is no coincidence.

3.6 Natural Resource Utilisation and Sustainable Livelihoods

Most Wild Coast communities depend heavily on marine, forest, grassland and other natural resources for subsistence, building material, health and cultural practices (Kepe, 1997, 2000; White, 2001). Since wild resources are mostly harvested from land held in 'common', they are inclined to display "subtractability characteristics" typical of shared resources (Shackleton & Fabricius, 2001: 48)

Subsistence utilisation has been an intrinsic livelihood strategy of the Pondo people for many centuries. In the past, many of these traditional societies formed relatively closed systems in which natural resources were managed through an intricate interplay of reciprocities and solidarities. Although population densities have increased, placing greater pressure on existing resources, it is the 'commodification' of these resources, which is of greatest concern to environmentalists, and often, the communities themselves, whose well-being is so often dependant upon the sustained maintenance of these ecosystem goods and services (Kepe, 1997; Ntshona & Lahiff, 2001; PondoCROP, 2001a).

According to local communities, much of this commercial utilisation is undertaken by 'outsiders'. However, the task of defining *who* constitutes an outsider, is becoming an increasingly contentious issue (White *et al.*, 2002; de Villiers *pers comm.*, 2003). As the distinction between those persons with 'rights' over particular resources, and those who would be classified as 'outsiders' is so vague, this poses great difficulties in establishing regulations, monitoring, and law enforcement (White *et al.*, 2002). According to Nicholson (1997: 35), "unscrupulous operators" have capitalised on this institutional and management mayhem, especially since the integration of the former Transkei back into South Africa, with plant materials (collected for traditional medicine markets) and marine resources, coming increasingly under threat.

Since democratisation, South Africa has developed a host of new policies and legislation, relating to the ownership, use, and management of natural resources, with a view to fortify the rights (and access) of the poorest rural sectors of society (Shackleton & Fabricius, 2001). South Africa's progressive Constitution, clearly institutes the rights and obligations of national,

provincial and local spheres of government to safe-guard the environment for present and future civil society.

Section 24 of the Constitution (Act 108 of 1996, cited in Wiggishof & Pienaar, 2001: 14) states that:

Everyone has the right (and responsibility) to:

(a) an environment that is not harmful to their health or well-being;

(b) have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that-

(i) prevent pollution and ecological degradation;

(ii) promote conservation, and

(iii) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

Furthermore, South Africa's Constitution makes unequivocal provision for the *use* of natural resources, under the umbrella of 'ecologically sustainable development'. Whilst the legislation and policy pertaining to natural resource utilisation and management is diverse in its application, it is in line with international thinking - promoting a sustainable livelihoods¹⁵ and participatory approach towards natural resource management (Mokgope, 2001; Ntshona & Lahiff, 2003a).

In recent years, the Wild Coast has become a core study area for research undertaken by the Sustainable Livelihoods in southern Africa Programme (Mokgope, 2001; Lahiff, 2003; Ntshona & Lahiff, 2001, 2003a;b). Much of this research has focused around institutional, governance

¹⁵ DFID (2004:1) defines "sustainable livelihoods" as:

"the capabilities, assets (both material and social resources), and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base".

and policy processes associated with rights and access to land, water and wild resources. These findings have in turn, provided guidance and practical directives to the development of co-operation agreements around natural resource management in the region.

Whilst appropriate land conservation and resource protection measures should be the cornerstone of any co-operation agreement, their long-term success may only be assured, with the full backing from local resource users themselves (Mohamed, 2000; Shackleton & Fabricius, 2001, Wiggishof & Pienaar, 2001). Until resource users have more defined rights to use, transact, or access land upon which these resources exist, sustainable resource utilisation may be an unrealistic expectation. Hence the importance and exigency of land tenure reform.

3.7 Land Tenure Reform

Post-1994, South Africa has embarked upon an ambitious programme of land reform designed to redress the racially imbalanced status of land holding, and grant more secure tenure rights to millions of historically disadvantaged South Africans (RSA, 1997; Lahiff, 2003).

Land Reform has been pursued under three broad headings:

- **Restitution:** provides relief or **restoration** of land back to certain categories of victims, dispossessed by racially discriminatory legislation after 1913. The cut-off date for claims was 31st December, 1999.
- **Redistribution:** a system of settlement/land acquisition grants which makes it possible for previously disadvantaged persons to **purchase** land from other private owners or the state. The Land Redistribution for Agricultural Development (LRAD) programme has become the flagship for land redistribution and is aimed at facilitating entry of black emerging farmers into the agricultural economy. Since its inception in August 2001, the programme has delivered more than 400 000 ha of land to almost 20 000 emergent black farmers (Mayende, 2003).
- **Tenure Reform:** the most complex arena of land reform. It seeks to bring all people occupying land under a unitary, legally valid system of landholding. It is the process

of devising more **secure** forms of land tenure¹, resolving tenure disputes, and aims to provide alternatives for people who have been displaced by the process

(RSA, 1997: vi; Lahiff, 2003).

Attempts to dismantle the apartheid map, are further complicated by the complex, unstructured nature of legislation and property rights pertaining to communal areas (CA's) – the prevailing land administration system of the former homelands. Much of this legislation is currently under repeal, but until such time as it is amended, land continues to be registered in either the name of the state, or local traditional leaders – many of them former employees of the previous apartheid state. (Adams *et al.*, 1999).

Overt and secure land rights are recognised as a fundamental premise in advancing sustainable rural livelihoods. This is through the strengthening of people's *rights* to utilise and manage natural resources with vested interest for today and future generations; whilst tenure security creates a more enabling environment for government and private sector investment. This investment may include government service delivery, infrastructural development, or new economic opportunities such as mining, manufacturing or tourism development, with economic spin-offs for previously disadvantaged communities (Katerere, 2000; Kepe, 2000; Makopi, 2000).

'Land Rights' is a widely encompassing term, but usually includes the right to:

- Occupy a homestead, make permanent improvements, burial rights, access or rights over harvesting of natural resources;
- To transact, give, mortgage, lease, rent and bequeath areas of exclusive use; and
- Right to exclude others from the above-listed rights at a community and/or individual level

(Adams *et al.*, 1999).

Secure property rights for all citizens, is recognised by South Africa's Constitution as a fundamental premise to a functioning democracy. Section 25(6) of the Bill of Rights, requires government to enact legislation that will secure the land tenure rights of those whose rights were made insecure in the past, or to provide them with comparable redress.

The Bill of Rights also recognises the need for tenure reform legislation to address deeply entrenched gender inequalities of land rights in communal areas. The majority of women residing in communal areas, do not have land tenure through their own standing, but through the men they are related or married to. On divorce or widowhood, women often lose the right to homes and fields. This situation, one of substantial insecurity and abuse, is in urgent need of redress.

3.7.1 The Transkei Wild Coast: A History of Dispossession

Current land reform and rural development on the Transkei Wild Coast, can be understood as a by-product of racially-skewed homeland policies, dispossession, and apartheid betterment planning. Early twentieth century colonialists were the first to divide the Transkei coastal region into 'tribal' and 'resort' areas: the former set aside for African occupation and administered indirectly by the traditional authorities (based on chiefs and headmen), whilst 'seaside resort' areas were reserved for White Transkeins (Republic of Transkei, 1969; Kepe, 2001; Cousins, 2002).

A culmination of massive overcrowding (both within the homelands, and so-called 'black spot' areas of freehold ownership), forced removals, the migration of African labour into a white-controlled mining and urban economy, a dearth of economic development and investment, and chronic poverty has exacerbated unsustainable livelihoods and enormous pressure on natural resources in the region (Cooper, 1988; Lahiff, 2003).

During the 1950's, a policy of 'betterment' or villagisation was introduced by the Nationalist government, supposedly as a means of controlling rangeland degradation in communal areas. (Cooper, 1988; Yawitch, 1988, de Wet, 1995 cited in Lahiff, 2003). This evoked particularly strong opposition from Pondo communities, which in addition to the imposition of unpopular chiefs and headmen (whose powers were derived from the Native Administration Act of 1927 and the infamous, Bantu Authorities Act of 1951), and an inferior Bantu education, were among the main factors leading to the so-called 'Pondoland Revolts'. Violent protestations began to erupt in the towns of Bizana, Flagstaff and Lusikisiki from 1958. A major clash in June of 1960, resulted in 11 people killed by security police, and the Nationalist government

was forced to declare a 'State of Emergency' throughout the Transkei (Mbeki, 1984; Kepe, 2001).

Although the Transkei was a nominally self-governing homeland from 1963, it obtained official 'independence' in 1976, under the governance of the Transkei National Independence Party. In 1987, General Bantubonke Holomisa, then an ANC supporter, took over as Head of the Transkei and this led to considerably freer political activity than in other homelands under tribal rule. After the 1994 elections, Holomisa became Deputy Minister for the Department of Environment and Tourism, but in 1997 co-founded his own party with Roelf Meyer - the United Democratic Movement (UDM). Whilst the ANC holds the overwhelming majority of the Eastern Cape vote, at both provincial and district level¹⁶, Ashley & Ntshona (2002) surmised that the need to maintain it's electorate (in the face of growing UDM support), has placed considerable pressure on the ANC to be 'seen to be delivering' on their promises of basic service(s) and infrastructural development. However, the 2000 Municipal and 2004 National Elections reaffirmed the ANC's omnipotent presence as the leading political party at both regional and provincial level (IEC, 2000, 2004).

Today, the predominant system of tenure in the former Transkei (as with other ex-homelands) is that of 'communal' ownership. Due to previous discriminatory laws, such as the 1913 and 1936 Land Acts which created a system of 'second class rights', black people were never allowed to *own* the land they occupied, and were only granted weak and legally insecure forms of tenure in the form of quitrent titles or permission to occupy (PTO) certificates (Kepe, 1997; Cousins, 2003).

Even in those instances where people had pooled money together to purchase land, they were often not allowed to register it in their own names. Moreover, they needed to be aligned to a particular tribal leader in order to have the purchase of this land registered. As a result, much of the land in the former homelands is registered as land 'held in trust' by different tribal

¹⁶ In the 2000 Municipal Elections, the African National Congress (ANC) took 20 of the 21 ward seats available for the Mbizana District and one seat went to the United Democratic Party (UDM). It also won all 13 of the ward seats available for the Port St Johns Municipality (IEC, 2000). In the 2004 National and Provincial elections, the ANC got 79.3% of the Eastern Cape electorate, with the next strongest opposition being the UDM, which won 9.2% of the vote (IEC, 2004). In the 1994 National elections, ANC won 84.4% of the electorate, whilst the strongest opposition came from the old National Party (NP), which took 9.8% of the vote (IEC, 2004).

groups. The state has assumed nominal jurisdiction over these tribal lands, until such time as there is greater clarity on overlapping and conflicting land rights (Nicholson, 1997; Makopi, 2000; Wiggishof & Pienaar, 2001).

3.7.2 Tenure Reform on the Transkei Wild Coast

The inherited land administration system of this ex-homeland in terms of land allocation, demarcation, and resolution measures for land disputes, is in a state of near-total collapse. Magistrates no longer fulfil the functions they formerly had, agricultural extension officers rarely survey the sites, which continue to be allocated *ad hoc* (exacerbating the 'illegal' cottage problem), and few records are kept (Cousins, 2003). Lack of clarity on basic land rights has led to massive conflict between traditional leaders, communities, and the local government bodies, whose ordinance it is, to oversee development projects (Kepe, 2000; 2001; Bailey & Sperring, *pers comm.*, 2003; Cousins, 2003).

This anachronistic system of land administration, makes it everyone's domain. According to Cousins (2003): local government officials view communal land as State land (as it is registered in the Deeds Registry), planning development without seeing the need to ask permission from current occupiers of the land. Traditional leaders, on the other hand, view communal land as land that *they* control, with potential development projects being a means of securing greater support from their subjects. Finally, the communities themselves believe the land they occupy to be theirs - and always has been - with or without the PTOs, title deeds, or any of the other western contrived pieces of paper, that would legitimise this ownership. They certainly want to be involved in the strategic decision-making that will govern the use and development of this land.

In a study on land reform and sustainable rural livelihoods in the Eastern Cape, Lahiff (2003) concluded that tenure reform was still not considered a top land issue priority. This is because land rights, in remote rural areas such as the Wild Coast, are generally not perceived as being 'particularly vulnerable'. He points out that unwritten rights and community-level decision-makers continue to assume responsibility for land allocation to newly formed households (whether their residents were born in the area or not), and evictions are almost unheard of.

Nonetheless, he does stress that delayed tenure reform, has major implications for the manner in which decisions around land are made within communities and for potential development initiatives – whether they are implemented by external agents (such as the state or private sector) or by local people themselves. He maintains that the *true* cost of stalled tenure reform along the Wild Coast, will not be reckoned upon feelings of insecurity, but in terms of “the investment that never materialised, the development that never happened, (and) the community project that never got off the ground” (Lahiff, 2003: 39).

3.7.3 The new Communal Land Rights Bill and Interim Measures for Tenure Reform

Outside of formally conserved Provincial Nature Reserves, State protected Forest Reserves, and a few acres of freehold tenure, the Wild Coast is comprised of ‘tribal’ or ‘communal’ land. This land is legally owned by the state, but administered by the tribal authorities as *agents* of the state. State ownership is referred to as ‘*nominal*’, since it is ‘in name only’. It is government’s intention, as affirmed in our constitution and policies, that the users and occupiers of such land should be recognised as the true owners, and that the land should be transferred to them in full legal ownership i.e. through the enactment of appropriate legislation, such as the new Communal Land Rights Bill (Wiggishof, 2003a).

The Communal Land Rights Bill (CLRB) is the last pivotal piece of land reform legislation, yet to be ratified. Government’s caution in introducing this Bill has been well advised. Land Tenure Reform is a complex and sensitive process, which across the world, has often had unintended and undesirable consequences. If a key piece of legislation fails to address causal problems, is *inappropriate in its content, or impracticable in its implementation* – it is doomed to failure (Adams *et al.*, 2000; Cousins, 2002, 2003).

The CLRB came out at the end of 2003, with the expectation that it would be enacted by April 2004, but has received extensive criticism from civil rights organisations, academic institutes, legal practitioners, gender campaigners and even the South African Human Rights Commission, for: ‘failing to endorse broad human rights objectives’; ‘lack of clarity around the content of the rights being created’; ‘inadequate endorsement of community involvement in land use decision-making’; and not enough “strong measures” to promote gender equality

(Cousins, 2003: 5; Kollapen, cited in Sapa, 2003 [online]; Parliamentary Monitoring Group, 2004 [online]).

However, until the CLRB is accepted and ratified by parliament, the legal standing is that persons residing in communal areas, still have extremely weak tenure. Until such time as their rights are elucidated, government has used interim safeguards, such as the Extension of Security of Tenure Act (Act 62 of 1997), the Land Reform (Labour Tenants) Act (Act 3 of 1996) and the Interim Protection of Informal Land Rights Act (IPILRA), Act 31 of 1996, all of which act in accordance with the constitutional mandate which states that all South Africans have a right to “legally secure tenure” (Shackleton & Fabricius, 2001; South African Constitution, cited in Wiggishof & Pienaar, 2003:19)

The IPILRA remains a key piece of legislature, governing the formation of natural resource co-operation agreements. It stipulates that permission should be sought (and granted) by affected communities, should any of their *de facto* rights be altered or removed (Makopi, 2000; Coleman, *pers comm.*, 2003; Khanyile, 2003).

Since so much of communal land remains unsurveyed and the boundaries between different communities are often not clear, implementing tenure reform in the former homelands is a highly complex and drawn-out process. Moreover, many communities wish to maintain ‘communal’ ownership of the land. Since it is government’s vision to provide all South Africans with secure and transferable land ownership under a variety of tenure models (including communal tenure), it has now become the rather litigious challenge of ensuring communal landholding institutions become legally recognised entities, and be operated transparently in accordance to democratic and constitutional principles (Makopi, 2000; Wiggishof & Pienaar, 2001). This has been facilitated through the passing of the Communal Property Associations Act (28 of 1996).

Communal Property Associations (CPAs) are legal land-holding entities which enable communities to acquire, hold or manage property. They have also provided the institutional mechanism necessary for entering into partnerships with the private sector, as once instituted, they provide tenure security by recognising the rights holders as the potential beneficiaries of any (future) development on the land. Like corporate companies, they should be operated

through clearly specified rules and publicly accessible constitutions (Shackleton & Fabricius, 2001; Wiggishof & Pienaar, 2001).

According to Cousins (2002): over 500 group titles have been issued to communal property associations and community trusts in South Africa since 1996, but sadly, many of these are now dysfunctional. This high incidence of failure has not been put down to the fact that CPAs are a form of shared land holding – for many people desire a system of group tenure and they have proved resilient and persistent in other parts of Africa and elsewhere – but poorly drafted Constitutions, poorly defined tenure and access rights for the individual, infighting, a fundamental mismatch between the titling model and realities of African land tenure, and inadequate government support provided to these groups, both in infancy and the subsequent stages of establishment. On the whole, the registering of CPAs has also been a protracted, and fairly onerous procedure (Wiggishof & Pienaar, 2001; Cousins, 2002).

It has been found that members often retain strong ties to their original communities, rather than seeing themselves as part of the new social entity. In some cases traditional leaders have contested the authority of elected trustees, and in others, an elite minority have siphoned off the benefits from ownership. There have been some notable exceptions, but according to Cousins (2002: 1) “overall the experience has been disillusioning for many in the land reform sector”.

In the absence of defined property rights and the rigorous requirements inherent of CPAs, Community Trusts have been favoured as a easier-access, but still legally constituted, vehicle through which communities can enter into legitimate third-party development partnerships, be it with government, private sector investors, other legal entities, or other individuals (PondoCROP, 2002a; Wiggishoff, 2003). The European Union Wild Coast Community Tourism Program adopted this legal framework to facilitate their joint-venture tourism partnerships (WCCTI, 2003; Wiggishoff, 2003).

These ‘Trusts’ are a formalised channel for individual community members to voice concerns, opinions and/or support for particular development projects, as well as the community’s representation in co-management agreements. The Trustees should be democratically elected and comprise a suit of different interest groups, including both traditional and local government leaders. Unlike CPAs, it is *not* a land-holding entity per se, and so it is necessary that the land

first be transferred to the community trust, in name, before it can be leased to third-parties (Wiggishof, 2003). The Trustees and its members are governed by the Trust Deed (like a Constitution), which should clearly lay down the objectives, managerial and land use principles, conflict resolution procedures, and general rules and regulations governing trustees and its members (PondoCROP, 2002a; WCCTI, 2003; Wiggishof, 2003).

3.7.4 Facilitating Tourism Investment through Tenure Reform

Along the Wild Coast, most tenure reform beneficiaries live in areas with enormous eco-tourism potential. Nonetheless, as Ashley and Ntshona (2002: 15) point out: “lack of formal land rights precludes resident communities from using land as collateral in such initiatives”. At the same time, potential investors remain hesitant to commit to land-based developments, until they can be guaranteed contractual security (Ashley & Ntshona, 2002).

The Minister of Land Affairs has recognised that deferred development, “as a result of a legally solid but administratively slow land reform process”, would only be of further detriment to such economically depressed and poverty-stricken areas. The DLA has thus developed a ‘back-to-back’ model into which tribal communities can enter into business-partnerships with investors, on the agreement of all three parties (i.e. the Minister of Land Affairs, the investor and the local community) (Wiggishoff & Pienaar, 2001: 30; Coleman, *pers comm.*, 2003). The minister has categorically stated that DLA will not go as far as to grant freehold title in these agreements (as she does not want to isolate trust lands) but would be prepared to authorise medium to long-term (25 – 30 year) leases, provided certain preconditions are met (Coleman, *pers comm.*, 2003; Land Reform Office, 2003).

According to EC DLA, these leases can take up to six months or more to be processed, as they require authorisation from the National Department of Land Affairs (based in Pretoria). The concern then, is that potential investors (for whom time is money) will begin to look elsewhere. From my experience, ‘six months’ is a highly optimistic waiting period. By way of example, one potential investor interviewed during this research, is six years after his initial tender, *still* waiting for a final lease agreement on the land (issued by National DLA), to commence building a luxury eco-tourism (Goss, *pers comm.* 2003).

The irony is that this investor was granted a personal restitution claim, on condition that he enter into partnership with the local community in a joint-venture tourism enterprise (Cooper & Haynes, *pers comm.*, 2003). A formal land application on behalf of the community was submitted in July of 2003, but as yet (20 April, 2004), remains to be approved. According to the investor (*pers comm.*, 20 April, 2004) the 'hold-ups' have reportedly been less to do with National DLA (as was originally thought), than with the local Tribal Authority. This is an issue of some concern for future tourism development along the Wild Coast. The terms which this investor is proposing (Table 3.1), makes this a prototypical development for community-private partnership on communal land, and yet, bureaucratic red-tape, self-important tribal authorities, indecision, and inter-departmental conflict and confusion, is making even the most committed and genuinely "Pondo-Passionate" (Goss, *pers comm.*, 2003) of investors want to resign out of sheer frustration.

Table 3.1: The Mkhweni River Lodge proposal.

Mkhweni River Lodge
<p>The EU/DEAT Programme through its Community Project Fund (CPF) has offered to assist with the funding and facilitation of a 50:50 Joint Tourism Venture, between the Kwa Rhole community and the Umngazi River Bungalow Group. It is anticipated that the Kwa Rhole community will be awarded a 99 - year lease (longest possible lease - closest to title) on the land, of which National DLA will be the other signatory. Umngazi River Bungalows (the company) will then sub-lease this land on a 25 -year renewable contract to the joint tourism project (Goss, <i>pers comm.</i>, 2004).</p> <p>A 60-80 bed eco-tourism lodge, situated on the south bank of the pristine Mkhweni River (between the Msikaba River and Luphatana on the Pondoland Wild Coast), is what is being proposed. The development is estimated to cost R 15 million, with the EU/DEAT program willing to fund the community equity portion of the project, of between R 5- R 10 million. This would allow for direct community ownership of the facility and a secure a flow of funds (profit-sharing) back to the community.</p> <p>Mkhweni River Lodge is anticipated to create at least 55 <i>direct</i> and permanent jobs (90% of these locally drawn), notwithstanding the spin-off benefits from local outsourcing and community SMME facilitation. The new lodge is expected to draw on the overflow of A, B and C domestic income sectors (primarily families, but also couples and honeymooners) from the highly successful Umngazi River Bungalows (which averages 93% bed night occupancy throughout the year) and is rated one of the best value-for-</p>

money establishments in the country (Getaway, 1998 cited in Goss *pers comm.*, 2003). Mkhweni will benefit from Umngazi's considerable popularity and exposure, as well as from shared marketing costs. There is thus an awaiting market for this development, with 70% occupancy levels, conservatively predicted for the first year of operation. This is considerably higher than the average tourism enterprise on the Wild Coast.

Detailed planning and design has commenced, undertaken by an integrated team of specialists, such that the new development will adhere to environmental best practice; and be underpinned by progressive social and economic principles, as established by South Africa's new 'Fair Trade' and 'Responsible Tourism' Guidelines. However, until the long-term land ease

The anticipated date for opening was set as mid 2004, but until the land lease is awarded to the Kwa Rhole community, there is little contractual security to warranty this joint-venture.

(Source: Schutte, 2002; WCCTI, 2003; Goss & Haynes, *pers comm.*, 2003)

3.7.5 The 'Cottage' Controversy

The Wild Coast 'legal' / 'illegal' cottage debacle has been another focus of media attention in recent years. The tenure system legitimising and/or prohibiting these cottage developments is discussed below.

3.7.5.1 The 'legal' Cottages

The original concept, as laid out by Proclamation No. 174 of 1921 and No. 26 of 1936, was to provide White Transkeian residents with seaside / fishing cottage sites, who, because it was demarcated 'tribal' land, would not otherwise have access thereto. The Transkei Seaside Resort Board allocated a number of sites along the Transkei Wild Coast, legitimised through the issuing of three-year, renewable, Permission to Occupy (PTO) certificates. According to Nicholson's (1997) survey: the approximate number of registered 'legal' sites within the study area are as follows:

Msikaba: 10; Lambasi Bay: 8; Luphatana: 7; Drews Camp: 3; Ntafufu: 6; Mbotyi: 20

These 'resort' sites were originally granted to white traders, and farmers in the interior, with former Umzimkulu and East Griqualand farmers holding the majority of the PTO's to Northern Pondoland sites. Whilst PTO's were cheap and relatively easy to obtain, they were accompanied by fairly restrictive terms. Some of the regulations, according to (the now defunct), Seaside Resorts Board (Republic of Transkei, 1969), included:

- i. Sites shall not exceed one half-acre in extent, nor should the value of the buildings exceed R 1000. This was the amount cottage-owners could expect to be paid out, should the state decide to expropriate their site. Obviously it would not have been in the financial interest of PTO holders to develop their cottages into anything of greater value;
- ii. All PTOs issued would be valid for a period of three years only, and there was no surety that it would be renewed. The 'token' rental was set at R10/annum (only recently gone up to R20/annum) and was paid for a triennial period;
- iii. The local magistrate or province could end the PTO at any time;
- iv. No extensions or alterations to these cottages could be made *without* the Boards permission; and
- v. Sites were allocated only to persons *bona fide* domiciled in the Transkei, and could not be occupied by the same party or parties for more than four months in any one year.

PTOs used to be granted by the local magistrate and registered with provincial Local Government and Housing. When Transkei was reincorporated back into South Africa, the responsibility for issuing residential PTO's fell to the Provincial (Eastern Cape) Department of Land Affairs (PDLA) (Nicholson, 1997).

With unimpeded and haphazard development of illegal cottages, posing an augmenting threat to their own existence, legal cottage owners banded together and formed a 'legal' cottage owners association – the Wild Coast Cottage Owners Association (WCCOA) – which serves to represent the views and interests of its 300 strong legal- site members. Divided into 25 regions (representing the entire Wild Coast), with elected area representatives, the association meets regularly to discuss the latest developments around tenure reform, the 'illegal' cottages, conservation and other development initiatives pertaining to the Wild Coast.

For the past decade, the Association has been negotiating through official government channels, to try and acquire a more secure and longer-term tenure agreement for its members. They have motivated for freehold title, but it would appear, are content to settle for the next best option: a long-term (i.e. 35 year, renewable) lease on their land and property (Webb, *pers comm.*, 2003). However, one does have to be careful of assuming that the association speaks for *all* the legal cottage owners. In discussions with numerous cottage owners from Mbotyi, Msikaba and Port Grosvenor – it was evident that a number of ‘legal’ cottage owners are becoming increasingly frustrated about having to ‘pander’ to the demands and whims of government and local community, without having any form of tenure-security to show for it. Some of these cottage-owners felt that it was nigh time government took more decisive action, and provide them with at least an option to purchase title-deeds to the land (many cited in that they were prepared to pay market-related prices for the acquisition of this land), or grant long-term leases with explicit ‘community commitments’ attached, for example: financing a local clinic or school, or paying a monthly levy into a Community Trust Fund which could go towards, specific community development projects (Discussion with ten ‘legal’ cottage owners, 2003/2004).

3.7.5.2 The ‘Illegal’ Cottages

When General Bantu Holomisa took over power in 1990, a military moratorium was placed on the granting of all land to ‘outsiders’. The effect of this was that in the absence of formal channels, informal land allocations took place, with local chiefs and headmen continuing to assign land to outsiders – often to wealthy White individuals – without formal (and legally binding) permission from government. The allegations are: that for a couple hundred Rands, or a few sheep and bottles of brandy, the local chiefs have been willing (and continue) to allocate some of the countries finest coastal real-estate to wealthy outsiders (Nicholson, 1997; Kepe, 2001; Ashley & Ntshona, 2002; Bailey, Cooper, Wiggishof, de Villiers, Malan, *pers comm.*, 2003).

These illegal cottages pose a serious challenge to the new government. The land they occupy is both ecologically and commercially important, whilst as non-commercial operations, they contribute “relatively little to the local economy” (Ashley & Ntshona, 2002: 39). Many (Nicholson, 1997; DEAET, 2000; Ashley & Ntshona, 2002; PondoCROP, *pers comm.*, 2003)

argue that the small benefits provided by these cottages: seasonal employment as domestic assistants, gillies and care-takers, as well as token sponsorships towards local soccer teams, schools or clinics, for example, is insignificant in comparison to the potential economic spin-offs (for both government and local communities) that appropriate commercialisation of this prime real estate, would have.

These illegal cottages, first came under scrutiny from the Heath Special Investigating Unit (HSIU) during the late 1990's. The Heath Commission tried to bring the owners of illegal cottages to book, on the grounds that their buildings were in contravention of Decree No. 9 of 1992, originally a military decree, but adopted by the new government as a conservation measure which establishes a no-development 'coastal conservation area' 1 000m inland from the high water mark (Cooper and de Villiers, *pers comm.*, 2003).

According to the decree, almost *all* coastal cottages (legal and illegal) along the Wild Coast would be in contravention of the law; but it has been easier for government to clamp down on those cottages *without* the official occupation certificates granted by the previous government. The HSIU initially made good progress, but then got entangled in some legal technicalities and progress ground to a halt (de Villiers and Wiggishof, *pers comm.*, 2003).

Most of the owners of these 'illegal' cottages are affluent, and well connected business men, who have organised themselves astute lawyers to defend their battles (they argue 'rights') in the high court, on the grounds of racial discrimination. They argue that legal action has not been taken against Black people (not necessarily from the area) whom have built homes within the 1 000m decree, so why should they have court interdicts against themselves, when they have obtained the same 'permission' from the local chief (de Villiers; Bailey; Sperring, and Wiggishof, *pers comm.*, 2003; Field Discussion with legal and illegal cottage-owners, 2003/2004).

In June 2000, a joint Task Group was instigated by National DEAT and the MEC DEAET (province) to rejuvenate the process. A three-phase course of action was undertaken by the new Task Group.

Phase 1: to immediately halt any further illegal development;

Phase 2: to target numerous developments to establish a legal precedent and reinforce Phase 1 activities; and

Phase 3: to demolish illegal developments and rehabilitate degraded areas (MCM, 2000).

The latest reports on the 'progress' made by this Task Force, is that more than ten completed or partially completed buildings have been 'voluntarily' demolished and respective areas rehabilitated after collaborative government operations led to threatened arrests of illegal cottage owners. More than 30 criminal cases have been opened whilst civil action is already underway against 25 individuals (20 for illegal buildings and five for driving on the beach and/or cutting down protected trees).

On the 7 November 2003, the first illegal cottage at Ntafufu, was bulldozed by senior national and provincial authorities. This according to Eastern Cape MEC, Enoch Godongwana, "is intended to send a strong message to other illegal cottage owners that government will deal with them accordingly" (DEAT & EC DEAET, 2003 [online]).

According to Ashley and Ntshona (2002) the illegal cottage debacle presents another interesting dynamic to the process of revitalising tourism and re-shaping private, community and government roles along the Wild Coast. Given the general failure of other 'developments' to actually translate into practice, the economic benefits, small as they may be, which these cottages (both legal and illegal) bring to local economies, cannot be wholly dismissed. In most instances, the communities have shown overwhelmingly support for the cottage owners on the basis that they at least provide "some employment, help build schools, and give (them) medicine" (Ashley & Ntshona, 2002; Discussion with Pondoland Coastal Communities, during eight day hike from Port Edward to Port St Johns, March 2003).

Along this remote rural coastline, where government delivery on even the most basic of services has been virtually non-existent, the cottage owners are respected 'for at least delivering *something* arguably better than a heap of empty (government) promises' (Ashley & Ntshona, 2002; Bailey, Cooper, & Haynes, *pers comm.*, 2003; Fieldwork, 2003).

Interestingly, from my experience, the chiefs themselves also choose *not* to differentiate between 'legal' and 'illegal' cottages. This is obviously to buttress their own judiciary clout

around land allocation. In their opinion: provided the cottage owner has received permission from themselves, to build upon a particular piece of land, he has as much right to be there as his black, or white, neighbour. Since this is the very same plea which 'illegal' cottages are using in their legal defence, it is clear that greater clarity is needed regarding the (future) role, and degree of authority, that traditional authorities should share in our new democracy. This was supposed to have transpired through the drafting of the Communal Land Rights Bill, but evidently remains unclear.

3.7.6 Land Restitution Claims

A delayed process of tenure reform however, is not the only land-related concern, encumbering potential investment and development in the region. A commissioned study revealed that there were no less than 65 land claims lodged in the area between Port Edward and Port St Johns (Kepe *et al.*, 2000 cited in Ashley & Ntshona, 2002). Authorised by the *Land Rights Act* (27 of 1994), some of the more significant claims within the Pondoland study region, include: those by the Khanyayo community on Mkambati Nature Reserve and Tracor land; land used by a Northern Pondoland sugar company around Mzamba; a restitution claim on a state forest near Flagstaff; the Lambasi claim for Magwa Tea Estate; and many other smaller 'betterment' claims (Kepe, 2001; Ntshona & Lahiff, 2001; Lahiff, 2003).

As in other provinces, the Eastern Cape Regional Land Claims Commission (RLCC) is responsible for settling restitution claims. According to Lahiff (2003: 12), the Eastern Cape RLCC has proved itself quite "dynamic and innovative", particularly in dealing with betterment claims. In partnership with a local NGO, it has established the first Settlement Support and Development Planning unit in the country, aimed at providing co-ordinated and long-term support for restitution beneficiaries.

After six years of successive intervention and negotiations, the Dwesa-Cwebe land resolution set a high precedent for community conservation and land reform, not only in the Eastern Cape, but for South Africa as a whole. The resolution saw the claimant community awarded full title to the protected area and the establishment of a Communal Land Trust to take control of the management thereof (Palmer *et al.*, 2000; Bailey, 2003).

The Mkambati claim has also recently been settled, boosted by a R 60-million partnership deal between the new Community Land Trust, Eastern Cape government and the Wilderness Safari / Mantis Consortium. The tender is to develop low-volume (no more than 108 beds), high-revenue tourism lodges within the reserve, which is to remain a 'Protected Area' under the authority of Eastern Cape Nature Conservation. The deal looks set to provide a 5 000 ha extension to the reserve (provided by the Mkambati Land Trust), a 9% gross profit payment to be shared in a ratio of 6:3 by the communities comprising the Mkambati Land Trust and the Eastern Cape Department of Economic Affairs and Tourism (ECTB), with 150 direct jobs created (Lunsche, 2003; Macleod, 2003; Wilderness Safaris, 2003).

Where land claims do exist, there tend to be more clear-cut boundaries as to *whom* constitutes 'the community' with claim to demarcated pieces of land; although overlapping restitution claims certainly do exist. Outside of these areas, land along the Wild Coast is contested by a large number of different groups and government institutions with overlying mandates (Table 3.4). Where there is dispute over whom the potential land-rights holders are, and under whose jurisdiction a given area lies, the formation of co-operation agreements are even harder to negotiate (Ashley & Ntshona 2002; Sihlope & Russel, 2002).

3.7.7 Overlapping Institutional Mandates

Table 3.2: Indication of the many different, and overlapping, responsibilities of government departments for land along the Wild Coast.

- **Department of Land Affairs (National DLA):** overall custodian of the land and responsible for issuing long-term leases on the land.
- **Provincial Department for Land Affairs (PDLA):** responsible for all forms of land reform other than restitution claims. Has authority to issue PTOs (albeit a temporary and insecure form of tenure that it is) almost immediately, without national DLA ratification.
- **Regional Land Claims Commission (RLCC):** responsible for adjudicating land claims.
- **National Department of Environmental Affairs and Tourism (DEAT):** is the department responsible for environmental management in general, but particularly for co-ordinating management of South Africa's coastline and marine living resources (including marine living

resources in estuaries). It has spearheaded the Pondopark proposal to become a National Protected Area and was responsible for the tourism component of the Wild Coast Spatial Development Initiative (WC SDI). It is also the main government directive, partnered to the EU, to facilitate the Wild Coast Community Tourism Initiative (WCCTI) as a pilot program of support to the WC SDI.

- **Marine and Coastal Management (MCM):** is a directorate within the national DEAT and is principally responsible not only for the management of marine resources but for the entire coastline 1km inland of the high-water mark (as is stipulated by the Conservation Decree No 9 of 1992).
- **Department of Water Affairs and Forestry (DWAF):** This national dept is responsible for the regulation of South Africa's (fresh) water resources, administered under the National Water Act (No 36 of 1998). Despite not being freshwater resources, estuaries are included under this jurisdiction. DWAF, together with Eastern Cape Nature Conservation are also responsible for the management of National Forest Reserves.
- **Department of Provincial Treasury, Economic Affairs, Environment and Tourism (DEAET):** is responsible for a number of aspects of coastal management in the Eastern Cape Province including policy formulation, reviewing development plans, administering provincial nature reserves, and reviewing Environmental Impact Assessment applications in the Province (in terms of regulations under the Environment Conservation Act No.73 of 1982). It is also directly responsible for the government's tourism programme in the province. It forms part of the provincial planning network that supports the Cabinet Committee and Provincial Legislature regarding the strategic direction for economic development in the province. DEAET has also been closely involved in negotiations around the future management of nature reserves being returned to claimant communities under the restitution programme.
- **Eastern Cape Nature Conservation:** Provincial nature reserves (i.e. Mkambati and Silaka within the study area) fall under this authority. They are understaffed, under-financed, and defend a rather poor track-record for conservation in the province.
- **Eastern Cape Development Corporation (ECDC):** A key parastatal organisation, charged with the task of driving tourism development and investment in the province, as well as giving impetus to the socio-economic imperative of growing tourism as key economic sector in the province. This organisation also owns many of the coastal hotels along the Wild Coast.
- **National Department of Public Works (DPW):** In possession of large tracts of land and

involved in the land reform process to some degree.

- **Provincial Department of Agriculture (DOA):** Currently making much state land available for redistribution to emerging black farmers and provides agricultural support services to land reform beneficiaries.
- **District Municipal Councils:** The OR Tambo District Council is the local government authority responsible for overall development planning and service delivery within its area of jurisdiction. Within its Integrated Development Plan (IDP), provision should be made for local land reform projects and infrastructure development – such as water and roads, housing, clinics and schools.
- **Tribal Authorities:** Qaukeni, Mbizana and a small section of Port St John's, are the Regional Traditional Authorities for Eastern (Coastal) Pondoland. These authorities, are in effect, a form of local government for their area of jurisdiction. They are responsible for the control of land tenure, through the Permission to Occupy (PTO) system. To procure a PTO an individual or organisation must first approach the local traditional authority for permission before PDLA makes a final decision and processes the PTO.

(Source: Nicholson, 1997; Ashley & Ntshona, 2002; Sihlope & Russel, 2002; ECODES, 2003; Lahiff, 2003; Cooper, EU PMU staff, PondoCROP staff, Wiggishoff, *pers comm.*, 2003)

3.7.8 Conclusion

Despite some pioneering work on behalf of national and provincial land reform institutions, tenure reform on the Wild Coast is still on a slow-track of delivery, overwhelmed by many different obstacles. According to Lahiff (2003: 13), the main 'challenges' include: lack of policy direction in key areas, cumbersome internal procedures, inadequate co-operation and/or rifts between different spheres of government (especially between national, provincial and local authorities), limited budgets and constraints imposed by the National Land Reform programme itself.

I assent with Lahiff (2003) on these issues, but would include one more significant 'obstacle' to this list: until the role and authority of the traditional land allotters (i.e. the chiefs) is clearly delineated by law, we shall continue to battle with illegal cottage development insecure tenure rights, investor reticence, and many of the other problems alluded to in this chapter.

3.8 Tourism Planning on the Pondoland Wild Coast:

In September 1996, the Land and Agricultural Policy Centre (LAPC), commissioned by the Wild Coast Spatial Development Initiative, undertook an investigation into the potential tourism opportunities and constraints in the region. The report (LAPC, 1996 cited in Nicholson, 1997) concluded that the area had massive, 'untapped' tourism potential, but that product development had lagged due to a number of critical factors. Their reasons included: lack of institutional and human capacity; large amounts of state forest reserves (also a potential opportunity); perceptions of crime and violence; the legal / illegal cottage issue; and a potentially investor-unfriendly or 'risky' economic environment. The report listed a number of issues requiring urgent redress in order to facilitate a sustainable tourism industry within the region. These were: ensuring local communities are fully involved in tourism planning; land tenure issues are satisfactorily resolved with effective administration and control systems in place; institutional and human capacity is strengthened; measures are in place to afford effective natural resource protection and sustainable utilisation; and that a tourist and investor-friendly environment is promoted. Furthermore, the report recommended that a clear spatial planning and policy framework be formulated for the Wild Coast, to provide direction and terms of reference for future tourism development (Nicholson, 1997).

In 2003, the Wild Coast was the Eastern Cape's most popular holiday destination, with over 470 000 visitors. The domestic tourist market constituted more than 80% of this figure (primarily the 2-3 star hotel market), but there has been a marked increase in the number of foreign visitors (Haynes, 2003). Based on a latent demand scenario, market research indicates that the Wild Coast could achieve a 20% higher demand over a ten-year period, with a growth in the local tourism industry of 6% per annum. Destinations in South Africa, on the whole, are growing at an average rate of 2,5% per annum (Haynes, 2003).

In response to the recommendations by the 1996 LAPC Report, the *Wild Coast Tourism Development Policy* was drafted by the provincial Department of Economic Affairs, Environment and Tourism (DEAET), and made public in June, 2000. This document has become the leading text for tourism operators (potential and existing) on the Wild Coast. It identified tourism as the "lead economic sector of the Wild Coast Spatial Development Initiative" (DEAET, 2000:1) and explicitly outlined the key issues (both opportunities and

constraints) pertaining to tourism development within the region; tourism and environmental policy guidelines; institutional policy arrangements; and provided procedural guidelines for tourism project applications (DEAET, 2000).

A summary of the key issues identified, as constraining sustainable tourism development in the region, were outlined in this policy paper (Appendix 6) The policy made no attempt to conceal or make excuses for the blatant failings of provincial and other government institutions to orchestrate successful tourism development in the region. It frankly rebukes 'institutional mayhem', created by competing and often conflicting government departments, as resulting in lengthy procedures, poor response time to development applications, and indecisive policy and decision-making. It points to the fact that land tenure issues, which remain to be effectively resolved, continue to defer private sector investment in the region, although "the Department of Land Affairs has apparently made some progress with specific development procedures for the area" (DEAET, 2000: 2). Of particular significance to potential tourism development, it highlighted the exigency for an officially sanctioned 'Spatial Development Plan' for the Wild Coast, to thwart further *ad hoc* development (i.e. the illegal cottages), and investor insecurity.

The document recognised that capacitated local community institutions, through which private sector could negotiate and co-operate, were by and large, *not* in existence. The policy suggested legally constituted community tourism trusts as a possible way forward. These legal entities could enter into joint venture and equity partnerships with developers on behalf of the community, and be able to approach financial institutions for funding for community-based developments. They would also act as a channel through which benefits derived from tourism enterprises (for example rent) could be distributed to local communities (DEAET, 2000). The Wild Coast Development Corporation was proposed as a facilitatory agent for accessing community funding at a preferential rate and reduced collateral requirements. Leasehold was considered the preferred tenure arrangement for new tourism development, and in those cases where land has not yet been transferred to community ownership, it was advised that the Minister of Land Affairs serve as the principal lessor (DEAET, 2000; Wiggishof, 2003a).

The Wild Coast Tourism Development Policy (DEAET, 2000: 4) outlined the core underlying principles, to which future tourism development along the Wild Coast should strive to comply, as:

- The current use of land and resources by land occupiers along the Wild Coast should be recognised and future tourism developments should not weaken community access to, or sustainable utilisation, of such resources;
- Tourism development along the Wild Coast should be based on the principles of *Efficiency* – must be the best use of land, *Equity* – the fairest use of and benefit from tourism resources, and *Sustainability* – tourism development must be ecologically and economically sustainable;
- Tourism development along the Wild Coast should principally be private sector driven, but it is government's responsibility to create an enabling environment and policy framework for this development;
- Tourism development should be dependent upon the establishment of close partnerships and co-operation amongst all the key stakeholders;
- All tourism development should respect the principle of nodality; and
- Future tourism development should cater to all types of tourists and budgets – from international to domestic, as well as local day-trippers.

The Policy document (DEAET, 2000) also provided explicit spatial planning guidelines and demarcated development nodes. This spatial planning control, aims to ensure that appropriate forms of tourism development are encouraged at appropriate locations. Tourism development, with the exception of ecotourism / low impact tourism development, where appropriate, should be concentrated in identified first and second order nodes only.

The most urban and extensively developed areas along the Wild Coast were assigned first order status. Port St Johns and Mzamba are the only first order nodes within the Pondoland study area. Within these areas, there is greater focus on recreation provided by the development itself (such as golf courses or hotel activities), and not as much on the environment in which it is located - although these developments will usually be located in a clean and attractive setting. Larger hotel or cluster developments, and some cottage development were envisioned for these zones (DEAET, 2000; Wiggishof, 2003a).

Second order nodes are less developed and more urban in nature, with a greater focus towards 'family holiday' tourism and recreation facilities provided by both the development and the environment. Within these nodes, cottages, cluster complexes and family hotels may be developed. Mbotyi and Msikaba (both with a large number of legal and illegal cottages) are the only two second order nodes in the study area (DEAET, 2000; Wiggishof, 2003a).

Much of the Pondoland coastline has been demarcated as an Ecotourism/ low impact tourism zone, with only low intensity, natural-resource-based, environmentally and culturally sensitive tourism, permissible. Ecotourism developments are typically in a secluded venue and usually in the form of a camp, small cluster or specialised lodge facilities. Some of these tourism developments, although rustic and secluded, could still offer a high standard of accommodation and service (DEAET, 2001; Haynes, 2003; Wiggishof, 2003a).

Areas of outstanding natural beauty, such as the stretch of coast between Lupatana and Mbotyi, which includes the landscape features of Waterfall Bluff, Cathedral Rock and Sikatcha, have been assigned a 'No Development' status. This means absolutely *no* tourism development will be permitted in this special control environment and access to the natural resources within these zones, will be controlled (DEAET, 2000).

Perhaps the most unyielding piece of legislation remains the *Transkei* (Environmental Conservation) *Decree 9 of 1992* which prohibits all development within a 1 000 metre coastal zone (measured from the high-water mark), without a conditional permit. Should special permission be given for tourism development within these 'Special Control Environments', it would certainly be subject to a full Environmental Impact Assessments and adherence to strict Integrated Environmental Management Procedures (Wiggishof, 2003a; Bailey, Haynes, and Trebble, *pers comm.*, 2003).

Although the Wild Coast Tourism Policy (2000) is probably the key text to which potential tourism investors should confer, it is still only a policy document *per se* (even though it has been gazetted). There is yet to be a sufficiently detailed Spatial Development Plan, established for the Wild Coast. The 'O.R. Tambo District Tourism Spatial Development Plan', as found in the Eastern Cape Tourism Master Plan (ECTB, 2003 – 2007), probably comes closest to achieving this end, though it is far from providing a definitive, or sufficiently detailed, plan for the area.

The local Qaukeni Integrated Development Plan (Vuleka Communications, 2002:15) also identified tourism as the area lead economic sector, recognising its potential to impact positively on “job creation, poverty alleviation and local business growth”, but fails to elaborate as to *how* local government plans to establish or promote this tourism, or provide a spatial planning framework.

3.9 Conclusion

With 110 kilometres of pristine coastline, striking landscape features, and a rich cultural heritage, there is little doubt that the Pondoland Wild Coast has enormous tourism potential. However, given its exclusionist history, the complex institutional environment governing its natural resources (and use), and an enduring state of tenure insecurity; it is not particularly surprising that the Pondoland Wild Coast remains a virtual ‘blank slate’ when it comes to tourism development. It is very clear that a broader and more considered spatial planning and development framework is required for the area, with mechanisms in place to help ‘fast-track’ appropriate and responsible tourism development. Tourism initiatives proposed for this area, would certainly need to be underpinned by sustainable development principles – i.e. that they seek to be ‘socially, ecologically and environmentally sustainable’.

The question proposed by this study then, is: do the four tourism operations selected here as case studies, adhere to such principles? Are they exemplars for ‘responsible’ and ‘sustainable’ tourism in the region? The individual tourism operations will be documented in their own context (Chapters 4-7), whilst these critical questions will be considered and evaluated in the concluding chapter (Chapter 8).

CHAPTER 4: CASE STUDIES

THE AMADIBA HORSE AND HIKING TRAIL

4.1 Introduction

The Amadiba Horse and Hiking Trail (H&HT) is a community-based tourism enterprise operating in the northernmost reaches of the Pondoland Wild Coast. It was first initiated in 1997, through the assistance of a local NGO, and has since become the flagship project for the EU Wild Coast Community Tourism Initiative. In 2000, it won the President's Award for the best community tourism project in South Africa (WCCTI, 2002a; 2003). This operation was selected for study as it exemplifies Ferrar *et al* (1997) third tourism model: the 'Community Business Model' (refer to Section 2.3.4.3), and is one of the more established sole-community tourism ventures in South Africa. It has however received extensive grant funding, institutional and marketing support from the donor EU programme and a local NGO – the merits and failings of which, will be considered.

4.2 Study Site

The Amadiba Horse and Hiking Trail (H&HT) operates in the northernmost section of the Wild Coast and falls under the local government jurisdiction of the O.R. Tambo District Council and the Mbizana Municipal Council (Russell & Kuiper, 2001). As is the case through much of the Eastern Cape, these municipal delineations overlie traditional authority boundaries, with the Amadiba Regional Authority divided into Location 24 (the coastal authority) over which Chief Balini presides, and Location 21 (inland), which falls under the control of his relative, Headman Sigidi (Ntshona & Lahiff, 2003b).

The Amadiba area extends 22 kilometres down the coast from the Mzamba River in the north (just south of Port Edward) to the Mtentu River in the south (northern boundary of Mkambati Nature Reserve) and stretches approximately one kilometre inland (SA Explorer Data, 1999). Figure 4.1 provides a location map of the area with an inset of the Amadiba area and Case Study (CS) 1 (Amadiba Adventures) in relation to the other documented enterprises along the Pondoland Wild Coast.

Figure 4.1: Location map of the Amadiba Horse and Hiking Trail and Amadiba Tribal Area – Pondoland Wild Coast, Eastern Cape Province.



(Source: Cartographic Unit, University of Kwazulu-Natal, Pietermaritzburg, 2004).

4.3 The Tourism Operation: A multi-day Horse and Hiking Trail

Amadiba Adventures is a community-based adventure tourism operation which offers multi-day horse and hiking trail packages (between 1; 4 and 6 day trails). Trailists are accommodated in two tented camps: the first situated on the Kwanyana River overlooking the historic Red Sands (approximately 14.4 km south of Mzamba) and the second, a larger and more permanent camp, nestled in a stand of milkwood trees on the northern banks of the Mtentu River (refer to Figure 5.1). All accommodation, hire of horses, tour guiding, equipment lease and catering along the trail is provided through a series of linked business enterprises, each owned and operated by a local person or group, with support from the Amadiba Project (Russell & Kuiper, 2000; Bend, 2003a; b).

Trails are flexible and can be tailored to suite the interests and riding / hiking competencies of different groups. The horse trail has proved the most popular, but a mixture of hiking and riding, or a pure hiking trail, can also be arranged. Trails depart weekly and groups of up to twelve people can be accommodated at any one time. The trail is a circular route with two nights usually spent at Mtentu camp (and an option for an extended stay here), and two nights at Kwanyana camp on the outbound and return journeys. At Mtentu, guests engage in a number of different activities including canoe trips up the estuary, visits to waterfalls and indigenous forests, guided walks in the adjacent Mkambati Nature Reserve, day outrides, and organised cultural visits to a local sangoma, traditional ceremonies or local taverns (Pinnock, 2002; WCCTI, 2002a; Bailey & Ngwelle, *pers comm.*, 2003).



Plate 3 (above left): The central dining boma at Mtentu camp on the Amadiba Horse and Hiking Trail.

Plate 4 (above right): Amadiba Adventure Trailists (Source: Pondocrop, 2003).

4.4 Background

The Amadiba Horse and Hiking Trail (H&HT) was initiated in response to the augmenting need for social development and poverty alleviation in the region, and in retort to the ineffective delivery of the Wild Coast Spatial Development Initiative (WC SDI). Members of the Amadiba Community approached a local NGO, the Pondoland Community Resources Optimisation Programme (PondoCROP), to ask for assistance in helping them establish a tourism concern that would reduce poverty and address critical resource management issues (Russell & Kuiper, 2000). In 1997, PondoCROP, in association with local government and community structures, and financial assistance from Ntsiki Enterprise Promotions Agency, helped to initiate what would become a pioneer development in the sphere of 'community-based', 'ecologically-responsible', and 'pro-poor' tourism (WCCTI, 2002a;b; Bailey, *pers comm.*, 2003). The earliest product was a horse-trail, using locally owned horses, which followed the old coastal route of the original Transkei Hiking Trail¹⁷. The idea was for the Amadiba people to use assets freely available to them, such as their horses and spectacular natural surroundings, to generate sustainable income whilst affording tourists a culturally enriching, wilderness experience (WCCTI, 2002a; Bailey & Sperring, *pers comm.*, 2003).

¹⁷ The **Wild Coast Hiking Trail** was first opened by the Transkei Department of Nature Conservation, during the early 1980's in an attempt to formalise the increasingly popular act of traversing the Wild Coast on foot. The trail saw the introduction of a more formalised system in which permits, trail huts and trail rules were introduced. The Wild Coast was divided into four main sections, each with its own exit and entry point, with the northernmost section, or 'Pondoland Trail', being the longest - traversing 110 km of coastline with 10 overnight hiking huts. Detailed maps were provided which offered information on overnight stops, local flora, fauna, geology, history and marine ecology. The Wild Coast trail was widely regarded as one of the most spectacular and challenging trails in South Africa.

However, the greatest problem Nature Conservation experienced with managing the trail, was the poor communication network along the coast. There was no reliable way of informing staff of new hiking groups and this often led to a situation where hikers would arrive at an overnight hut, only to find it locked (out of fear of theft) and nobody around. Hikers would then end up breaking in, or be forced to spend the night outside.

Political instability in the region during the late eighties and a number of violent incidents on tourists along the Wild Coast, had an extremely negative affect on the trail's popularity. During the early 1990's, the number of hikers doing the trail became so few, that the viability of maintaining the trail was seriously called into question. Directorate budget-cuts meant that there was no funding available for routine maintenance or staff payments, and the huts gradually fell into a state of disrepair. In 1998, Eastern Cape Nature Conservation officially closed the trail in an effort to put pressure on provincial government to release a maintenance budget (Huggins, 2002).

According to research conducted by Ntshona and Lahiff (2003b): the idea of the Horse and Hiking Trail was met with some apprehension from local community members, who feared the community might end up losing their land to the project, as was happening with many of the illegal cottages developing at Sikhombe and Mnyameni. The venture initially proposed to include the use of people's houses for accommodating tourists, but this was abandoned due to a general unwillingness from the local community¹⁸ (Bailey, *pers comm.*, 2003; Ntshona & Lahiff, 2003).

PondoCROP facilitated a number of meetings with local Amadiba communities and members from the Local Reconstruction and Development Programme (RDP) committee to clarify the concepts and thinking behind the community-based project and reassure communities that their participation would not entail a loss of land (Ntshona & Lahiff, 2003b). The Amadiba Steering Committee (based on the old RDP committees already in place) became the formalised institution for devolving management and authority of the trail to the community. In 2000, the Amadiba Steering Committee was reconstituted to become the Amadiba Coastal Communities Development Association (ACCODA), with the name change reflecting the community's desire to have a management authority representing them not only on issues pertaining to natural resource management and the H&HT, but wider development issues such as infrastructure, health and education. (Russell & Kuiper, 2001; Bailey & Wiggishof, *pers comm.*, 2003; Ntshona & Lahiff, 2003b).

ACCODA currently has 12 elected trust members - two from each of the five villages in the Amadiba area, one tribal authority chief, and one representative from the local municipality. There are no longer any representatives from PondoCROP on this trust committee (Fong, *et al.*, 2004). In December 2000, a Trust Fund was established whereby all monies generated from development initiatives (such as the Horse and Hiking Trail), wholly owned by, and maintained for the use of the broader community, would be administered and managed by ACCODA's trustees (PondoCROP, 2001b). In addition to representing the broad interests of the Amadiba community, it is ACCODA's duty to facilitate arbitration disputes concerning community rights, development priorities and potentially conflicting government, community

¹⁸ It should be noted however, that a 'Village Based' Horse and Hiking Trail was later initiated through the EU WCCTI Programme.

and private sector agendas (Russell & Kuiper, 2001). Amadiba Adventures remains however, the single largest responsibility of ACCODA.

ACCODA outlined its vision for the Amadiba Horse and Hiking Trail as “developing a world class tourist destination” based upon the following principals:

- Honour and protection of local traditional lifestyles and the wilderness environment of the Transkei Coast, in the short and long term;
- Generating financial benefit to the local community; and
- Building the capacity of community members (PondoCROP, 2001b: 11).

4.5 Procedural Establishment and Institutional Stakeholders

Many perceive the Amadiba Adventures project to be a blueprint model for ‘community-based’ and ‘responsible’ tourism development. Although Amadiba Adventures has developed into a relatively successful operation, this ‘success’ should be qualified against the substantial financial grants and institutional support received from the EU Wild Coast Community Tourism Initiative (WCCCTI) Programme and PondoCROP - as the programme’s main implementing and enterprise support agent (WCCTI, 2002a, b; 2003).

Amadiba Adventures has undergone considerable managerial and organisational restructuring, during its brief existence. These changes have largely been driven, not out of concerns expressed by those most directly involved with the project (i.e. the Amadiba community or project employees), nor from demands of its patrons, but rather through the funding and expertise made available by the EU funded ‘Support to the Wild Coast Spatial Development Initiative Pilot Programme’ (Ntshona & Lahiff, 2003b; Bailey; Haynes & Cohen, *pers comm.*, 2003 – refer to Section 3.4.2).

Although the product itself remains largely unaltered, the approach to the way in which the business is run has evolved through a number of stages to become, as Ntshona and Lahiff (2003: 41) identified: “increasingly commercial”. This progression may provide for a more efficiently-run (and inherently more profitable) operation with larger financial benefits accruing

to the Amadiba community and project employees, but some persons (Ntshona & Lahiff, 2003: 41; Bailey & Sperring, *pers comm.*, 2003) have expressed concern that such benefits could be set against the increasing centralisation and managerialism that has become the core focus of the restructuring process. This, they argue, runs the risk of endangering the 'genuinely participatory and uniquely local qualities that have characterised the trail to date'.

4.5.1 Organisational Restructuring: An Adaptive Learning Process

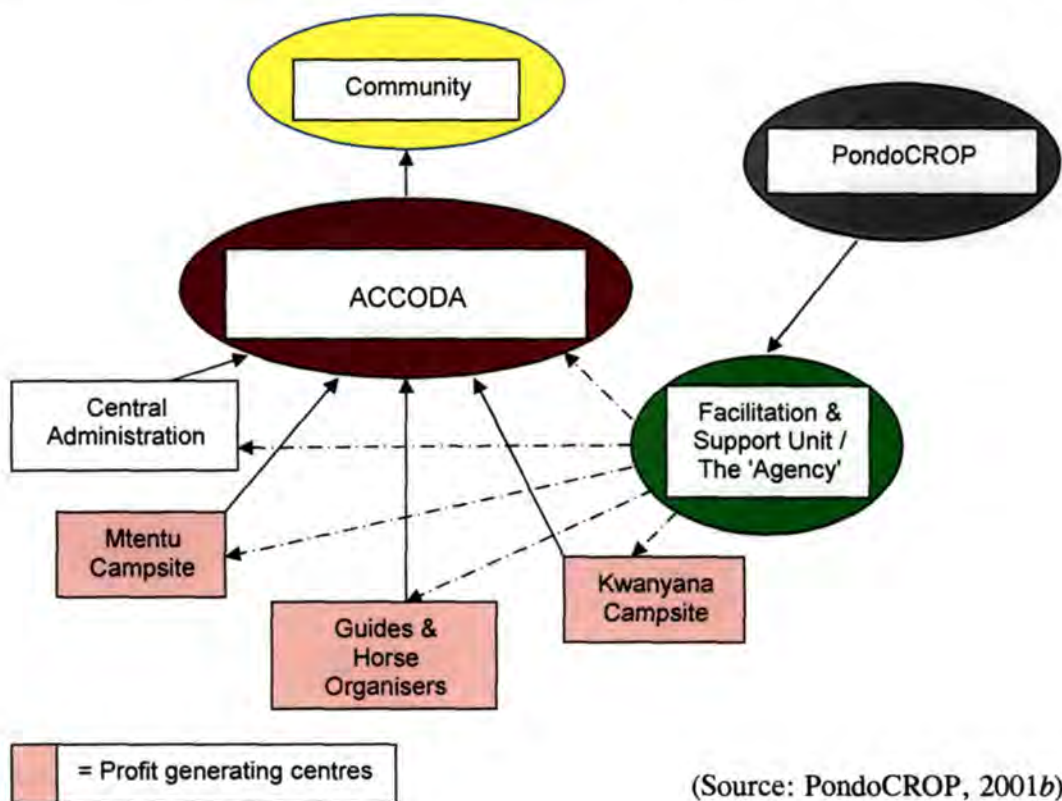
A Business Plan for Amadiba Adventures was drawn up in June 2001, where it was suggested that a management committee: the Amadiba Adventures Management Committee (AAMC), be constituted from a selection of representatives (i.e. catering, horse and hiking guides, transport and logistic personnel, and camp managers) from each of the individual operating areas (PondoCROP, 2001*b*). The new management committee would assume full responsibility for the day to day operational and management decisions of the trail (but still report to ACCODA), so that ACCODA could shift its focus towards broader and more strategic decision-making such as information dissemination, and garnering community support for the H&HT and other proposed development initiatives (Russell & Kuiper, 2001; Fong *et al.*, 2004).

The complex network of accommodation facilities, transfer logistics, trail activities (i.e. river crossings, horse changes, canoe trips and guides), multiple service providers, coupled by the remote and rural nature of the environment, necessitated the need for a centralised administrative support centre. This central agency was proposed to act as a 'nerve centre' for the trail network, co-ordinating accommodation bookings, service providers and the various trail support resources. This agency would have to be linked directly to the individual community business operations along the trail (PondoCROP, 2002*b*; Bailey, *pers comm.*, 2003). Communication between the various service providers and the central booking /co-ordinating agency has been made possible through cell-phone communications supported by portable masts and solar-powered battery chargers as there is no electricity and mobile phone coverage is weak in the area (Bailey, *pers comm.*, 2003; WCCTI, 2003).

Figure 4.2, provided by the Business Plan (PondoCROP, 2001*b*), illustrates how the trail was broken down into more functional, independent Business Management Units (BMU's). The 'Facilitation and Support Unit' was proposed to be responsible for capacity building within the

different units, so that that they could become self-contained, profit-generating centres, of the overall Amadiba Business. It was envisaged that each of the units would operate in coordination with, but independently of, all the other business units, and have proportional representation on the new Project Management Steering Committee (PMSC). Developing a Business Strategy was the joint responsibility of the Steering Committee and the business unit concerned. After this restructuring process, ACCODA assumed overall ownership of the trail, but daily operational decisions became the responsibility of the business unit concerned (PondoCROP, 2001b; Bailey, *pers comm.*, 2003; Bend, 2003b).

Figure 4.2: Proposed structure for the management of the Amadiba Horse and Hiking Trail



Notes:

The following 'Business Management Units' were created to oversee more efficient operational management:

- **Mtentu campsite:** this business unit comprises camp keepers / cleaners, caterer's, security and a camp manager, responsible for hosting guests at the Mtentu River.
- **Kwanyana campsite:** this business unit comprises a similar staff complement (but fewer in number) to that of Mtentu. They are responsible for hosting guests at the Kwanyana River.

- **Guides and Horse Organisers:** this business unit is responsible for transporting tourists safely, by foot, horse or canoe, into the trail area, between campsites, up and/or across rivers.
- When a trail booking is made, this information is forwarded to all the applicable BMU's whom in turn contact the relevant persons on the ground that act as the communication hub for their respective service provider team. Every self-contained BMU is responsible for maintaining information and communication flow between a) transference of bookings made at the Central Agency through to the ground, and b) administrative reporting to the Management Steering Committee and the owners of the business - i.e. the community, represented by ACCODA (Bend, 2003b).
- **Central administration unit:** this business unit is a 'cost centre' (i.e. it does not generate profit but is essential to the working of the larger organisation) and is responsible for all the centralised administration, finance, reporting, and marketing functions of the business.

However, after four years of operational experience (1999-2002) it became evident that there was still a clear lack of administrative skills in the Amadiba Adventures business. This was largely due to the dependence mentality that the project had on PondoCROP (PondoCROP, 2002b; Ntshona & Lahiff, 2003). PondoCROP had continued to oversee the reservation, financial and administrative components of the Amadiba Adventures business from their Mzamba offices. The development of the Facilitation and Support Unit was proposed to lessen this dependency by developing skills and capacity within the individual BMU's such that when PondoCROP withdrew from the project all together (after the EU Programme has run its term and funding was exhausted) Amadiba Adventures would be an entirely self-sufficient, sustainable tourism operation.

PondoCROP had proposed that the Facilitation and Support Unit / Central Agency be established not only as the principal vehicle for ensuring sustainability of the Amadiba Adventures project, but all of the community tourism projects established under the auspices of the EU Wild Coast Community Tourism Initiative (whose 4-year contract would be coming to an end in March 2004) (PondoCROP, 2002b). However, by the end of the programme, this 'Agency' had not materialised to the level of functioning, or competence, that PondoCROP had originally envisioned for it.

In fact, the current Trails Manager has become more or less, the single linchpin of the entire Amadiba Adventures Business. Although there is a rudimentary 'Facilitation and Support' unit in place, the current Amadiba Trails Manager has assumed almost single-handed responsibility for all the reservation, staff co-ordination, and logistical operations of the business. This is

because there is no clearly defined, or competent, second line of management. The Trails Manager currently undertakes all Amadiba Adventure's networking and co-ordination with external agencies, reports the activities of the business to ACCODA, and represents Amadiba Adventures at the various marketing trade shows and conferences. His absence from the Reservations Office (when he is away at trade shows or on other business) reportedly leaves a "serious void", and it is a warranted concern, expressed by many on the EU programme, that should he leave the business, Amadiba Adventures might soon fall apart (Fong *et al.*, 2004; Bailey, Haynes, and Wiggishof, *pers comm.*, 2003; Trebble, *pers comm.*, 2004).

One of the key recommendations which came out of an assessment conducted by the University of Berkeley, on Amadiba Adventure's sustainability (Fong *et al.*, 2004: 4), was that the business should train-up and reorganise their staff complement so that they appoint specialist managers to operate within a clearly delineated "hierarchal structure" (the conventional organisational structure of most profit-making businesses around the world). The organisation of the business should be such that there are clearly defined responsibilities, control areas, and formalised relationships amongst staff, supervisors and the various hierarchal control managers of the business. However, those who have been integrally involved with the Amadiba Adventures business seriously question where this level of capacity (required in a hierarchal managerial system) could be sourced from the local Amadiba area - should it remain a local community initiative.

I believe this to be the single largest failing of Triple Trust (TTO) - the NGO appointed to the EU programme to provide community capacity building and skills training around tourism development. TTO were not specialists when it came to business management (i.e. training in accounting, reservation and marketing skills), the hospitality industry, or trust training. Their experience was aligned with the more conventional community development projects i.e. leatherwork, beading, poultry farming, sewing projects and the like. They therefore had to subcontract other training organisations to meet the training needs of the programme. There was a large degree of misunderstanding between PondoCROP and TTO as to whom was responsible for identifying training needs and the sourcing of potential candidates, resulting in belated training workshops, which by many informant's account, were 'far too general and elementary'.

From the situation which Amadiba Adventures now finds itself in (where only the Trail Manager has any real knowledge of the business management component of the community business), it appears that TTO's training has made little tangible difference to enhancing the 'capacity'- particularly that relating to tourism development - of the coastal communities residing in the study region (Bailey, Cuba, Wiggishof, *pers comm.*, 2003; ECODES, 2003; Trebble, *pers comm.*, 2004).

4.6 Critique of Socio-Economic and Environmental Impacts

4.6.1 Economic Impact

4.6.1.1 Direct Employment and Training

According to PondoCROP's Finance and Business Plans (PondoCROP, 2001b; *pers comm.*, 2003; PondoCROP, 2003), the EU Mid-term Report (ECODES, 2003), and the 2004 Concept Business Model submitted by Haley Sharpe Consultants (Lourens, 2004): **9** business entities and **57** employment opportunities had been created out of Amadiba Adventures (AA) by December 2002. Of these only 22 are full time jobs, whilst the remaining 35 are part-time employees - remunerated only when tourists are on the trail. Employees are divided between the following business units and service providers (PondoCROP, 2001b):

Table 4.1: Job portfolios and the number of persons employed in Amadiba Adventures

	No. Employees	Total Staff
Kwanyana Campsite		8
Camp Manager	1	
Caterers	4	
Cleaners	3	
Mtentu Campsite		15
Camp Managers	1	
Caterers	8	
Cleaners	4	
River Guides	2	
Transport Logistics and		34

Guiding		
Tour Guides	10	
Horse Organisers	2	
Horse Owners	20	
Ferry Boat workers	2	

(Source: PondoCROP, 2003).

The total salaries paid by Amadiba Adventures during 2002 amounted to R281, 232.70. The average income per job category is provided in the table below (ECODES, 2003; Lourens,2004).

Table 4.2: Average 2002 Income per job category for Amadiba Adventures
(Source: PondoCROP Financials, 2003).

Category	Annual	Monthly
Amadiba Administrator	R9 600	R800
Ferryman	R5 055	R421
Kwanyana Caterer	R6 465	R539
Kwanyana Camp Keeper	R4 224	R352
Kwanyana Security Guard	R1 200	R100
Transport Guide	R7 476	R623
Horse Organiser	R2 870	R239
Horse Keeper	R2 202	R184
Horse Owner – Northern Area	R3 348	R279
Horse Owner – Southern Area	R2 124	R177

Table 4.3: Average hospitality wages from survey of 10 tourism enterprises conducted by Haley-Sharpe Consultants
(Source: Lourens, 2004a).

Category	Annual	Monthly
Manager/ Owner	R255 000	R21 250
Reservationist	R43 000	R3 583
Admin/ financial	R75 000	R6 250
Operations Manager	R215 000	R17 916
Marketing & Sales Managers	R135 000	R11 250
Tour Guides	R 45 000	R3 750
Hospitality: Cleaners	R 15 000	R1 250
Hospitality: Catering	R 22 500	R1 875
Camp Managers	R 55 000	R4 583

As is clear from the above tables, the remuneration levels of Amadiba Adventure (AA) employees are significantly lower than average rates paid by the South African hospitality industry (ECODES, 2003; Lourens, 2004a). As a comparison: an administrator employed by the Amadiba Adventures business earns approximately R9 600/annum, whilst an average salary for a receptionist working in the hospitality industry, according to Haley-Sharpe consultants (Lourens, 2004a) is R43 000/annum. The Mid-term Review (MTR) Consultants (ECODES,

2003) calculated, based on an average wage rate per job category and taking into account the number of full and part time employees, the average wage rate for full time AA employees to be R429.58 per month (based on 2002 wage rates), and R191.27 for part time employees.

Although, these figures are below even the minimum rural wage for domestic and agricultural workers¹⁹, in a highly impoverished remote rural community, with more than 40% of households living below the poverty line (May, 2000 cited in Russell & Kuiper, 2001) and unemployment rates in the region of 80%, these earnings still go a long way towards uplifting the local economy.

4.6.1.2 Formal Economic Contribution:

1) Estimated Revenue from wages into Amadiba Region

The potential Annual Income into Local Rural Economy:

Number of full-time employees x Average wage rate: $22 \times R\ 429.58 \times 12 = R113\ 409.12$

Number of part-time employees x Average wage rate: $35 \times R\ 191.27 \times 12 = R80\ 333.4$

Total Annual Contribution: R 193 742.52

The majority of business analysts brought in through the EU Programme to advise on the financial and management component of the Amadiba business have recommended that AA cutback on its staff complement and increase remuneration levels to comparable standards of the industry. This would mean that there would be less in the way of management costs and more funds flowing directly to the service providers (Fong *et al.*, 2004; Lourens, 2004a; Earnst & Young, cited in Trebble, *pers comm.*, 2004).

¹⁹ The **Minimum wage for domestic workers**, as of November 2003 was R864/month for urban domestics (a minimum of R4.87 per/hour for less than 27 ordinary working hours/week) and R702/ month for rural workers (minimum of R3.95/hr). Should year-on-year consumer inflation be greater than 10 percent as of 31 October 2004, the department will adjust the 8% 2003 wage increase upwards (SouthAfrica.info reporter, 2003).

The current minimum wage for **agricultural workers** is R871.58/month where average household income > R24 000/annum, and R713.65 where average household income is < R24 000/annum. This is after the Department of Labour announced a mandatory 9% and 10% wage increase from March 2004 (SouthAfrica.info reporter, 2004).

However, as Amadiba's Trail Manager (*pers comm.*, 2003; Trebble, *pers comm.*, 2004) points out: AA was purposely designed to operate off a flat hierarchal structure - whereby the camp manager does not get paid much more than the kitchen assistant, who in turn does not get paid much less than the horse guide. AA decided to work off the principle that instead of employing one person at R100 /day, they would employ two persons to share the job and pay them R60 each = R120/day. Even though this means less overall profit for the Amadiba business, there is a wider spread of direct benefit-sharing amongst the local Amadiba households. Profit maximisation comes second to job creation in Amadiba Adeventure's view.

2) Turnover and Profit

Since the EU programme's inception of support for the Amadiba project (2000 - 2004), annual turnover has shown a steady growth from R280 000 in 2000 to over a million Rand in 2003 (PondoCROP, 2003; Bailey & Trebble, *pers comm.*, 2003/2004). The 2002 and 2003 incomes combined account for 72% of the total earnings from 2000. These revenue figures are reflected in Table 4.4 below.

Table 4.4: Annual Sales / Turnover of Amadiba Adventures 2000-2003

Financial Year	Revenue/Sales (R's)
2000	280,000.00
2001	320,000.00
2002	551,560.00
2003 (up until Sept, 2003)	> 1000,000.00
TOTAL	> R 2, 151 560

(Source: PondoCROP, 2003).

This growth in turnover is a result of more trails conducted (i.e. higher occupancy levels) and price restructuring (a product price increase). Although the growth in turnover reflects an expanding business, its success should be measured only after operational costs are taken into account. The net profit equation (i.e. profit after expenses) reveals a considerably *less* successful narrative.

The breakdown of the 2002 revenue (provided by the Mid-term Review), is as follows:

- 51 % (R281,232.70) to salaries and wages;
- 22 % (R119,776.73) to operational costs; and
- 27 % (R150,550.57) to profit.

However, in 2003, the Income/Expenditure Budget published by an external consultant, Haley-Sharpe, (for January -September 2003) showed Amadiba Adventures to be operating at a **R 537 500 loss**²⁰. This loss excluded the grant fund of R 400 000 spent on training, mentorship and skills development, provided through the EU programme (Lourens, 2004a). From this report (Lourens, 2004a) it appears that general administration and operational expenses of the business had increased exponentially (as much as 12-fold for some expenses) during the 2003 period. A case of alleged 'misappropriation of funds', has since become public, but remains to be proven. Nonetheless, PondoCROP has been sternly admonished for not having sufficient protocols in place to prevent such a situation from transpiring in the first place. As identified by the Earnst and Young (2004) report: there was an explicit lack of segregation of duties, cash management policies and procedures, debtor, cash or payroll reconciliation's, asset verification, or of monitoring actual expenditure and budgets. For example, Amadiba Adventure's chequebook and cash card only ever required one signatory (Undisclosed, *pers comm.*, 2004).

Essentially, PondoCROP operated on a system of trust, with too much liberty being assigned to the integrity of its individual employees. ACCODA is as much to blame, for not having kept a tighter check on where, and how much, of their money was being spent. This is a matter of some concern when one considers that it is actually ACCODA's responsibility to monitor the financial turns of the 'Community Business' (or at least it definitely would be if PondoCROP and the EU programme were not providing support). According to sources there has been "a fair amount of confusion around the lines of responsibility when it came to the checks and balances of the businesses' financials, with the EU Programme Management Unit (PMU),

²⁰ It should be noted that Haley Sharpe's Financials are not directly comparable to the Financial Reports prepared by PondoCROP and the EU, as they employed a different accounting procedure to determine the businesses' profitability taking a more prudent approach to depreciation and tax deduction and tending to discount the grants provided through the EU Programme.

PondoCROP and ACCODA all expecting the others to have picked up on the transgression" (Undisclosed, *pers comm.*, 2004).

Despite this major transgression, PondoCROP insists that Amadiba Adventures still made a profit in 2003. The fact that Amadiba Adventure's turned over a million Rand in sales helps to affirm the potential 'success' of the Amadiba Adventure's business, provided sound business, financial and management protocols be instituted.

4.6.2 Occupancy Rates and Market Statistics

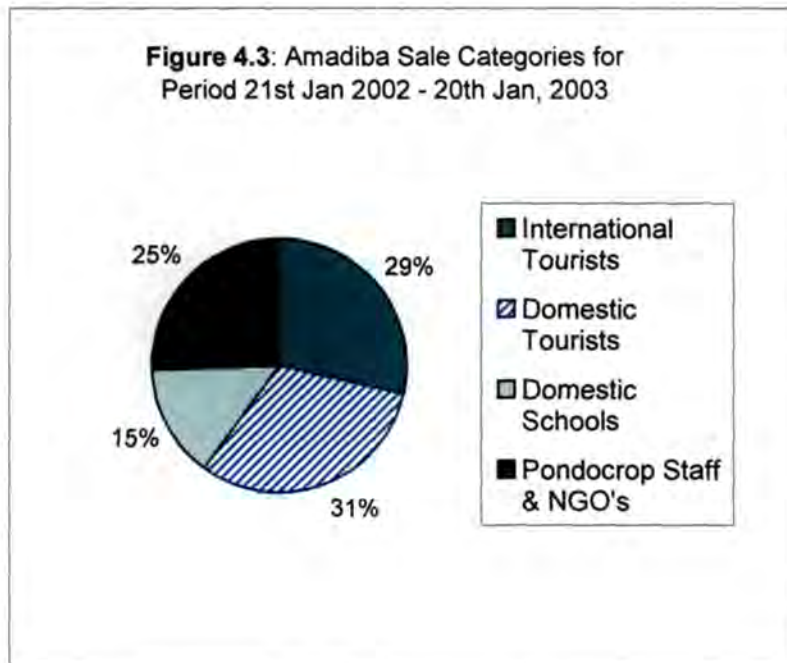
The number of trails conducted, as opposed to the number logistically possible in a single month (i.e. Occupancy Levels) is a further consideration with respect to the 'sustainability' of the business. PondoCROP works on 28 trails/month constituting 100% occupancy for the Amadiba Horse and Hiking Trail. This translates into a possible 336 trails available in a year (PondoCROP Financial Records & Trail Statistics, 2003).

Occupancy levels have increased steadily since the inception of the Horse and Hiking Trail. The 144 trails conducted from January to December 2002, represents an occupancy level of 43%. This increased during 2003, due to positive word-of-mouth referrals and a strong marketing campaign backed by the EU Programme (WCCTI, 2002a;b; 2003). These increasing occupancy rates suggest that there is a latent market-demand for the type of tourism product Amadiba Adventures is offering.

In addition, it is important to consider the current profile of trail-participants in order to inform a more target driven marketing campaign. As can be seen from Figure 4.3 the majority (54%) of Amadiba's clientele comes from domestic tourists. A further seven percent comes from local school groups and 32% are International tourists, who predominantly occupy the trail during school and non-peak holiday periods. It should also be noted that 25% of the 2002 sales income was derived from PondoCROP staff and visiting NGO's. This is a source of income which is likely to tail-off substantially, after the EU Programme has concluded.

In considering Amadiba Adventure's marketing and trail statistics for 2003 (PondoCROP, 2003): it appears that seventy-one percent of all domestic enquiries during 2003 were sourced

from two main sources: namely, Getaway Magazine, and word-of-mouth, resulting in 66% of all reservations. From this market information one can infer that the general profile of the domestic tourist interested in such a trail, is likely to be middle income friend or family groups (such as those who would buy Getaway Magazine) or those persons seeking a unique cultural, adventure and outdoor-experience.



Considering that the 2003 price/day for the Amadiba Trail was R400 (R 1 600 for a four-day trail), the Amadiba product is not marketed at the 'budget-traveller', especially when one compares it to other Wild Coast holiday resorts and family hotels, where for between R 240 – R 460/pppn (depending on accommodation choice and seasonality) one is guaranteed comfortable to luxurious lodgings, three meals a day, and other entertainment facilities (Getaway Online, 2004).

In terms of International Enquiries, the Coast-to-Coast²¹ has proved to be the most effective marketing strategy for 2003, followed by word-of-mouth and recommendations or referrals made by Backpacker Lodges (Amadiba Financials and Trail Statistics – PondoCROP, 2003). Backpackers may chose the Amadiba trail over similar competitors, for any of the following reasons: the historical intrigue of the area being a former homeland and the fact that the Wild

²¹ The **Coast-to-Coast** is a booklet made freely available to backpackers containing information about different Backpacker's and budget tours across South Africa.

Coast is perceived as being ‘off-the-beaten track’; a chance to interact with and experience local amaPondo culture; and the pristine natural surroundings for which the area is acclaimed. Backpackers are usually well educated and often value a high degree of social interaction and adventure activity (PondoCROP, 2003; Fong *et al.*, 2004). The international eco-tourist / backpacker is usually prepared to put up with a little discomfort and ‘average’ food, provided the experience they receive is uniquely memorable or perceived of as somewhat ‘exclusive’.

4.6.2.1 Satisfying Market Demand and Competitive Pricing

In their assessment of Amadiba Adventure’s sustainability, and recommendation for future marketing initiatives, a team of University of Berkeley consultants (Fong *et al.*, 2004) identified four main tourist groups, who they considered ‘target markets’ for the Amadiba Adventures product. These were: the ecotourist; the backpacker; and ‘special interest’ tourist groups from both the international and local tourist markets. Their attributes and reasons for ‘interest’ are summarised in Table 4.5.

Table 4.5: Associated marketing strengths of the Amadiba Adventures product to selected target markets

	Selected Target Market Attributes	Value Proposition
International	<ul style="list-style-type: none"> • First-time visitors • Interest in unique physical sites • Independent travelers 	Amadiba is a world class, once in a lifetime natural experience that is set in an area of pristine coastal wilderness and rich cultural history.
Domestic	<ul style="list-style-type: none"> • Taking a holiday in a different province of South Africa • Interest in natural sites 	Amadiba offers a visit to an area of national and global historical significance, as well as a journey to a land of unmatched environmental importance and beauty.
Ecotourists	<ul style="list-style-type: none"> • Value quality • Responsible travelers • Interest in natural sites and local culture 	Adhering to the standards of responsible tourism, Amadiba provides a journey through pristine coastal wilderness and an area steeped in rich cultural history.
Backpackers	<ul style="list-style-type: none"> • Budget travelers • Adventure seeking • Young and active 	Amadiba is a unique adventure and community-based experience located in the remotest part of South Africa.

(Source: Fong *et al.*, 2004)

To gain a better perspective on whether Amadiba Adventures would fulfil the expectations of these identified markets, the Berkeley consultants undertook Amadiba Adventure's four-day horse trail (in the capacity of international tourists). Their views and comments, backed by personal field observations and pilot investigations, have been summarised below:

- In comparison to similar tourism initiatives, Amadiba Adventures falls short in terms of quality of service and is slightly higher in price than other Eastern Cape competitors;
- Whilst the spectacular natural environment of the Wild Coast sells itself, the cultural interaction which international guests may be seeking to experience with Amadiba Adventures, has possibly *not* been developed to full potential. Furthermore, those components which support Amadiba Adventures as an ecotourism venture, should be emphasised during the trail, for example: information regarding local materials used for building, or the use of alternative energy in the trail camps. A genuine 'ecotourist' is interested not only in the flora and fauna of the region but how his/her stay will impact on the surrounding environment. In as remote and pristine location as the Wild Coast, this aspect of the trip's facilities should be underscored;
- Standardisation of basic sanitation, dining and sleeping facilities, seems to be in order amongst the different trail camps;
- The catering on the trail can become rather monotonous when chicken is invariably served up at every dinner. The packed lunches were also criticised for not measuring up to the quality tourists felt they were paying for (Fong *et al.*, 204). An important part of the Amadiba experience should be learning about and interacting with the local community. The inclusion of more local foods into the catering menu would be an added value to the trip as ecotourists and backpackers are usually curious about tasting new food and finding out about its origin; and finally
- Service levels and the organisational logistics of the trail do not always meet the standard expected of the (tourism) industry. A number of trail groups commented on the varying condition of the horses, delays in transfers (when new horses had not been delivered timeously) and the quality of equipment provided.

From the University of Berkeley findings, comments obtained from groups who had undertaken the trail, and participant experience, it appears there are still some important logistical and managerial issues which require redress before Amadiba Adventures can confidently align itself with the backpacker and ecotourist markets (Field Observations, 2003; Discussions with Amadiba Trailists, 2003-2004; Fong *et al.*, 2004; Trebble, *pers comm.*, 2004).

The University of Berkeley consultants (Fong *et al.*, 2004) recommended nonetheless, that the price of the trail be increased fractionally. They suggested a daily tariff of between R445-R450 per day, in recognition of the fact that this pristine coastline can only really be accessed through the horse and hiking trail. Customers are thus paying a premium to access this part of the coast.

I believe the current trail price is fair, when one considers the activities and constituent components of the trail. PondoCROP has indicated, in its financial forecasting, that it could increase the trail price annually by 5% to 15% (PondoCROP, 2003c; Fong *et al.*, 2004). However, I would not advise a price increase until such time as quality and service levels are in order. Price should be dictated by demand and at a current occupancy level of under 50%, Amadiba Adventures would benefit more (in terms of higher turnover and need for more full time employees) from having *more* trails conducted each month, as opposed to fewer at a 'premium' price. Offering 'out-of-season' trail packages at a reduced rate (provided all service providers are fully remunerated and the business is operating at a profit, albeit smaller) may help to boost annual occupancy levels.

4.6.3 Socio-Environmental Impacts and Institutional Sustainability

The Amadiba Horse and Hiking Trail has been a pioneering initiative in a region with no prior tourism experience, and a largely subsistence, low-skilled rural economy. According to a natural resource and socio-economic survey conducted by PondoCROP on 30 households in the Amadiba Region, the average monthly household income was calculated at R 512, with 33% of households stating pensions as their primary source of income, and 10.5% of households relying on family members working outside the area as their *only* source of income. Agriculture, natural resource collection and animal husbandry hence continue to play an important role in supporting local livelihoods (PondoCROP, 2002c).

The Amadiba project has not only helped to create local employment and improve facilities, but conferred ownership and management responsibilities for the trail and its environs to the local Amadiba community. This has produced some innovative joint-management partnerships between the community and its 'statutory' custodians (i.e. government) (Ashley & Ntshona, 2002; WCCTI, 2003). The establishment of the Amadiba Coastal Communities Development Association (ACCODA) as the community's local representative body for development initiatives (originally necessitated through the development of the Horse and Hiking Trail) has certainly facilitated a greater sense of 'ownership' and interest by local communities in development (principally 'tourism', but other development initiatives as well) of their region (Russell & Kuiper, 2001; Bailey, *pers comm.*, 2003).

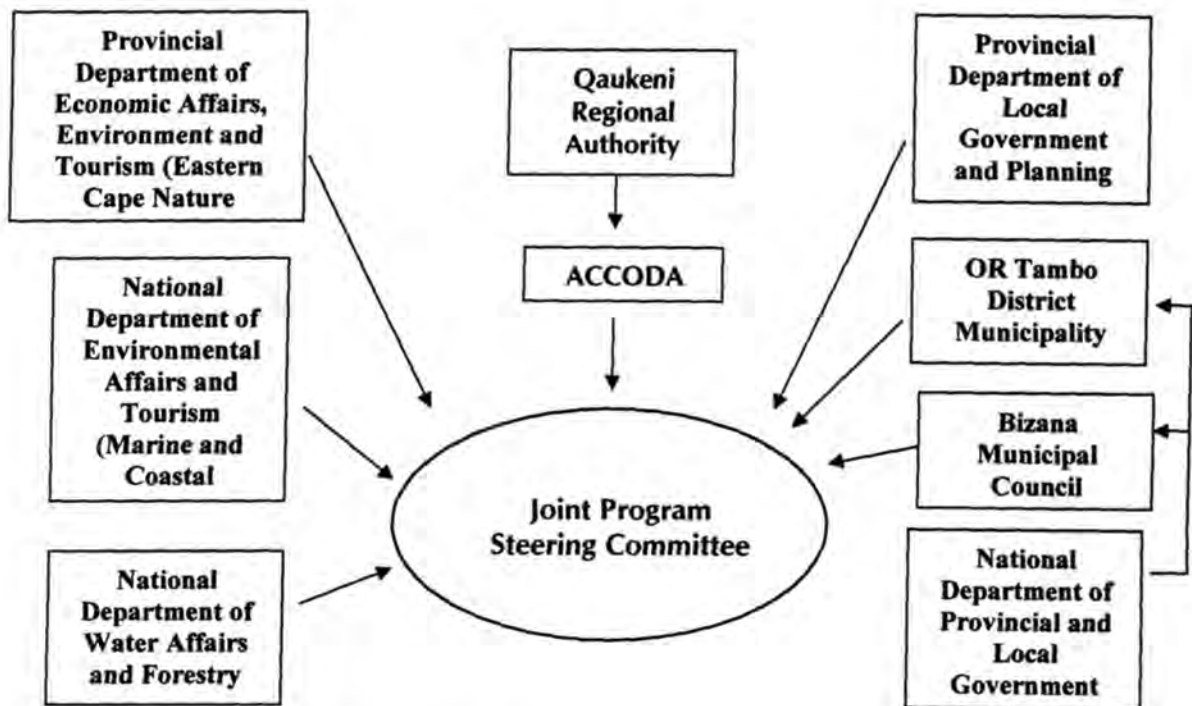
According to PondoCROP (Undisclosed spokesperson, *pers comm.*, 2003): when there was debate regarding whether a second lodge should be built at Mtentu (so that both Amadiba Adventures and Ufudu, or another private sector operator, could operate year round), ACCODA made it quite clear that given a choice between Ufudu (their private-sector flyfishing partner - refer to Case Study 2) and Amadiba Adventures as principal operators, Amadiba Adventures would definitely take precedence. This was attributed to the 'greater sense of ownership' that the community shared with the Horse and Hiking Trail.

4.6.3.1 Overlapping Jurisdictions

Ashley and Ntshona (2002: 53) identified the largest obstacles to the sustained success of Amadiba Adventures, as being "institutional" in nature. The rigours of bureaucratic process, compounded by conflicting and unclear institutional jurisdictions, has made the establishment of this community-based enterprise a capital-intensive and time-consuming affair. The reality is that it has taken four years of dedicated support from the EU Wild Coast Community Tourism Initiative (WCCTI), coupled to a number of years prior to the Programme (with PondoCROP's support), to get the Amadiba business to its current - and many will maintain, still 'fledgling' - status. Whilst the popularity of the trail (reflected by increasing occupancy levels) reveals that there is indeed a market demand for 'alternative' (i.e. community, culture, and nature-based tourism) tourism experiences, the lead time, effort and financial backing required to get the project to a point of effective and sustainable delivery has been significant (ECODES, 2003; Ntshona & Lahiff, 2003).

As was discussed in the contextual overview (Chapter 3), a major impediment to development on the Wild Coast is the surfeit of governmental departments with overlapping (and often incongruous) jurisdictional mandates. The Amadiba Horse and Hiking Trail, for example, impinges upon the jurisdictions of, amongst others: the National Department of Environmental Affairs and Tourism (DEAT) (specifically the Directorate of Marine and Coastal Management (MCM)), the Department of Water Affairs and Forestry (DWAF), the National Department of Provincial and Local Government (DPLG), as well as the Provincial Departments of Economic Affairs, Environment and Tourism (DEAET) and Local Government and Planning (LGP). The local authorities of the O.R. Tambo District Council, the Mbizana Municipal Council, as well as the Regional Qaukeni Tribal Authority, also have environmental and natural resource management responsibilities in the region. The points of interface between ACCODA and the various government structures responsible for different areas and natural resources utilised in the trail, was originally through the Joint Programme Steering Committee (Figure 4.4)

Figure 4.4: Government Authorities and their relationship to Amadiba Adventures



(Source: Russell & Kuiper, 2001: 19)

Natural Resource Management, has historically, been an issue of conflict amongst Wild Coast communities and the statutory authorities. Amadiba Adventures was conceived of as a novel way of providing the Amadiba community with tangible economic benefits, whilst attaching 'value' to the protection of their natural resources and environment. The foundations however, upon which to develop this co-management initiative, were not in place and due to the multitude of potential stakeholders involved, developing collaborative co-management agreements has been a sensitive, complex, and protracted affair (Russell & Kuiper, 2001; Bailey; Haynes; Wiggishof, *pers comm.*, 2003). This has been further complicated by recent government restructuring with respect to departmental jurisdictions and key responsibilities (Glazewski & Sowman 1998, cited in Russell & Kuiper, 2001).

For example: the Mtentu Estuary - upon which one of the Amadiba Trail huts is located and is also used for canoeing and seasonal flyfishing - falls under the jurisdiction of DEAT: MCM (classified as a Marine Protected Area within the Mkambati Nature Reserve) but is also the responsibility of the National Department of Water Affairs and Forestry, whom are responsible for the regulation of all South Africa's fresh water resources (including estuaries) and the management of the indigenous forests flanking the estuary. MCM however, have little presence on the ground (their National office being located in Cape Town), so have handed over responsibility for the estuary to Eastern Cape Nature Conservation, who in turn, are answerable to the Eastern Cape Department of Economic Affairs, Environment and Tourism (DEAET). This is ironic considering the national restructuring process was designed to shift responsibility for marine resource management from provincial authorities (i.e. DEAET) to a national government responsibility administered by the newly instituted Marine and Coastal Management (MCM) directorate within national DEAT (Sihlophe & Russell, 2002; Bailey; Cooper; Sperring; Wiggishof, *pers comm.*, 2003).

Provincial and local government departments have reportedly been the most actively involved in the Amadiba project. The Mbizana Municipal Council provided a full-time local councillor to work on the project and act as a bridge between local government and the Amadiba community. The local municipality has also been broadly supportive of the efforts to establish a collaborative natural resource management plan for the region (Russell & Kuiper, 2001). Despite the historical animosity that local communities have towards provincial government authorities - particularly, Eastern Cape Nature Conservation for their law enforcement on

fishing permits, closed-seasons and bag limits - provincial government personnel have provided support to the Amadiba community on a number of fronts, for instance: assisting ACCODA with its application to MCM for a catch-and-release flyfishing permit on the Mtentu estuary – refer to Case Study 2 (Russell & Kuiper, 2001; Bailey; Pretorius, B & P, *pers comm.*, 2003; 2004).

4.7 Discussion and Future

Since the EU mid-term review²², various business strategy and management assessments (for example, the Haley Sharpe Concept Business Model and Implementation Plan (2003), the Berkeley University Market Analysis and Business Strategy (Fong *et al.*, 2004), and the Earnst and Young (2004) study of AA's financial control environment), have been undertaken to try and bring Amadiba Adventures up to speed with 'best principle' business practice.

Although it has not been possible to undertake detailed calculations to assess the growth of Amadiba since its earliest inception, the reality is that it has taken a full four years with substantial financial, marketing and operational backing from the EU Programme, coupled by a number of years of NGO support prior to this, to get the Amadiba business to its current level of delivery. Moreover, the fact that only one community member (the current Trails Manager) is considered 'capacitated enough' to sustain the AA business after donor and NGO support is withdrawn, calls the long-term sustainability of the Amadiba project into question.

It would appear, that the general perception held by those who have been integrally involved with the EU Programme, is that Amadiba Adventures would be more profitable and sustainable in the long-term, should it acquire an experienced private sector partner. The Haley-Sharpe Business Assessment recommended that Amadiba Adventures pursue a: "Business and Private Sector management contract, with the Amadiba community retaining ownership of the business's fixed assets" (i.e. infrastructure and immovable assets) (Lourens, 2004a: 39). The reasoning behind this submission, is that Amadiba Adventures could benefit

²² All EU Funded Programmes are required by their financing agreement, to undergo a mid-term review, carried out by external consultants, so as to assess the relevance, impact, efficiency and delivery of the Programme in meeting its targets and key objectives. The EU WCCTI Mid-Term Review was delayed by six months, with the result that nearly 75% of the project time had passed (ECODES, 2003).

greatly from the management expertise of a long-term management contract with an experienced private partner, whilst ownership of the assets of the business remain firmly vested with the community, and thereby retaining a sense of ownership and support for the success of the business. They suggested that human resource conditions (i.e. local employment quotas and market-related wages) be stipulated as part of the contract, with an option for revision every two to three years. They also made a number of suggestions as to who they considered 'appropriate' (and reportedly, 'interested') private sector partners. Amongst these were Wilderness Safaris, African Heartland Adventures (currently operating overland Wild Coast Adventure packages from Buccaneer's Backpackers in Cintsa, East London), and Wild Coast Holiday Reservations. Interestingly, they did not include the Ufudu Flyfishing Operator's as a 'preferred' private sector partner (Lourens. 2004 *a; b*).

Although a number of persons interviewed from the EU Programme, have been quick to write off Amadiba Adventures as a 'failed' community-tourism initiative, this I believe, is an unfair dismissal. It needs to be acknowledged that AA has received substantial operational and financial support, being an anchor project to the EU WCCTI programme, and it is disappointing that this backing has not translated into greater long-term sustainability. The situation in which Amadiba Adventures now finds itself: looking for a suitable private-sector partner, is appreciably incongruous to the original tenets of the Horse and Hiking Trail project. However, the Amadiba Adventures project is, I believe, still underpinned by laudable 'sustainable development' principles. Rather than dismissed as a 'failing' in community-based tourism, it should be considered a 'reality-test' for the successful ingredients and limitations of community-based tourism. As will be discussed in the final chapter, the perceived failings of this community-based model actually have much less to do with the 'inherent failings' of community-based tourism, than they do about the dynamic and complex socio-economic and institutional environment in which the enterprise has operated; and a donor support programme (the EU Programme) whose objectives, development nodes, and time frame, were 'overly ambitious' for the same reasons.

CHAPTER 5: CASE STUDIES

THE AMADIBA-UFUDU PARTNERSHIP

5.1 Introduction

Ufudu is a catch-and-release flyfishing outfit run by a husband and wife team, which operate from October to December on the Mtentu River, Northern Pondoland, and a further three months (January – March) from a similar community-based camp at Kosi Bay, in Northern KwaZulu-Natal. The operators have a non-consumptive, low impact, ecotourism philosophy, and market themselves as offering “top quality fly-fishing in a simple setting, with high-quality service” (Pretorius, B & P, *pers comm.*, 2004).

Ufudu have entered into a profit-sharing agreement with the Amadiba community in return for the concession rights to a three-year (+ optional one-year renewal) catch-and-release flyfishing permit, which the community was granted through Marine and Coastal Management. This ‘financial incentive model’, as identified by Ferrar *et al* (1997), is in its final year of an extended lease, with the future of this private sector-community agreement, currently undecided.

5.2 Study Site

Ufudu operates from the Mtentu trail camp (used by the Amadiba Horse and Hiking Trail the remainder of the year), which is located on the northern bank of the Mtentu River, directly across from Mkambati Nature Reserve. Refer to Figure 4.1 for the location of this case study, delineated as ‘CS 2’.

The aesthetically spectacular Mtentu Estuary, with its unique annual migration of the highly-prized Giant Kingfish (*Caranxa Ignobilis*), contributed the major draw card to Ufudu’s site selection (Pretorius, B & P, *pers comm.*, 2004) Table 5.1 provides some background information on the Mtentu Estuary.

Table 5.1: Background to the Mtentu Estuary

The Mtentu Estuary

The Mtentu Estuary marks the northern boundary of Mkambati Nature Reserve and the border of Lusikisiki and Bizana Rural District Councils (INR, 2003).

The estuary is three kilometres long and between 50-150 metres wide, flowing through a steeply incised forest gorge with spectacular cliff-faces up to 80 metres in height (Day, 1981, cited in INR, 2003). In terms of biological importance, Harrison *et al* (1998) gave the Mtentu estuary a rating of 7 (out of a possible 9), derived from three main health indexes:

- **Biological Health:** The Mtentu estuary scored 5.2 (out of 10). The Biological health index is calculated by comparing the fish species found in the estuary with the potential species richness of the estuary. Although the Mtentu is not particularly 'species rich' per se, it is the seasonal breeding and feeding ground of some of the most highly-prized saltwater angling fish, notably the Giant Kingfish (*Caranxa Ignobilis*) and Big Eye Kingfish (*C. Sexfaciatus*).

The large shoals which frequent the Mtentu Estuary every year between the months of October through to December / January, appear to be a unique phenomenon to this particular Wild Coast estuary. Although they have been sighted in other (Wild Coast) estuaries, their visits are neither of the same reliability or size that they are at Mtentu (Plate 7, pp 152). It would appear that this inimitable occurrence is linked to a specific set of ecological conditions that probably includes the general integrity of the system, the limited disturbance of the fish in the system, as well as salinity, turbidity and water temperatures.

The Mtentu estuary is also home to a number of endemic flora species, including the rare Pondo Coconut palm, *Jubaeopsis caffra*, (which has the smallest coconut) and is found growing only on the northern banks of the Mtentu and the Msikaba rivers (Cooper & Swart, 1992).

- **Water Quality:** The Mtentu estuary scored 6.5 (out of 10) for its water quality. The comparatively low score was attributed to some cattle grazing and human settlement in the upper catchment.
- **Aesthetic State:** The Mtentu estuary scored a high 9.9 (out of 10). This index is calculated using a wide variety of factors such as floodplain landuse, bridges, human usage, litter and rubble, turbidity and invasive vegetation. The Mtentu is considered to be one of the most pristine and aesthetically attractive estuaries in South Africa. Refer to Plate 5, pp 152.

The estuary mouth is almost permanently open, demonstrating regular tidal exchange and a large tidal prism. Such a system is only likely to close as a result of exceptional marine factors (such as a storm), rather than reduced freshwater supply (Harrison *et al*, 1998; INR, 2003).

(Source: Cooper & Swart, 1992; Harrison *et al.*, 1998; INR, 2003)

5.3 Background

In lieu of its significant environmental integrity and ecological functionality (Table 5.1), the Mtentu Estuary was declared a 'marine protected area' in 1991. This was done with scant consultation of local communities who depended heavily on the estuary for subsistence. Prior to this 'protected area' status, management intervention on the estuary had been virtually non-existent. Eastern Cape Nature Conservation, and their predecessors - the former homeland Transkei Nature Conservation - would occasionally arrest local persons for fishing and harvesting marine resources within the adjacent reserve (Mkambati), whilst recreational fishermen and outsiders were generally left to carry on illegal activities unrestrained. These outsiders had a considerable impact on the estuary and its surrounds, pillaging it of its high-value organisms such as Brown Mussels (*Perna perna*) and the Eastern Cape Rock Lobster (*Panulirus homarus*) (Russell & Kuiper, 2001; PondoCROP, 2001c).

After 1994, when Transkei was reincorporated into South Africa, control of the Mtentu Estuary fell to Marine and Coastal Management (MCM), the chief directorate within the national DEAT. However, since the nearest MCM officer is more than 800 kilometres away (in Cape Town), Eastern Cape Nature Conservation, who had since assumed authority for Mkambati Nature Reserve, acted as proxies for MCM. According to Mkambati's head ranger (Mapiya, *pers comm.*, 2003) some game guards were appointed to monitor and control harvesting practices on the Mtentu boundary. However, due to limited resources and lack of power to enforce the law, the disjuncture which has occurred between the "*de jure*" and "*de facto*" situation at Mtentu, has resulted in a situation where outsiders would visibly flout MCM regulations (such as using motorised boats and fishing in the estuary), with little fear of reprimand or fines (PondoCROP, 2001c: 2).

5.4 Procedural Establishment and Institutional Stakeholders

It is against this background, that the Amadiba Community Tourism and Natural Resource Management Steering Committee (later to become ACCODA) requested PondoCROP to assist in exploring alternative tourism initiatives which would help diversify the fledging Horse and Hiking Trail (Case Study 1) and bring socio-economic upliftment to the region through

sustainable utilisation of its natural assets, namely: the Mtentu estuary (PondoCROP, 2001c; Bailey & Sperring, *pers comm.*, 2003).

At the same time PondoCROP had received a copy of a proposal presented to the Kwazulu-Natal Nature Conservation Services, by a small flyfishing operator for a non-consumptive seasonal camp at Kosi Bay. The director of PondoCROP at the time, contacted the flyfishing operator (Ufudu), and following a successful site-investigation in September 1997, the idea of a low volume (no more than six rods on the estuary at any one time), eco-sensitive, catch-and-release flyfishing operation, was presented to the Amadiba Steering Committee (PondoCROP 2001c; Pretorius, B & P, *pers comm.*, 2004).

PondoCROP, the Steering Committee and Ufudu all believed that an enterprise of this nature could bring positive socio-economic and environmental benefits to the area. However, since the estuary had been declared a Marine Reserve, this effectively prohibited "any disturbance of fish and aquatic fauna in and around the estuary" (Ufudu Website, 2004:1). In order to operate 'legally', Ufudu required an exemption permit from Marine and Coastal Management. After several letters and site visits, with no response, the Steering Committee eventually sent a letter to MCM's Chief Director, stating that an absence of communication from them in the next two months would be interpreted as support for the pilot project (PondoCROP, 2001c; Pretorius, B & P, *pers comm.*, 2004).

It was felt by all parties concerned, that an experimental camp period would provide an excellent opportunity for the operator to gather sufficient data and a 'record of experience', to assist in negotiating some compromise around particular MCM prohibitions, as well as an opportunity to demonstrate the type of social and economic benefits that such an operation might contribute to the local community (PondoCROP, 2001c; Bailey; Pretorius, B & P, *pers comm.*, 2003/2004). The experimental camp was established for a two month period commencing October 1999 (PondoCROP, 2001c; Ufudu, 2004).

According to Ufudu (Pretorius, B & P, *pers comm.*, 2004): almost all of the limitations attached to this pilot concession were self-imposed. In PondoCROP's view: the fact that Ufudu were so willing to accept limitations: such as not using motorised rivercraft, self-imposed restrictions on the number of fishermen on the water at any one time, and identified non-fishing

'sanctuary' zones - clearly demonstrated Ufudu's goodwill and strong environmental ethos (PondoCROP, 2001c; Bailey, *pers comm.*, 2003).

A detailed record of the experience was compiled, including number of fish species caught, mortality rates, ecological data, and a full disclosure of the income generated for the community from wage and trust earnings. In the philosophy of a 'non-consumptive' outfit, a concerted effort was made to limit *all* possible ecological disturbances - to the extent that not a single organism from the estuary was consumed or purchased, and campfires were prohibited. During this two-month period, Ufudu contributed R15 780 to the Amadiba Trust (12.5 % of their gross turnover), and generated some R14 880 in wages (Ufudu Financial Records 1999-2003). This amounted to a total income of R30 660 going directly into the local community, with *no* fish killed in the process.

After the conclusion of this trial period, a detailed report was submitted to MCM. Hereafter, a case of "institutional timing" and "geographic coincidence" (Ashley & Ntshona, 2002: 49) began to play its part. It appears that MCM was going through some institutional changes, and a new post had been created to oversee 'Community Enterprise Development'. The new post-holder saw the Ufudu Enterprise initiative as a means to put "flesh to his new mandate" (Ashley & Ntshona, 2002:48), which the Ufudu operator's promptly followed-up, as they happened to be in Cape Town at the time. (Pretorius, B & P, *pers comm.*, 2004). Ufudu were subsequently granted a 90-day trial concession (from MCM) commencing 1st October, 2000. The camp ran at an occupancy of 87%, and generated R85 000 for the Amadiba community from trust earnings, wage income, horse hire and sale of local crafts and produce (Ufudu Annual Report, 2000). Thereafter, MCM granted Ufudu a three-month catch-and-release permit at Mtentu, for a period of three years (2001-2003), with a conditional one-year extension for 2004 (PondoCROP, 2001c; Ufudu Annual Reports, 1999-2003).

The basic provisions of the agreement made between Ufudu and ACCODA were as follows:

- Term: Three years, with an optional one-year renewal in 2004.
Period: Three months per annum from 31 September to 29 December.
Set up Period: 20 September to 30 September. This would include training of the guides and staff.
Rental: 12.5% of the Gross Daily Tariff.
Wages: As per wages as at 2000 to increase at 10% per annum as from 2002.

In reflection, although Ufudu were technically operating illegally during their 1999 'trial period', a case of state inertia was largely to blame for this. Had Mtentu not been so exceptional in its location, or had the esteemed Kingfish not been such a drawcard, the private sector operators might well have begun to look elsewhere.

5.5 Critique of Socio-Economic and Environmental Impacts

In 1999, the owners of Ufudu Flyfishing developed the following mission statement:

"Our vision is to live in harmony with our environment and enrich the lives of the people and communities with whom we are involved, thereby creating our own brand of development that leaves an indelible stamp on the field of ecotourism, and in so doing enrich our own lives"

(Pretorius, P, 2002: 1).

Although recognising the somewhat lofty intention to "leave an indelible stamp on the field of ecotourism", the Ufudu husband and wife partnership firmly believe their vision to encompass the goals that a responsible tourism operator should strive to achieve (Pretorius, B & P, *pers comm.*, 2004).

From the Case Study Questionnaire (Appendix 2), Ufudu identified the following objectives with respect to their enterprise's contribution to neighbouring communities. In order of priority:

- 1) Increased skills and education - i.e. training in tourism related jobs, environmental and health education;
- 2) Greater understanding and respect for and use of the environment and its natural resources through awareness, education and training;
- 3) Improved security perceptions;
- 4) Cultural or social enhancement - i.e. encouraging local persons to recognise value in the authenticity of their products, instilling greater pride and respect for local traditions and culture; and
- 5) Permanent job creation.

It is interesting to note that despite generating R438 463 directly into the local economy in just fourteen months of operation (Table 5.3), the Ufudu operators do not rank '*Greater income earning opportunities and local economic development*' in their Top-5 list of priorities. This was a conscious omission by Ufudu. Their justification inspires an interesting debate which shall be alluded to in the final discussion (Chapter 8).

5.5.1 Economic Impact

5.5.1.1 Direct Employment and Training

Due to the size of the Ufudu operation, direct employment - in terms of number of jobs created - is bound to be limited. Even so, Ufudu employs 1.6 local persons: per Ufudu guest. During Ufudu's concession, a total of eight full-time skilled and semi-skilled jobs are created in the following capacity:

- 5 Fishing guides (one for each guest), whilst the 5th guiding position has generally been shared between two guides (therefore 6 fishing guides employed in total - all male);
- 1 Kitchen assistant (female);
- 1 accommodation and general camp assistant (female); and
- 1 camp manager (male);
- There are also 2 local horsemen whom are contracted by Ufudu, whenever guests wish to take horse rides.

The Ufudu operators have been very open with regard to staff and guide earnings. They make a detailed disclosure of these earnings in their annual report submitted to ACCODA, MCM, PondoCROP and other interested or affected stakeholders. Table 5.2 (as adapted from the 2002 Annual Report) provides a broad indication of these earnings. A 10% annual increase in wages from 2002 was also agreed to in the original Ufudu-ACCODA contract.

Table 5.2: Wage (and gratuity) income generated by the Ufudu Employees for the period 22nd September to 21st December, 2002.

	SALARY (3 mo)	GRATUITY	TOTAL	SUB-TOTAL
MEMBER EARNINGS				R 18 317
Camp Manager (1)	4041	2650	6691	
Accommodation / Camp Assistant (1)	3183	2650	5833	
Kitchen Assistant (1)	3143	2650	5793	
FLYFISHING GUIDE EARNINGS <i>(4 permanent, 2 part-time)</i>	Avg full-time 3 938	Avg F/T 2 744		R 30 268
OTHER GUIDES EARNINGS				R 1 395
Horse Riding Guides (2)	322.50 x 2	380 x 2	732.50	
HORSE OWNER EARNINGS	1950		1950	R 1950
TOTAL DIRECT INCOME				R 51 930

(Source: Annual Ufudu Report, 2002)

5.5.1.2 Formal Economic Contribution

Despite not listing 'Economic Contributions' as a main impact, Ufudu has over their five years of operation, made a substantial contribution to the income earnings of the wider Amadiba community (Table 5.3). Most of this income has been generated from the 12.5% of turnover, paid to the Community Trust.

Table 5.3, as supplied by Ufudu, divides community earnings into:

- Community Trust earnings (calculated as 12.5% of the guests gross daily tariff or of total turnover);
- Individual income (a combination of wages, bonuses and gratuities paid to staff);
- Horse hire (income received by local horse owners, those involved in looking after the horses, and horse guides during the Ufudu operation; and
- Local produce and crafts (cash paid directly to the supplier of these items from Ufudu guests or the operators themselves).

Table 5.3: Total estimated earnings for the Amadiba Community from the Ufudu Operation, 1999-2003

	TOTAL	1999	2000	2001	2002	2003
1. Total Trust income	203 059	15 780	39 000	44 050	43 679	60 550
2. Individual income	212 910	14 880	38 705	35 010	50 134	74 181
3. Horse hire	12 850	-	4000	3750	1 950	3150
4. Local produce, crafts	9644	-	3301	3522	1 041	1780
TOTAL	R438 463	R30 660	R85 006	R86 332	R96 804	R139 661

(Source: Annual Ufudu Reports, 1999-2003).

Notes:

1. With the exception of 1999 which was six week season, 2000 to 2003 were twelve week seasons (three months from 29 Sept - 29th December)
2. In 1999 local horses were hired but the income is reflected in the column for Individual income.
3. In 1999 only a limited amount of local produce and crafts were supplied to the camp for sale, but this was apparently encouraged throughout the season and local people were far more forthcoming in the subsequent seasons.

Community earnings have increased significantly over the years (Table 5.3) In fourteen months of intensive flyfishing, Ufudu has contributed R438 463 to the local earnings of Amadiba communities, at the expense of just three fish killed. Personal income (i.e. wages) amounts to R212 910, whilst the communities trust account has benefited to the sum of R203 059 from the negotiated profit-sharing of 12.5% on turnover. Horse hire earnings fluctuate from year to year, depending primarily on fishing conditions (if the estuarine conditions are favorable and guests are catching, horse rides take second-place).

Of some concern however, are the declining earnings from the sale of local produce and crafts. Ufudu makes a concerted effort to display local crafts in the dining boma, and ensure that guests are aware that such items are for sale. Obviously, it is entirely dependant upon the furnishing 'tastes' of guests from year to year, but it is of some concern that income from the

sale of crafts has declined so significantly: from R 3 200 in 2001, to R 675 in 2002, and less than R 1 000 in 2003 (Annual Ufudu Reports 1999-2003).

According to Ufudu (Pretorius, P, *pers comm*, 2004): in the first few years, community members were very enthusiastic about bringing their local basket, beadwork and carvings to put on display. Ufudu does not add any mark-up to their requested selling price. The clay pots and weave baskets proved particularly popular with clients. However, at some point the local suppliers began to substitute these traditional crafts with substandard leatherwork and ill-suited clothing items²³. Guests did not really take to these new crafts and sales declined. Another influencing factor has been overpricing. Local crafters often send their children with their items and a price attached, which is often too high. When Ufudu has felt the item to be unduly expensive, they have tried to advise on a more realistic recommended selling price, but the children are usually not in a position to negotiate. The craft item is invariably taken home, and more often than not, not returned for sale (Pretorius, P. *pers comm.*, 2004).

With respect to fresh produce supply, Ufudu maintain that they are keen to purchase vegetables from local sellers, provided the quality is of acceptable standard and the price comparable to that they would pay in Port Edward shops. However, these two provisos have generally not been met and, due to their remote location, Ufudu caterers cannot rely upon the infrequent vegetable seller to meet their daily requirements (Pretorius, P. *pers comm.*, 2004). The Ufudu enterprise have spoken to ACCODA about setting aside some portion of the Trust earnings to start a community vegetable garden. An outlay of capital would be required for the purchase of seed, gardening tools, and the installation of a basic irrigation system. However, these discussions remain to bear fruition.

In terms of 'additional spending' within a 50 km radius (as stipulated by South Africa's Responsible Tourism Guidelines), Ufudu spends on average, R45 000 on groceries and approximately R2 000 in fuel (both purchased in Port Edward) during their three month stint at Mtentu.

²³ This was as a result of Triple Trust Training in the Amadiba community (under the auspices of the EU Programme)

5.5.1.3 Informal Economic Benefits

On the whole, Ufudu guests fit the mould of successful, wealthy, and well-connected businessmen and professionals. Many of them stand on a number company boards, with access to substantial corporate social responsibility (CSR) funds. Over the years, a number of these guests have discussed the option of using Ufudu's experience and links with the community, to initiate and help oversee sustainable community development projects, local SMME's, and more general social upliftment schemes (Pretorius, B & P, *pers comm*, 2004).

Most of the offers have come, however, with the proviso that Ufudu plays a strong facilitatory or supervisory role. Given the short concession (90 day lease) they have at Mtentu (with only a week to set-up before the arrival of back-to-back fishing groups) the Ufudu operators admit they have not pursued these offers with any vigour. However, they maintain, that should they be awarded an annual concession at Mtentu, this would become a high-priority agenda, given their strong links to, and relationship with many a 'potential' social benefactor (Pretorius, B & P, *pers comm*, 2004).

In their five-years of operation, Ufudu has contributed R 203 059 to the ACCODA Trust account. ACCODA, in its early negotiations with Ufudu, declared that this income would be prioritised to 1) Health (building of a clinic); 2) Education (building of schools); and 3) the youth (Pretorius, B & P, *pers comm.*, 2004).

The Trust was reportedly, "overly cautious" in its spending during the first few years (Pretorius, B, *pers comm*, 2004). The community's Trust earnings remained untouched for a number of years before Ufudu, in their 2002 Annual Report, expressed a concern that, other than those employed *directly* by their operation, the wider community was not seeing any tangible benefits from the existence of Ufudu. This they feared would translate into increased dissatisfaction and a devaluing of the natural resources upon which Ufudu and Amadiba (or any future tourism enterprise, for that matter) depended upon. The Ufudu operators suggested to the ACCODA Trustees that they hold a meeting amongst themselves, with the aim to establish a short, medium and long-term financial planning and spending strategy.

The Trust has since built a cattle dip and a pre-school out of the monies received from Ufudu. However, as Ufudu (Pretorius, B, *pers comm.*, 2004) recognise: "building a school is a

start...but it is really just the beginning. Equipping it with teachers, registering it with the Department of Education, and nurturing its long-term success in such a remote and overlooked area ... is where the real challenge lies". This is where strongly forged, and sustained, private sector/community partnerships could play an invaluable role.

5.5.2 Occupancy Rates and Market Statistics

Table 5.4 outlines the tariff structure and occupancy levels of the Ufudu operation in their five years at Mtentu (1999-2003). The annual trust earnings of the Amadiba community (calculated as 12.5% of the Gross Daily Tariff) are also included.

Table 5.4: Tariff Structure and Occupancy Levels of Ufudu Flyfishing Company 1999-2003

Year	No. of paying guests (out of a possible 90 pax)	Daily Tariff -pp/day (pp/d) pp/sharing/day(pp/s/d)	Occupancy Level	12.5% of Daily Rack Rate going to the Trust (guest/day)	12.5 % Turnover to Trust
1999: 2 mo pilot period	45	R 250pp (accom) R650pp/d (flyfishing)	75%	R 62,50	R 15 780
2000: 3 mo 'official' trial period	78	R 795 pp/d	86.7%	R 100 pp/d	R 39 000
2001: 3 mo concession (30 th Sept - 29 th Nov)	84	R800 pp/s/d R880 pp/d	93.3%	R100 pp/s/d R110 pp/d	R 44 050
2002: 3 mo concession permit	72	R 950 pp/s/d R 1050 pp/day	80%	R118.75 pp/s/d R131.25 pp/d	R 43 679
2003: Last yr of official MCM permit	89	R 1000 pp/s/d R 1200 pp/d	99%	R 125 pp/s/d R 150 pp/d	R 60 550

2004: renewed 3 mo permit	?	R 1100 pp/s/d	?	R 168.75 pp/d	?
		R 1350 pp/d			

(Source: Annual Ufudu Reports, 1999-2003; Pretorius, B & P, *pers comm.*, 2004)

Notes:

1. Occupancy is calculated as a percentage of 450 available bed nights - based on 5 guests per night, for the 90-day period of the permit. Although the original MCM permit only permitted four flyanglers to fish at any one time, it was speculated that the new all-inclusive tariff package (which includes horse rides, guided walks and other 'non-fishing' activities) would help to attract non-fishing guests, thereby increasing the potential daily occupancy to five guests / day. As there are only four tents available at Mtentu camp, this would mean two persons would have to share.
2. As a result of unusually heavy rain and very high water turbidity during the 2001 season (with 622 mm recorded during the 3 month period), there were fewer fishing hours and less fish caught. This impacted negatively on bookings for 2002 (Ufudu receives approximately 50% repeat business), with occupancy levels at their lowest in their five years of operation. This indicates that the 'quality of the fishing experience' probably plays a more significant role in terms of elasticity of demand (occupancy) than price (rack daily rate).

The price (daily tariff) that Ufudu can charge its guests for a flyfishing experience on the Mtentu is ultimately determined by the market - i.e. the supply and demand - for this 'exclusive' experience. Business logic dictates that businesses, acting rationally, will increase the price of their goods or services, until such time as the return from the increase in price is offset by a lower demand for that particular good or service (as resulting from the higher price being charged). This is referred to as the 'price elasticity of demand' (Lipsey *et al.*, 1999). This coefficient remains to be determined for flyfishing on the Mtentu, but the high occupancy levels enjoyed by Ufudu thus far (despite the relatively high daily rate for simple accommodation, and an annual 10% increase on this tariff), indicates that the 'Mtentu Flyfishing Experience' has an *inelastic* demand curve - meaning that the quantity demanded (i.e. occupancy) changes by a *smaller* percentage than does price (Lipsey *et al.*, 1999: 94). In fact, it appears (Table 5.4) that inclement weather conditions have a greater effect on annual bookings, than does price.

Furthermore, Ufudu employs a direct and personal marketing strategy - hosting yearly 'Hook-Ups' around the country; and maintaining their guests as an "extended Ufudu family"

(Pretorius, P, *pers comm.*, 2004), through an interactive and informative website, annual journal articles, and personal contact. This targeted marketing strategy obviously has some merit, for approximately 50% of Ufudu's clientele comes from repeat business (Pretorius, B & P, *pers comm.*, 2004).

5.5.3 Social Impact and Community Perceptions

In an attempt to elicit the community's experience of the flyfishing enterprise, PondoCROP hosted a participatory workshop to discuss and identify critical issues around the Ufudu operation and an extension to the Ufudu concession. A broad assessment framework was used to consider potential social, economic and environmental impacts, as well as future planning directives (PondoCROP, 2001c).

Since this group workshop had comprehensively explored the social issues I would have wanted to investigate with respect to this case study, it was unnecessary to carry out an Amadiba Household Survey. However, similar criteria and questions (as used in this group workshop) were employed in the Mbotyi Household Survey, in order to facilitate greater comparison between the selected case studies.

As the Amadiba community comprises heterogeneous local interest groups, with potentially different perspectives, PondoCROP (2001c) took the decision to divide the group discussion into four separate focus groups. These were:

- Members of ACCODA (Group 1, size of group (N) = 8 persons);
- Local people who had been employed by Ufudu on the flyfishing operation (Group 2; N=5);
- Local people who were active in the Amadiba Horse and Hiking Trail operation but not directly involved in the flyfishing operation (Group 3; N = 18); and
- Local community people who did not fall into any of the categories outlined above (Group 4; N= 27).

A questionnaire was employed as a prompt to discussion and open-debate was encouraged. Open-ended questions were presented first, in order to capture the broad perceptions of the different interest groups, before specific questions would 'shape' the way local participants looked at their experience. An attempt was made to separate the generic aspects of flyfishing on the Mtentu estuary from those aspects specific to the Ufudu operation. This however, was not always successful, particularly with 'general community members' who had little direct experience with either the flyfishing operation or the horse trail (PondoCROP, 2001c).

As disclosed by the PondoCROP field report (2001c), it appears that none of the sixty community members interviewed, felt *less* happy about the idea of flyfishing on the estuary. The main reasons given for their overwhelming support for the initiative, included: new job opportunities, training opportunities (particularly flyfishing and catering skills, although in personal communications (2003), the fishing guides felt they could benefit from additional training in birding and flora identification), contributions to the local economy (from the multiplier effect of wage income and turnover paid to ACCODA), as well as monies accrued from the sale of craft and provision of local services such as the localised guided horse and hiking trails²⁴.

As is inevitable with any area of such high unemployment, the number of job aspirants exceeded a realistic level of job creation for a small operation such as Ufudu. However, it was recognised that the jobs created through the flyfishing operation, were "good" jobs in terms of payment and skills development and were considered significantly better than other jobs available in these rural areas. All the community interest groups mentioned that they would like to see the campsite continuously occupied. This was evidently linked to creating more job and income-earning opportunities.

Some of the negative views or concerns that individuals voiced with respect to the flyfishing operation, included:

- Having to work for a 'boss' (some people said they had become accustomed to the Amadiba Horse and Hiking Trail model where they were 'self-employed' operators);

²⁴ Note that the locally guided day hikes and horse trails are separate product to the 4-day Amadiba Adventures Trail Package.

- The relatively small number of local people employed by, or involved with the Ufudu flyfishing operation, as opposed to the Amadiba horse trail;
- All of the groups, except the general community group (who declined to comment due to lack of knowledge), felt the *main* negative impact of the flyfishing operation to be the way it interfered with the horse trail by occupying the only available campsite at Mtentu. They emphasised the need to provide alternative accommodation (of equivalent quality), for Amadiba trail visitors;
- The uncertainty about when they would finish work each day. Flexibility and extra demands associated with the service industry, appeared to cause the greatest distress to the caterers;
- Having to work during the 'holidays' and the absence of over-time pay was viewed as a hardship by some;
- The fact that flyfishing requires specialist knowledge and equipment that local people do not have as yet, was viewed as a negative aspect by some respondents; and.
- The only negative environmental impact associated with the flyfishing operation, was the perceived damage that more frequent vehicular might be doing to the access road.

During Ufudu's 90-day concession, an estimated 20 round-trips are made (Pretorius, P, *pers comm.*, 2004). It is unlikely that this frequency of vehicular traffic will cause 'damage' to the road. However, what is of concern to the Ufudu operators is that the upgraded road (funded through a DEAT Poverty Relief project) will bring more 'outsiders' (and more specifically, recreational fishermen) to Mtentu since they can now access the estuary in ordinary sedan vehicles (Pretorius, B & P, *pers comm.*, 2004).

Generally, the different local interest groups did not feel that the flyfishing operation impacted 'significantly' (either positively or negatively) on community unity. Some individuals noted that certain households had a history of accommodating and providing services for recreational fishermen, who had used the Mtentu estuary in the past. With the moratorium on all fishing activities on the Mtentu (other than those officially sanctioned under the community permit or Ufudu's concession), a number of households had complained that 'their fishermen' were no

longer visiting, resulting in lost income to themselves (PondoCROP, 2001c). It was interesting that this remark was made in spite of the fact that the community had a clear and agreed to contract with Ufudu and MCM that other fishermen would *not* be permitted on the river during Ufudu's concession, and with full knowledge that fishing on the river without a permit is illegal.

Perceptions of Ufudu's impact on other income-earning opportunities, subsistence lifestyles and the natural environment:

Only a fraction of the respondents commented that the flyfishing operation might interfere with local community members' harvesting practices on the Mtentu. Other than the occupation of the trail camp creating potential acrimony for Amadiba trailists (already mentioned), none of the groups felt that the flyfishing operation jeopardised or had any substantial negative affect on their other income-earning activities. In fact, it was emphasised that Ufudu supports these other activities - such as the local horse and hiking trails - by encouraging guests to partake in such activities during their stay.

None of the groups felt that the flyfishing had a potentially harmful impact on the natural environment. In fact, ACCODA members noted the fact that the Kingfish were *not* removed from the estuary, as being one of the most positive attributes of the Ufudu operation.

Employment selection, perceived ownership issues and an extended concession:

The ACCODA representatives (Group 1) felt that the community had a clear sense of ownership of the flyfishing operation on the Mtentu River. They clearly understood Ufudu to be the concessionaires, and not the sole-owners. This was in stark contrast to some of the community members who had worked with both Ufudu and the Amadiba Adventures operation, and felt that the flyfishing operation 'belonged' to the Ufudu entrepreneurs and that this arrangement was reflected in the profit-sharing, with the community receiving only one quarter of the profits and Ufudu taking the remainder (PondoCROP, 2001c) Some individuals commented that they got the feeling that the community campsite was more 'out of bounds' to local people, when the Ufudu operators moved in.

In response to the first grievance, Ufudu sat down with members from the Trust and undertook a costing exercise to show where and how the rack daily tariff charged of guests was spent. After marketing, equipment purchases, maintenance, wages and food costs, they showed that their share of the net profit came out more or less on a par with the community's takings. This appears to have appeased any discontent members (Pretorius, B & P, *pers comm.*, 2004).

All of the ACCODA members and most of those directly involved with the flyfishing operation, correctly outlined the procedure for employment selection, explaining that Ufudu provided ACCODA with their job requirements and ACCODA selected whom they considered 'appropriate' persons for the job. They believed this process to be fair. Of the general community members (Group 4) 93% said they could not express an opinion on how fair the selection process was because they did not know anything about it (PondoCROP, 2001c). This might indicate that the wider community are not yet fully informed of, or participant in, the actions taken by ACCODA and project participants.

As a whole, the different community interest groups were unanimous in their support for the continuation of flyfishing at Mtentu, and the overwhelming majority were supportive of Ufudu continuing as operator. Nonetheless, this support was qualified. Given the negative impact that the flyfishing was having on the horse and hiking trail (H&HT), and in lieu of the fact that the H&HT was perceived as providing 'more widespread benefits' to the Amadiba community, they decided the flyfishing *should* continue, but subject to the construction of another campsite. The flyfishers and the trailists could then be accommodated concurrently, and the community would continue to benefit from both initiatives (PondoCROP, 2001c; Bailey, *pers comm.*, 2003).

The second qualification related to the need to negotiate a new rental fee for the use of the Mtentu campsite facility, and staff wages. A few participants felt that other operators should also be given a chance (with a 'trial' period like Ufudu had) to operate at Mtentu, and then the best tender be awarded the lease. Most of the groups agreed that an operator should be given a three-year concession to run the flyfishing, subject to compliance with the social, economic and environmental terms of their agreement (PondoCROP, 2001c; Bailey, *pers comm.*, 2003).

5.5.4 Environmental Impact

" A culture of excellence, and a culture of conservation are the guiding philosophies of the Ufudu Flyfishing Experience" (Pretorius, B, *pers comm.*, 2004).

The Ufudu operators take pride in the fact that they have come as close to 'eco-friendly', 'low-impact' and 'non-consumptive' tourism as you can find.... at least here in South Africa. The mobile tent operation, which accommodates no more than six guests a night (and no more than five fishermen), makes use of solar, paraffin and gas for cooking and lighting. No wood is burnt at the camp, whilst the old fashioned donkey-boiler has been replaced by an incredibly efficient Venturi heater system, for showering. From a single cup of paraffin burnt through a system of sheathed piping, enough hot water is generated for all Ufudu guests to take a hot shower (Pretorius, B & P, *pers comm.*, 2004).

The operators make a point of sourcing their food stuffs 'locally' (from Port Edward, which is within a 50 km radius of the camp), but *no* fish or marine organisms are purchased from local collectors or extracted from the estuary for eating (Pretorius, B & P, *pers comm.*, 2004). All non-degradable rubbish is taken offsite, and where possible, recycled. Biodegradable wastes, such as vegetable peelings and soft foodstuffs, are buried and made into compost.

The Mtentu campsite has two Eco-toilets, which are supposed to have a good ventilation and non-seepage design. These were fitted through the EU Programme for the Amadiba Horse and Hiking Trail camp. However, it appears their siting and efficiency has not been entirely satisfactory. A new design and siting is currently being investigated by ACCODA (who are responsible for the general maintenance of the camp) (Bailey; Pretorius, B & P., *pers comm.*, 2003/2004).

It was Ufudu's expectation that a principal outcome of their operation would be an understanding, from the wider community, that a fish in the (Mtentu) estuary is worth far more to them (in terms of trust earnings generated from the flyfishermen and other tourism-related activities), than on their plates or the freezer-chests of outside fishermen - who may provide small and irregular earnings for a few local households, but whose plunder of marine resources, is clearly unsustainable in the long run (Pretorius, B, *pers comm.*, 2004).

In light of the near total absence of monitoring and law enforcement on the Mtentu Estuary (despite being a declared Marine Protected Reserve), fish stocks, post-Ufudu's presence, are probably better off than they have been for some time. This is largely due to the agreement made between Ufudu and ACCODA, that it would be the community's task, to stop outsiders from fishing in the estuary, specifically during Ufudu's concession period, but in compliance with MCM regulations, all year round. It would appear that having been asked to leave by local community members, has made these recreational fishermen less brazen in their disregard for MCM's regulations. (Pretorius, B & P, *pers comm.*, 2004). Furthermore, in their five years at Mtentu, the Ufudu operators claim that they have never been offered marine harvestings. This, I believe, attests to the degree of community consciousness re: Ufudu's non-consumptive philosophy.

However, this is not to say, that harvesting or fishing in the estuary has ceased completely. In terms of subsistence extraction, local communities have used the estuary for centuries and continue to do so. There is no conclusive evidence (i.e. backed by scientific investigation) to suggest that subsistence fishing and utilisation is having a negative impact on fish reserves. There is however, more justified concern surrounding the unsustainable harvesting practices of sessile organisms such as mussels and oysters (White *et al.*, 2002; Fielding, *pers comm.*, 2003). On the whole, there has been little commodification²⁵ of these resources. This is largely due to the remoteness of the area and the difficulties associated with transporting perishable harvests (i.e. fish, mussels, crayfish and oysters) to the nearest market place. Nonetheless, the Ufudu partners have recently been informed of a flyfishing guide who is using his newly acquired fishing skills to catch, kill and sell prized Kingfish, out-of-season. One would have hoped that the fishing guides, being principal beneficiaries of the project (and earning in the region of R7 000 from Ufudu wages and gratuities), would have rationalised the value of these fish stocks. This is an example of the "contradictory and inconsistent environment" which the Ufudu owners refer to as operating in (Pretorius, B & P, *pers comm.*, 2004).

Although harvesting and fishing, of any form, is prohibited within a marine protected reserve, given the historical and subsistence dependence of local persons on the estuary, rigorous law enforcement would be likely to evoke strong protest from the local community (PondoCROP,

²⁵ **Commodification** of resources - where natural resources (such as mussels, oysters and crayfish) obtain a monetary value because of improved or regular accessibility to a market-place.

2001c; Russell & Kuiper, 2001). In November 2000, a participatory workshop was held, facilitated by PondoCROP and the Institute of Natural Resources, to work towards developing a 'shared vision' and co-operative management plan for the estuary. The vision identified by this forum, recognises the importance of protecting the aesthetics, sense of place, and biological diversity of the Mtentu, for today and future generations and stipulates that existing, and potential, tourism developments should be founded upon the principles of "conservation, sustainability, active participation of local people, equity, acknowledgement of responsibility, application of best practices, training and capacity building" (Masibambane, 2001:1; Hay, *pers comm.*, 2003). Ufudu however, have not been included as a 'stakeholder' on this forum. Although the objectives of the forum are well intended, it appears that its *de facto* powers and presence on the ground have been nondescript to date (Field Discussions, Hay, *pers comm.*, 2003; Pretorius, B & P, *pers comm.*, 2004).

Besides Ufudu's records, there has been virtually no empirical data collected on species numbers, migration patterns, feeding and habitat requirements of fish and other marine organisms in the Mtentu estuary. In order to gauge the true impact of subsistence and catch-and-release flyfishing in the estuary, experimental and longer-term monitoring research would be required. By and large however, it is acknowledged that the flyfishing operation has certainly helped to attach a higher value to the protection, and good management, of the estuaries' resources (Bailey, Hay, Pretorius, B & P, *pers comm.*, 2003/2004). Local communities are unlikely to be motivated to participate in the management of a resource (particularly if it means restricting their own activities), unless it provides them with a *reasonable* level of return or compensation. The removal of the community permit to engage in 'catch-and-release' flyfishing, would quite likely, undo all aforementioned efforts at co-management in the area. The exigency for MCM (through the National Subsistence Fisheries Programme) to issue and regulate subsistence fishing and harvesting permits (in order to legitimise local subsistence collection) should become a high-priority item for the Estuary Management Forum.



Plate 5: View over the Mtentu Estuary from the Ufudu / H&HT Trail Camp (Source: Colvin, 2004).



Plate 6 (above left): Canoeing in the Mtentu Estuary (Source: Colvin, 2004)

Plate 7 (above right): An Ufudu guest and guide, with a Kingfish caught in the Mtentu Estuary (Ufudu Website, 2004).

5.6 Discussion and Future

Despite generating substantial financial benefits and having established a positive relationship with the Amadiba community thus far, Ufudu's future at Mtentu appears indeterminate. At the end of their three-year concession (2001-2003), ACCODA agreed to a fourth year (an optional extension period stipulated in the original lease agreement). This makes 2004 the last official season for Ufudu. Since a new camp has been built for the Amadiba horse and hiking trail (funded through the EU WCCTI Programme), the original Mtentu camp is now free to become a full year operation, with ACCODA potentially providing an annual lease permit to any private-sector enterprise.

Given their solid track record and relationship with the community thus far, Ufudu assumed that they might be given first option, or at least early notification, to submit an application for this new concession. It appears however, that this has not been the case. Ufudu met with ACCODA in April 2004, to discuss a possible long-term contract or annual concession focused around other non-consumptive adventure and nature based activities, such as mountain-biking trails and other 'special-interest' tourism activities (Pretorius, B & P, *pers comm.*, 2004). The Ufudu couple were rather taken aback when they were informed by ACCODA's chairperson that "they (i.e. ACCODA) were not currently in a position to talk about such things" (Pretorius, B, *pers comm.*, 2004). The Chairman informed Ufudu that they had a number of tenders submitted for the Mtentu camp which they were giving due consideration to. By the time of my last discussion with Ufudu (16th August, 2004), there had been no further riposte from ACCODA. A further complication is that the PTO lease on which the Mtentu camp stands, and the MCM flyfishing permit, expire as of December 2004. According to the general manager of Amadiba Adventures (also an ACCODA trustee), these would first need to be renewed by the relevant government authorities, prior to ACCODA granting any new concession (Ndovela, *telephonic comm.*, 2004).

In terms of transparency and 'fair opportunity for all', it is natural that ACCODA should want to put the new concession out for tender (Trebble, *pers comm.*, 2004). However, the manner in which it was done, appears to have been a rather disorganised, and perhaps even, surreptitious affair. As Ufudu point out (Pretorius, B & P, *pers comm.*, 2004): there were no clear terms of reference or broad parameters issued by ACCODA as to guide the design or structure for these

tender applications. Ufudu believed that they, of all potential applicants, should have been informed of these parameters and closing dates for submission.

The provisos of the longer-term / annual lease agreement would obviously need to strike a balance between the needs of the concessionaire, and the needs of the community. The operator obviously requires a long enough lease to make infrastructural improvements, recoup capital expenses, and make a reasonable profit. The community, on the other hand, does not want to get locked into too lengthy an agreement, which might preclude more lucrative opportunities in the future. PondoCROP (as the communities' facilitator) recommended that a lease period of three-years, with an option to terminate if agreed conditions and regulations are not being met, would be sufficient to meet both the community and the private operators demands (PondoCROP, 2001c: 13). A year-by-year contract would be more likely to promote a myopic planning horizon, which could lead to less environmentally-sensitive practices. ACCODA is still to decide on the length of the new concession.

On account of 'poor communications' with ACCODA, Ufudu have *not* submitted a formal application for the annual lease at Mtentu. Furthermore, they contend that the tender process should not be such a one-side affair - i.e. that of the bidding private sector. They uphold that the strength (and success) of their original contract came from the fact that it was the end-product of exhaustive, yet inclusive, round-table negotiations with all potentially interested and affected stakeholders. They express a serious reservation about the aptness of tenders submitted by interested investors, whom have had little prior experience or dealings with the community and are submitting proposals without any clear guidelines from which to work from (Pretorius, B & P., *pers comm.*, 2004).

Whether, Ufudu's pioneering efforts (in originally securing the catch-and-release flyfishing permit for the community), and their socially and environmentally conscious performance thus far, will influence the new concession permit decided upon by ACCODA, remains to be seen. Nonetheless, it would appear that Ufudu has backing from many of the institutions involved at Mtentu, including the Institute of Natural Resources, the EU Programme (who according to the Ufudu operators, were quick to enlist the flyfishing operation to their portfolio) and even PondoCROP (2001c: 16; *pers comm.*, 2003), whom although they have shared differences with Ufudu, have openly said:

"Given the track record of many operators on the Wild Coast, operators like Ufudu, who act responsibly towards the environment AND who deliver against their commitments without making wild promises, should be encouraged".

CHAPTER 6: CASE STUDIES

THE MBOTYI RIVER LODGE

6.1 Introduction

Mbotyi River Lodge (hereby, referred to as the Lodge, the hotel, or MRL) is a privately owned coastal hotel, situated halfway between Mkambati Nature Reserve and Port St Johns on the Pondoland Wild Coast (Figure 6.1). The land on which the Lodge stands is a demarcated Trading Site, originally issued by deed of Crown Land in 1922. Being an old Trading Post it is one of only a handful of sites along the Wild Coast, which confers freehold title to the owners. During the late 1980's a hotel, financed through the old Transkei Development Corporation, was established on the trading site. However, due to mounting political tension (and related incidents of violence) during the early 1990's, the hotel was forced to close its doors. The hotel lay vacant until a consortium of three Johannesburg businessmen (none of whom had any previous hotel experience) saw the hotel featured on an investment prospectus for the Wild Coast Spatial Development Initiative. Realising the value of the land upon which the hotel stood (i.e. freehold title), they submitted a bid for its purchase in partnership with the hotel's previous owner. The deal took three years to negotiate, but in June 2001, sale and title deeds were conferred upon the new owners. By this time, renovations were at an advanced stage, and the Lodge was ready to open in time for the 2001 Christmas season (Elias, 2001; Christodoulou, *pers comm.*, 2003).

This enterprise makes an interesting case study, for whilst the operator does not have any legally-binding or contractual agreement with the local community (i.e. not representative of any of Ferrar *et al.* (1997) 'community-based models'), the Lodge owners have recognised that the participation of, and direct-benefits to the community, are vital to sustaining a healthy tourism industry in Mbotyi, and ultimately, the long-term success of their operation. A detailed documentation of the socio-economic impacts and contributions that the hotel has made to the local economy in its two and a half years since inception comprises the core focus of this case study, in conjunction with community perceptions extracted from a local household survey and a numerous cottage-owner interviews.

6.2 Study Site

Mbotyi is located approximately 27 km from Lusikisiki²⁶ and 25 km north of Port St. Johns, on the Pondland Wild Coast (Figure 6.1). The Lodge itself is located on the south-western bank of the Mbotyi estuary. This estuary extends ten kilometres inland and remains open all year round. Mbotyi is situated on the southern down throw side of the Egossa fault, which makes the surrounding terrain particularly steep and agriculturally poor, due to the shallow and low-nutrient soils predominant in the region (Johnson, 1991, cited in Nicholson, 1997; Mullins, 2002). The main access road to Mbotyi winds through the state protected, Ntsubane Forest, one of the largest and most diverse tracts of indigenous forest left in the Eastern Cape. This forest provides habitat for many threatened species including the Cape Parrot (*Poicephalus robustus*) and leopard (*Panthera pardus melanotica*) (Cooper & Swart, 1992; Mullins, 2002).

Mbotyi was identified as a second order development node by the Wild Coast Tourism Development Policy (DEAET, 2000: 27), meaning that the area has been deemed suitable for “family holiday” tourism and appropriate recreational development. Mbotyi and Msikaba (both with a large number of legal and illegal cottages) are the only two second order nodes identified for the Pondoland region (DEAET, 2000; Wiggishof, 2003).

There are a number of interesting sites and waterfalls to be visited within walking and riding distance of Mbotyi. Amongst the more spectacular natural features are Fraser and Magwa Falls (enroute to Mbotyi), Waterfall Bluff, and Cathedral Rock (visited by a circular day hike from the hotel). A large sheltered swimming beach, private lagoons, and many highly acclaimed rock and surf fishing spots in close proximity to the lodge, are further attractions (Mbotyi Site Visit, 2003 / 2004).

²⁶ Access is via a graded dirt road. The turnoff for this coastal road is on the southern side of Lusikisiki town, off the main R61. A four-wheel drive vehicle is not required to access this coastal resort (Mbotyi River Lodge Website, 2004).

6.3 The Tourism Operation: A revamped Family Hotel

Although the original hotel was abandoned for almost a decade, the condition of the buildings and wooden bungalow units were in remarkably good condition considering their proximity to the sea. A bar and lounge extension was made to the original kitchen and dining room structure (Christodoulou, *pers comm.*, 2003). The Lodge has 48 double and twin rooms, all with ensuite bathrooms and a sea or lagoon facing patio/balcony. There are plans to build additional self-catering units. Refer to Plate 8, pp 181, for aerial view of the Lodge.

In a direct cost comparison with other family and luxury hotels along the Transkei Wild Coast, Mbotyi River Lodge (MRL) turns out to be the most expensive. MRL's rates are currently increasing at 15% per annum, whilst most other Wild Coast hotels are maintaining a 10% annual increase, in line with inflation (Bouwer; Christodoulou, *pers comm.*, 2003). According to the MRL's owners: their higher daily tariff and yearly increase, is a "conscious business decision". They maintain that they would rather have "fewer bums-in-beds", and subsequently less pressure on the natural environment, staff resources, hotel furnishings and facilities, even if this means lower overall occupancy²⁷, and attain a similar level of return from the higher daily tariff (Christodoulou, *pers comm.*, 2003/2004).

6.4 Background

The original title deed for Mbotyi River Mouth Trading Site, was made out to Jack Barber and Johannes Victor Kottich. The conditions of the grant, stipulated:

- Payment of a perpetual quit rent of £1 Sterling per annum, to be paid punctually to the magistrate in Lusikisiki; and
- The rights of the proprietor shall not extend to any deposits of gold, silver or precious stones which may at any time be discovered on the land.

²⁷ In terms of location, quality of accommodation, food and services, Mbotyi River Lodge is probably most comparable to Umngazi River Bungalows, which won Getaway Magazine's Best Value for Money Resort in South Africa from 1989 to 1999, and South Africa's Family Resort of the Year 2000 (Getaway Online, 2004). Umngazi currently boasts a 93% annual bed-night occupancy, whilst Mbotyi River Lodge is closer to 50%, with red week and holiday periods being fully booked (Bouwer; Goss; Christodoulou, *pers comm.*, 2003)

Jack Barber later acquired the half share of Kottich, and traded there until his death in the late 1950's. Barber was renowned as the Robinson Crusoe of Mbotyi. He and his wife had a great love for the outdoors and became very involved with the local community. During their time the only buildings on-site was a small corrugated iron trading store, a modest homestead, and a couple of shacks that would be let out to friends and intrepid holiday-makers (Mbotyi River Lodge (MRL) website, 2004).

In 1960, after the Barber's had passed away, three Mount Frere traders: Grant, Jessop and Robinson, purchased the Trading Site and buildings for £50. Jessop lived on-site and operated the trading store for many years. However, the volume of trade became a trickle in latter years. A few more holiday shacks were built onto the Trading Site, and according to an old cottage-owner (Button, *pers comm.*, 2003): "there was a barely a day in the year when Jessop wasn't accommodating some weary traveller or hiker, walking down the coastline".

In 1985, after Robinson and Grant had passed away, Jessop sold the site to Dr Mazwai, a medical practitioner in Lusikisiki. Mazwai purchased the site with a view to building a bottle-store and hotel (Button, *pers comm.*, 2003; MRL, 2004). The hotel, financed through the old Transkei Development Corporation, was called Mbotyi River Bungalows, and was operational during the late 1980's. In its first few years, the hotel enjoyed some success, but growing political strife preceding South Africa's first democratic elections, began to have a negative impact on the Wild Coast Tourism Industry. In August 1993, following the assassination of Chris Hani, Lusikisiki (just 27 km away) erupted into violent riot. It was deemed 'unsafe' for hotel guests to pass through Lusikisiki, and many were forced to leave their cars in Mbotyi as they were evacuated from the area by helicopter. After the last guests had left, the hotel closed its doors and remained untouched for a further eight years (Elias, 2001; Christodoulou, *pers comm.*, 2003).

Remarkably, during this entire interlude, there was not a single break-in or incident of looting. Cottage owners, who continued to visit the area, report that everything remained exactly as it had been left, albeit "the polished cutlery (as it was set for breakfast the last day) cumulating another layer of dust as the years passed by" (Button, *pers comm.*, 2003; Ackerman, Scott, *pers comm.*, 2004). The current owners claim to have drunk cokes from the hotel store-room, which had been left unlocked. There appears to have been an unwritten law amongst the local

community, to safeguard the hotel until such time as it could be re-opened (Christodoulou, *pers comm.*, 2003; Discussion with Mbotyi Cottage Owners, 2003/2004). The new owners uphold that they realised this from the outset:

"When we bought the hotel, it was not just a piece of land and a set of buildings we were attaining, but we were buying into an entire community: one that had enormous expectations of us to provide employment and economic opportunities"

(Christodoulou, *pers comm.*, 2003).

6.5 Procedural Establishment and Institutional Stakeholders

According to MRL's new owners: government support for investors on the Wild Coast, has been deplorable. Despite the fact that the hotel first came to view on an investment prospectus for the National Wild Coast Spatial Development Initiative, government's capacity and willingness to create an 'enabling' environment for private sector investment has been entirely lacking. Christodoulou (*pers comm.*, 2003) cites the issue of basic infrastructural provision as a case in point. After the sale and transfer of deed, the hotel's new owners requested an extension of the Lusikisiki electricity grid down to Mbotyi. After months of correspondence with numerous government channels, to little avail, the new owners were forced to take out a substantial loan and provide electricity to the hotel at their own expense. The hotel's owners (Christodoulou, *pers comm.*, 2003) firmly believe that it is "unrealistic and unacceptable" for government to expect the private sector to foot the bill for infrastructure such as roads, electricity and water supply (Christodoulou, *pers comm.*, 2003).

6.6 Critique of Socio-Economic and Environmental Impacts

6.6.1 Economic Impact

Mbotyi River Lodge came away as winner in the 'Best Economic Impact' category for emerging businesses in the 2003 Imvelo Responsible Tourism Awards. This was the second year of the awards, and attracted over 44 business applicants (Groenewald, 2003; Christodoulou, *pers comm.*, 2003). The submission criterion, were designed around South Africa's (2002) National Responsible Tourism Guidelines, Fair Trade in Tourism principles

and Pro-Poor tourism objectives. Since these are the same criteria which helped contextualise my case study questionnaire, MRL's Imvelo application served to supplement and corroborate these research investigations.

6.6.1.1 Direct Employment and Training

Ninety percent of staff²⁸ employed by the Lodge are sourced from within a 50km radius of the enterprise. More than 80% of these employees, come from the six villages which constitute 'Mbotyi'. Sixty-seven percent of the local employees are female (33% male), which is a deliberate policy. Both the owners and the managers felt that wages would be spent more prudently, and benefit more members within the community, should they accrue to women, "who are more likely to spend it on their families subsistence, clothing, or housing improvements" (Christodoulou; Cooper, S and Duff, *pers comm.*, 2003).

MRL's owners have taken the decision that, wherever possible, labour will be sourced locally. The fact that the Mbotyi community acted as 'guardians' of the hotel for the many years it lay abandoned, was undoubtedly a key motivation to this decision. In addition, transport issues and lack of staff accommodation, meant that it would be more convenient (and cost-effective) to source staff locally. Over 300 local applicants were interviewed for some 30 potential jobs. The existing skills base amongst the applicants was described as "virtually nil", and as such was not considered a key criterion for selection. Those applicants who were more proficient in English were considered for front-of-house jobs (such as waitressing, bar, hiking guides and reception), whilst this was not a prerequisite for kitchen or cleaning staff (Cooper, S, *pers comm.*, 2003).

The employment procedure appears to have been 'free and fair', but the reality was always, that the majority would leave disappointed. During the interview process, the hotel management reportedly made a concerted effort to stress that they were not only there as a source of direct employment, but a potential "market place" for other community members to sell or outsource their skills to (Cooper, S and Duff, *pers comm.*, 2003). Of the newly recruited employees, only 20% reportedly possess a matric certificate, and prior to their employment at MRL, only two had ever had a full-time job (Cooper, S, *pers comm.*, 2003). This provides

²⁸ Forty-nine of the Lodge's 54 employees are 'local', excluding three senior management positions.

some indication of the dire state of unemployment, education, and formal training capacity existent in these rural communities.

After the local employee recruitment, an intensive period of in-house training began in preparation for the December holiday season. Formal training was provided for the two hotel Field Guides who attended a three-month course in East London, partly sponsored by the EU Wild Coast Community Tourism Initiative. The guides received formal training in responsible tourism awareness, customer service and communication, trail organisational skills, tour guiding principles, and Level 1 nature guiding and first aid.

In terms of capacity building and skills development, MRL has provided mostly 'in-house' training and mentoring to all local employees, within the fields outlined by Table 6.1. Furthermore, the Lodge has provided support to community members not directly employed by the hotel, but involved with other tourism services and activities at Mbotyi, such as the Lifeguards and River Rangers.

Table 6.1: Number of persons employed and received in-house training from Mbotyi River Lodge

Job Position	No Persons trained and employed (gender / local)
Reception	1 x lady from Lusikisiki: TTO sponsored hotel reception training course and received practical experience from MRL - now employed by MRL full-time * + 2 from Durban and Pietermaritzburg
Waitressing	9 x Female staff, work in shifts *
Cleaning	2 x Female *
Bar	3 x Male, 2 x Female – local male been made head barmen and junior manager *
Laundry	1x Female *
Kitchen Assistants	8 x Female, 2 x Male kitchen assistants* A head chef* was contracted from Pietermaritzburg, and has since trained her kitchen assistants to produce AA quality-rated food.
Housekeeping	8 x Females *
Security	5 x Male *

Gardening	4 x Male, 1 x Female * – 2 of the gardeners are part-time as they are also field guides
Maintenance	1x Local Male * + 1x male from Pietermaritzburg *
Hotel Activities	1 x Female from Durban *
Other:	During the refurbishment phase in 2001 all low- and semi-skilled labour was drawn from the local community (a 9km radius) and basic skills training was provided on the job

(Source: Cooper and Norris Jones, *pers comm.*, 2003)

Notes: ' * ' = Full-time employees.

6.6.1.2 Formal Economic Contribution

The estimated income to the local community from MRL wages²⁹ is R500 000/ annum (Foggin, 2003; Christodoulou, *pers comm.*, 2003). This equates to an average wage of R850 per employee /month, which appears to be R100 higher than the average monthly wage reported by hotel employees in informal discussions (MRL employees, *pers comm.*, 2003).

The Lodge management said that they encourage staff to keep their earnings confidential so as to avoid jealousies and future conflicts (Cooper, S and Duff, *pers comm.*, 2003), and from my investigations it would seem that most employees believe everyone to be on the same salary scale, regardless of their job portfolio.

During the 8-month Lodge refurbishment phase (2001), the Lodge paid in excess of R300 000 wages to builders contracted from local Mbotyi communities. A similar payment was made in 2002, for the building of the joint-venture campsite, whilst renovations and construction of the new log cabins in 2003, generated a further R250 000 in local labour wages. The total wage earnings accrued to the community, since the opening of the Lodge, have been summarised below.

²⁹ This figure includes only those wages of 'local' employees.

Table 6.2: Summary of Direct Income Earnings since opening of Mbotyi Lodge, Dec 2001

Year	Formal Wage Earnings	Part-time Wages	Total
Yr 1: Dec 2001- 2002	R 500 000	R 300 000 R 300 000	R 1 100 000
Yr 2: Dec 2002-2003	R 500 000	R 250 000	R 750 000
Direct Income after 2 years			R 1 850 000

(Source: Christodoulou, *pers comm.*, 2003/2004).

After two years of operation (Dec 2001 – Dec 2003), the direct income (from full and part wages) contributed to the local Mbotyi economy is estimated at R1 850 000. This figure excludes the informal earnings and other economic opportunities created by the existence of the Lodge and the tourists it attracts.

6.6.1.3 Informal Economic Benefits

1) Local Outsourcing

The hotel regularly sources fish and seafood harvestings (crayfish, mussels, oysters) from a number of local fishermen and women for whom they have reportedly procured permits³⁰. The hotels' estimated seafood purchases are provided in Table 6.3.

³⁰ There is currently much confusion over subsistence and commercial harvesting licenses. According to a fisheries expert, who has done extensive research on marine utilisation on the Wild Coast: there is not a single hotel on the whole of the Wild Coast with a legitimate commercial license to purchase marine harvestings (Fielding, *pers comm.*, 2003). However, he blames Marine and Coastal Management (MCM) for this, whose backlog of permit issue has become a matter of exigency. "Provided they are adhering to size and bag limits (which the MRL managers assure they are doing) then MRL is adhering to 'the rules' per se" (Fielding, *pers comm.*, 2003).

Table 6.3: Average monthly local seafood purchases of Mbotyi River Lodge

	Average (/ month)	High	Low	Estimated Total (Annual Expenditure)
Fresh Fish	R 400	R 800	R 300	R 5 500
Crayfish	R 1 500	R 3 800	R 800	R 21 400
Mussels	R 260	R 520	R 180	R 3 500
Oysters	R 260	R 520	R 180	R 3 500
TOTAL	R 9 680	R 16 920	R 7 300	R 33 900

(Source: Norris Jones, 2004).

Notes:

1. 'Low' season refers to the months: February, March, August, September, November
2. 'High' season refers to the months: July, December, January
3. Average = remaining months in year

The figure provided for 'high' season crayfish purchases is of some concern considering the busy Christmas months (December - January) does not correspond with the 'open' season for crayfish³¹ collection. However, this amount may only be applicable to the July holiday period as the Lodge Owners insist that MRL do not buy crayfish out-of-season (Christodoulou, *pers comm.*, 2003).

The Lodge's caterers make a weekly trip into Lusikisiki to stock up on food and beverage supplies (within the Imvelo's criterion for 'local' food purchases). R14 000 is spent on these purchases during average season months, increasing to R40 000 during peak season / holiday periods. The Lodge will only make emergency purchases from the local Mbotyi Trading Store (Cooper, S, *pers comm.*, 2003) but this spaza store has benefited from tourist purchases - initially from hotel guests purchasing sweets and cold-drinks but now also from self-catering campers. For example, this store now stocks energy drinks and mineral water (an inflated luxury, which locals certainly could not afford to purchase) as a result of tourist demand.

³¹ The crayfish season is officially closed from 1 November – 1 March every year in order to afford stocks an opportunity to breed and mature (de Villiers, *pers comm.*, 2003).

The Lodge has purportedly tried to secure a regular fresh produce order from the local community, suggesting a vacant piece of communal land (near the maturation ponds) be cultivated, and offering to assist with the installation of irrigation. Apparently MRL made it known that they would be willing to purchase *all* the fresh produce the community could provide them with, provided quality and pricing was equivalent to what they would pay in Lusikisiki. This was intended to be a win-win situation - saving both the hotel and the community vegetable producers on fuel and transport logistics. One of the managers evidently distributed seeds to some interested growers, but the return has been insubstantial and erratic. She has since established a vegetable garden within the hotel grounds (looked after by the hotel gardeners), and the produce produced thus far has been "excellent" (Christodoulou, *pers comm.*, 2003).

In speaking with community members, it appears there was some disagreement over the prices the hotel was willing to pay for the produce, and other households mentioned that they were reluctant to grow crops as they were likely to be grazed by animals or stolen. In short, they felt it not to be worth the effort. The majority of households interviewed, agreed that farming was becoming a less popular activity in Mbotyi, especially amongst the younger generation who perceived it to be 'old school'. Many of them blamed decreasing yields, drought years, and decreasing soil fertility for the increasing apprehension to farm. If they could afford to buy all their foodstuffs from town, they would prefer this, but most households still planted some maize, beans and other subsistence crops i.e. pumpkins and *mdumbi*'s, out of necessity (Mbotyi Community Survey, 2003 / 2004).

Perhaps what is needed is a more formalised channel for selling this produce. At Umngazi River Bungalows, a 'Market Day' is held three times a week, where local community members can sell their fresh fruit and vegetables to the hotel. The hotel purchases just about everything they can supply, with a fair price negotiated. Higher prices are paid for better quality produce, in order to maintain a business incentive. Apparently, in the beginning, community members would all be harvesting the same crops at the same time (resulting in saturated supply), but the market days have been a very good learning exercise for them. They now discuss amongst themselves and have worked out a rotational schedule for harvesting. They have also learned to diversify their produce, with some members producing herbs that the hotel requires (Bouwer, *pers comm.*, 2003).

It may be just a matter of persistence, but fresh produce supply remains a largely unexploited income earning opportunity for the Mbotyi community. Self-catering campers provide an additional untapped market.

The final outsourcing opportunity which MRL provides for the local community, is the 'nanny service', which the hotel offers to its guests on a self-employment type contract. Should hotel guests wish to employ a child-minder, the Lodge reception has a list of reputable persons whom they will contact (on the guests behalf) and then the guests pay these local ladies directly. The recommended rate of pay is R 10.00/hour, or part thereof (Norris Jones, *pers comm.*, 2004). Table 6.4 provides the estimated income that this outsourcing contributes to the local Mbotyi communities (calculated on approximated figures provided by Norris-Jones, *pers comm.*, 2004)

Table 6.4: Income into Mbotyi community from outsourcing nanny services

	Average Season Months (Apr/May/Jun/Oct)	High Season Months (Jan/Dec/Jul)	Low Season Months (Feb/Mar/Aug/Sept/Nov)
Number of 'nannies' employed	60	180	0
Number of Hours worked	360 hrs/month	1080 hrs	0 hrs
Avg. Monthly Earnings (R10/hr)	R 3 600 /month	R 10 800	R 0
Avg. Seasonal Earnings	R 14 400	R 32 400	R 0
TOTAL Estimated Annual Earnings	R 46 800		

(Source: Norris Jones, 2004).

2) Support for Local Tourism Enterprises

It would appear that the hotel owners have a very generous and holistic view of tourism development in Mbotyi (Sperring, 2003; Wiggishof, *pers comm.*, 2003; Field Observations, 2003/2004). They realised from the outset that in order to create a tourism friendly environment in Mbotyi, it was essential to maximise opportunities for the community around the hotel and its guest. The unequivocal support shown for many of the localised community-

operated activities, and the creation of the joint-venture campsite (refer to Chapter 7), bears testimony to this.

However, there appears to have been some 'conflict of interest' with the hotel managers, as evidenced by the brazen management-style of one of the managers in particular (who has since left) and the initial lack of support or understanding for local community projects such as the horse trail, the community campsite and similar projects. These issues have nevertheless, been addressed (Bailey; Christodoulou; Haynes; Sperring, *pers comm.*, 2003; Sperring, 2003).

The Lodge has shown strong support for the following local community projects:

- **The Horse Trail**

As part of the EU WCCTI's undertaking to develop a horse and hiking trail³² which traverses the entire northern Pondoland coastline, PondoCROP (the EU's main enterprise development agent) helped establish a local horse trail business at Mbotyi with the intention that the business would, in time, be linked to other localised trails (PondoCROP Business Plan, 2002 *e*). The current product on offer is a two-hour roundtrip, traversing through a diversity of natural and cultural environs, catering to a wide range of rider capabilities and costing R75/adult.

The owners of Mbotyi River Lodge have shown magnanimous support for the initiative, agreeing to provide overnight and temporary stabling for the horses (near the Lodge entrance in clear view of guests), promote the activity to hotel and campsite guests, handle all bookings and receipts of cash, co-ordinate horse-owners and guides, as well as provide storage for equipment (i.e. bridles, saddles, helmets and rain gear), at no cost to the community business (Christodoulou & Sperring, *pers comm.*, 2003; Mbotyi Site Visit, 2003).

According to Christodoulou (*pers comm.*, 2003), although PondoCROP helped institute the business, in December 2001 (with a fully-booked Christmas season to capitalise on) the Mbotyi Horse Trail Trust were seriously lacking capacity re: marketing and administration systems, feeding arrangements, product standardisation, and reservations. One of the partners wives,

³² The Amadiba Horse and Hiking Trail / Amadiba Adventures was envisioned as a component of this longer trail network.

who is an experienced equestrian, paid for all her rides and helped establish the temperament of each horse as well as providing sound advice on trail routings which would incorporate a wide variety of grassland, forest, beach and village biomes, and be suited to mixed ability riders.

As laid out in the Mbotyi Horse Trail Business Plan (PondoCROP Business Plan, 2002*d*): the horse trail was anticipated to provide 21 direct employment opportunities at start-up, with income-earning opportunities for up to 23 individuals (at a cost of R 2 383 per job). In its first season of operation (2001), nearly all the horse trail clientele came from hotel guests, but the campsite now also contributes a significant portion of the horse trail client base.

The monthly turnover of the business, as estimated after two years of MRL receipts (cited in Foggin, 2003), was:

Potential monthly turnover in 'high' season = R20 000 x 3 months

Potential monthly income in mid season = R10 000 x 3 months

Potential monthly income in low season = R5 000 x 6 months

This equates to a potential annual income of R 120 000 to the Mbotyi community. However, the actual EU mid-term figures (with trail statistics provided by PondoCROP) determined it to be in the region of R 70 000/year (ECODES, 2003).

The Mbotyi horse trail has developed into one of the most successful local community projects, although this was not always the case. It is alleged that during the first (2001) operational season, one of the hotel managers was blatantly patronising and disparaging of the trail, not making an effort to sell the product, or being prepared to accept the occasional problem associated with its day-to-day operations (Undisclosed source, *pers comm*, 2003). When made aware of this fact, the hotel owners removed this individual from having anything to do with the horse trail and reaffirmed the Lodge's support for the trail by including occupancy targets (i.e. for the horse trail) in the management contracts (Undisclosed source, *pers comm*, 2003). In other words the Hotel managers were *forced* to support the trail, in spite of personal views or perceptions they might have. A full-time activities manager was also appointed to help facilitate stronger ties to other local community initiatives.

According to the lodge owners (Christodoulou, cited in Foggin, 2003), the success of the horse trail has led to a greater concern for the general health and condition of the horses. There are still a number of problems associated with the running of the trail, particularly around food purchases and transportation, tack maintenance, and vaccinations, but the operation appears to be growing from strength to strength. Whilst undertaking fieldwork in the area, a group commissioned by Triple Trust (funded by the EU Support Programme) were running a training workshop in horse care and guiding.

▪ **The Mbotyi River Guides**

Mbotyi had four members (all male) enrolled in a national DEAT sponsored 'River Rangers Programme' – a poverty alleviation project designed to train and equip people from previously disadvantaged backgrounds to set up micro enterprises based on riverine and coastal adventure activities. A year-long course provided selected candidates with a theoretical background in riverine ecology, environmental monitoring and basic faunal and flora identification, in addition to practical boating, first aid, fly-tying and customer service skills. The idea is that, kick-started with the necessary training and equipment³³, each guide can establish their own River Tripping business, contracting their services to local hotels, holiday cottages or other tourist enterprises in their respective areas (Bouwer and Christodoulou, *pers comm.*, 2003).

The year long course concluded in December 2003, so the December, 2003/January, 2004 holiday was effectively the first income-earning opportunity for these guides. From discussions with two of the guides, the projects potential looks optimistic. MRL has been supportive of the initiative, allowing the guides to store their boats on the hotel property, compiling a write-up about the programme and posting it in the local craft store and campsite, and promoting the river trips as a recommended activity to MRL guests (Christodoulou, *pers comm.*, 2004). According to one of the river rangers, the hotel activities manager initially did not make an effort to promote them (during the first two weeks of December hotel guests were allegedly not informed about the River Guides at all), but this improved after the guides voiced their

³³ Every river guide has been equipped with a boat and paddle, guiding outfits, life-jackets, flyfishing rod as well as fly-tying equipment and feathers, binoculars, and fauna and flora reference books. They have also been provided with a bicycle for transportation (to and from the river), and have received a basic salary of R 700/ month for nine months, whilst training.

concerns through the Community Trust chairman, who raised the matter with the hotels management (Mkhanwa, *pers comm.*, 2004).

The cost of a three hour guided river trip (up the estuary, and which includes a short forest walk) is R 50pp, with children under five years charged half-price. The total income (earned by the four guides combined) during the month of December 2003, was estimated at R 2 000 (Mkhanwa, *pers comm.*, 2004). Discussions took place in early January (2004), and as such, the initiative was really too new to determine its financial profitability.

After speaking to a number of campsite guests and local cottage-owners who had taken the trip (Mbotyi Site Visit, January 2004), most were highly impressed with the level of knowledge and professionalism the guides had displayed (and two in particular). Some persons commented they would perhaps like to hear more about the local culture and history of Mbotyi, and another felt that paying full-price for his six and eight-year old children was a bit unfair considering the trip had to be significantly shortened (they could not manage the walk). A re-evaluation of the pricing structure, especially with regard to children's rates (> 5 but under 12 years) might be needed.

Overall, it appears that the River Rangers Project has potential to be well supported in Mbotyi, especially with patronage from the hotel and campsite, whose target market is primarily middle to high-income domestic family and nature-orientated tourists. This was confirmed in follow-up discussions with the hotel managers (Norris Jones, and Duff, *pers comm.*, 2004) who provided rough estimate figures for the number of guests taking river trips. It appears that as many as 360 guests/month have booked river trips during high season months, around 240 during average season months, and about 60 during low season months. Assuming the full charge rate, this would equate to as much as R18 000 combined river guide earnings during high season months, R12 000 during mid-season months, and R3 000 / month the remainder of the year. Using the same 'season' classifications as was employed in the Horse Trail (economic contribution) estimate, the potential annual earnings of the Mbotyi River Guides (all together) are:

Potential monthly turnover in high season=R18 000 x 3 months = R 54 000

Potential monthly income in mid season=R12 000 x 3 months = R 36 000

Potential monthly income in low season=R3 000 x 6 months = R 18 000

This would mean a potential annual contribution to the local economy in the region of R 108 000/ year.

- **The Mbotyi Life-Guards**

The Mbotyi River Lodge has arranged accommodation for the Wild Coast Life Guards (Plate 9, pp 181) and storage of their equipment in one of the hotels outbuildings (Christodoulou, *pers comm.*, 2003/ 2004). There is, however, some controversy over why this privately owned company (based from Port St Johns) has been awarded the life-saving contract for the holiday seasons, when there is a local life-saving club (the Mbotyi Lifesavers Association) with experienced members who have the necessary training and equipment³⁴. The monopoly of this outside company (present at all the Wild Coast resort areas visited during field investigations) requires some explanation by the local Qaukeni and OR Tambo District Municipality, who awarded the contract.

- **The Hotel Field Guides**

MRL employs two freelance guides, who are employed part-time as gardeners in the hotel. When guests request a guided hike they provide this service as independent operators and hikes take precedence over gardening duties. Their guiding fee is R 100/day for groups under ten persons. Groups larger than ten are required to employ both guides (at R100 each). The guides are not paid by the hotel for days they spend out in the field, but during low-tourist seasons, they are at least, guaranteed an ongoing wage. Their combined potential monthly earnings (as self-contracted field guides) is estimated as:

Potential monthly income in high season= R2 500 x 3 months (from 2001-2003 hotel records show an average of 25 guided hikes/ month during holiday periods) = R7 500

³⁴ According to the Squadron leader for this local club, their members are affiliated with the Wild Coast Lifesaving Association and are *more* qualified in terms of sea-rescue techniques and First Aid than the young boys working for the privately contracted company. They also reportedly have superior equipment (which I was shown), sponsored by Anglo-Gold, through the connections of a cottage-owner (Soyipa, *pers comm.*, 2004).

Potential monthly income in mid season=R1 500 x 3 months (guide approx 15 hikes/month over mid-season months)= R4 500

Potential monthly income in low season=R1 000 x 6 months (guide about 10 days in the month) = R6 000

TOTAL = R 18 000 income per annum (/ 2 guides)

This figure excludes tips, which are estimated to be an additional 50% on this income. Tips are difficult to quantify, but it is not uncommon (from discussion with management and the guides themselves) to receive as much in 'gratitude' as their daily fee.

In discussion with the Field Guides, they demonstrated excellent knowledge of local fauna and flora, whilst all the guests I spoke to who had taken a trail, were highly impressed by their professionalism, responsibility and knowledge of the area. Both guides have been sent on a three-month training course, but much of their fauna/flora knowledge has been self-taught from reference books. Triple Trust (the NGO responsible for skills training on the EU Programme) are reportedly arranging for these field-guides to receive more advanced training, so they can become registered with THETA's (South Africa's Tourism, Hospitality, Sport Education and Training Authority) Tour Guides Association (Cuba, *pers comm.*, 2003).

▪ **The Mbotyi Craft-Centre**

The most recent 'community outreach' development is that of the Mbotyi Craft Centre. The building in which the crafts are housed used to be the local spaza store and shebeen. Its location (en-route to the beach and within clear view of the hotel bar and sundeck) was such that it was becoming an increasing "intimidation" and "eyesore" to hotel guests who were forced to walk past it in accessing the beach (Christodoulou, *pers comm.*, 2003). MRL's owners decided to purchase the dilapidated building, with the view to turn it into a local craft and information centre, whilst the trading store was moved up the road (into premises owned by MRL), out of view of the Lodge's residents.

After renovations, the 'Mbotyi Crafters Market' opened for business on the 20th December, 2003. The shop was designed as an outlet for local crafters to display and sell their wares, with the proviso that the item is made personally, and by hand. It was hoped that the store would

help to forge wider alliances with similar businesses and distributors – thereby increasing the crafters distribution network and boosting local household earnings (Christodoulou and Gillespie, 2003).

In my last site visit, 10-16th January 2004, the craft-store had been opened for less than a month, but sales to date, were encouraging. The shopkeeper had recorded close on R5 000 worth of sales (R3 333 going directly to the crafters, and R1 666 to cover her salary, electricity and monthly rental). The Lodge owners have employed a very friendly and ‘skilled’ sales lady to oversee the running of the shop. Prior to her promotion to the craft-centre, she was employed as a kitchen assistant, in the Lodge.

The establishment of the craft-centre has significant ‘latent’ potential to boost local household income, however, there is a palpable need for focused skills training in local craft and handiwork. Currently, over ninety-percent of the crafts displayed, come from one local artist - a fairly well acclaimed textile artist who has his own studio near Magwa Tea Estates, and two of his students. A local Mbotyi Beadwork Project, which received training from a Cape Town based NGO (Ogle, C, *pers comm.*, 2003), has provided a number of beaded items (with necklaces in particular, proving a popular and affordable tourist novelty), but apart from this local initiative, there are less than a handful of ‘local’ (i.e. Mbotyi) submissions (Sigoca, *pers comm.*, 2004). Whether this is because they are unaware that they can display their crafts without charge (a showroom for *anyone*, provided it is local and hand-made), or whether they simply do not have the crafts available, remains to be established. According to the shopkeeper, it is more a case of people “not having the skills or the materials with which to start” (Sigoca, *pers comm.*, 2003).

This is where the EU Training Support Programme could be of assistance. A couple of week-long training workshops in specific, market-informed handicrafts may be of tremendous benefit to keen (but unskilled) local crafters. Often a skill exists (such as beading or sewing ability), but assistance is needed in designing products that tourists would *want* to buy – i.e. tourist market awareness. The Lodge owners recognise this. One of their wives, an artist herself, and a local cottage-owner who heads up the Midlands Arts and Crafts womens group, has offered to run some community workshops and provide guidance to this end (Ackerman, S, *pers comm.*, 2004; Christodoulou, J, *pers comm.*, 2004).

From numerous discussions with hotel and campsite residents, cottage owners and day visitors to Mbotyi, most believed the craft centre to be a 'meaningful' and 'positive' development, although a number of respondents mentioned overpricing as a potential shortcoming.

▪ **The Campsite Joint-Venture**

This has undoubtedly been the single largest undertaking in terms of community enterprise support and development. However, the campsite joint-venture should not be considered a philanthropic business partnership. There are benefits and profits to be shared equally amongst the lodge and community partners. Provided both partners appreciate and respect what the 'other' brings to the business, this establishment has the potential to generate meaningful employment, outsourcing and income-earning opportunities for the entire Mbotyi community. This business initiative has been documented as an independent case study (Chapter 7).

6.6.2 Social Impact and Community Perceptions

6.6.2.1 Relationship with cottage-owners

It seems that the re-opening of the Mbotyi hotel was met with some apprehension from local cottage-owners, who during the years the hotel lay vacant, had continued to visit the area and were potentially the only source of 'tourist' income for the local Mbotyi community³⁵. From numerous discussions, it would appear that many of cottage owners viewed the hotel's re-opening as a threat to the 'sense of place' they so enjoyed about Mbotyi (Holmes, Scott, Button, Ducasse and other 'legal' cottage-owners, *pers comm.*, 2003/2004). According to MRL's owners, many cottage owners feared that the hotel might become a gateway for 'mass tourism' in the area and pursue a timeshare model, ubiquitous with other coastal holiday resorts (such as on the South Coast of Kwazulu-Natal).

When one considers the profitability of timeshare, I believe it is testimony to the owners intent, that they never pursued this development path. The fact that they have taken a deliberate business decision to increase their daily tariffs over and above other Wild Coast Holiday resorts

³⁵ Cottage owners regularly allude to this fact in justifying their value and status in the community.

(an average 5% higher annual increase than competitors), at the sacrifice of lower bed-night occupancy, is confirmation that saturating Mbotyi with tourists is *not* their business strategy.

Many of the cottage-owners have come to realise this, with the hotel/cottage-owner relationship gradually improving since the hotels inception. Nonetheless, there remain some common issues of contention, which the cottage-owners voiced against the Lodge and its management. I cannot speak for the entire cottage-owner community, but some common grievances included: the rather “bolshy” and “high-handed” approach that the Lodge owners have taken to matters in Mbotyi. Many accused the Lodge of acting as if they were “the best thing to have happened to Mbotyi”, and generally discounting all that the cottage owners have done for the local community prior to, and during, their time in Mbotyi (Undisclosed Sources, *pers comm.*, 2003). The Lodge owner’s appear to have ‘indifferent’ response to this sentiment.

Another common issue of dissent raised by the cottage-owners, was the non-residents’ policy which the Lodge has instated. MRL has taken a controversial decision to prohibit all persons that are not hotel residents, from using *any* of the hotel facilities or entering its premises. Where under the previous ownership, cottage-owners had enjoyed an occasional meal or drink at the hotel, this is no longer permissible.

According to MRL’s new management, the motive behind this “non-compromise” policy is that when the hotel first opened its doors it was unreservedly used and abused by cottage-owners, Lusikisiki day-trippers, and campers “who were paying R 60 /night in order to camp but used the hotel’s facilities as their extended amenities”. The hotels management took the “hard decision” that they would rather lose out in extra income from food and bar sales to outsiders, and weather the disenchanted grumbles from disappointed cottage-owners, than lose future hotel guests (Christodoulou; Cooper; Duff; *pers comm.*, 2003) After the decision had been made, it “had to be a cross-the-board policy”

“There just can’t be any half-measures or compromises on this rule. If we permitted a couple of cottage owners to come in and watch ‘die bokke’ play, it would be no sooner perceived as ‘racism’ if we prohibited the Bafana Bafana play-off”

(Christodoulou, *pers comm.*, 2003/2004).

However, many of the cottage-owners claimed that there *are* ways and means of getting round this issue: like having a dress code, or a permit-system in which those cottage-owners (or others) who wished to use the hotel facilities occasionally, could pay an annual fee for use of such. A number of cottage-owners alluded to the fact that not one of the other hotels on the Wild Coast had such an exclusive non-residents policy: "what makes Mbotyi River Lodge think they are above everyone else?" (Discussion with cottage-owners, 2003 / 2004)

6.6.2.2 Resident Community Perceptions

From a detailed questionnaire survey conducted on 30 Mbotyi households (during June 2003 and January, 2004), 86% of the households interviewed felt that the hotel's re-opening, was a very positive development, principally because it provided the community with jobs, and a marketplace to sell their seafood harvestings. A small percentage of households (17%) mentioned that the hotel was beneficial to them, because it brought more tourists down to Mbotyi, to whom they could sell other products or services, such as crafts and the community-owned Horse Trail. Some 20% of households expressed a mild anxiety that the hotel may be trying to 'take over' Mbotyi in purchasing all the buildings around them, but the benefits from the hotel generally outweighed these concerns.

In terms of the jobs provided by the Lodge, the majority of households felt MRL's employment process to be 'fair', and wages 'reasonable'. Naturally, there were a few households that were disappointed, usually as they did not have one family member employed in either the campsite or the hotel. Interestingly, a number of households alluded to how tiring it was to work in the hotel: "you cannot stand and rest there, you must be looking busy all the time" (Mbotyi Household Survey, 2003), and there was some dissatisfaction voiced about one manager in particular, who has since left.

Only two households (7%) mentioned the 'non-residents policy' as being exclusionist. The majority accepted it as a hotel rule, which they did not see any need to challenge. Seventeen percent of households interviewed felt that the hotels presence was beneficial to the community (especially in terms of providing jobs), but given a choice between having only the campsite or the hotel in Mbotyi, they said they would chose the campsite as "... the community has more say on what goes on there" (Mbotyi Household Survey, 2003).

However, what is perhaps of greater concern is that some 27% of the households interviewed actually thought the campsite was an extension of the hotel - i.e. they did not understand it to be a community-hotel joint venture partnership.

A number of cottage owners mentioned how it must have come as a “disbelief” for the local community, when after acting as guardians of the abandoned hotel for so many years, one of the first things the new owners did was erect an electric-fence around the entire property. They felt the exclusionist undercurrents accompanying this action would have angered the community. (Mbotyi cottage owners, *pers comm.*, 2003; Bishop, *pers comm.*, 2004). However, not one community member ever mentioned this issue³⁶. According to the lodge owners and management (*pers comm.*, 2003), the electric fence is “not for people, but to keep goats and cattle out”.

6.6.3 Environmental Impacts

The natural environment surrounding Mbotyi River Lodge, is perhaps its biggest attraction and marketing strength. The sustainability and long-term success of the Lodge is closely reliant upon the maintenance and good health of this environment. Whilst there is little question that the Lodge’s existence places greater demand on the natural resource base (i.e. water extraction / sewage disposal, fishing and marine harvesting, and more people frequenting the area) there are many ways in which the hotel can mitigate its impact and make potentially positive contributions with respect to the management and preservation of its proximate environ.

A substantially more detailed study would have to be conducted to assess the full environmental impacts of the Lodge. However, from a broad case study perspective, there are a number of issues which require urgent redress (as identified and acknowledged by MRL’s owners). Firstly, the issue of the hotel’s waste disposal is a particularly litigious. With no recycle plant within a 50km radius of Mbotyi, the hotel’s refuse simply contributes / adds to the burden of poorly serviced inland towns, such as Lusikisiki, Flagstaff and Bizana. The Lodge is left with a situation where they must either bury, burn or transport their solid waste offsite. According to

³⁶ They were not however, explicitly questioned about the issue.

Christodoulou (*pers comm.*, 2003) organic and paper waste is burnt on the hotel grounds, whilst non-flammable waste (tins, bottles, plastics) are buried in a designated rubbish pit.

The location of this rubbish pit has caused some dissent amongst Mbotyi cottage-owners, the local chief, and the Lodge. It would appear that the original dump-site identified by the DEAT was rejected by the chief because it was too close to his homestead (Malindi, *pers comm.*, 2004). He earmarked another site, behind (but still within) the frontal dunes at the south end of Mbotyi beach, which is currently being used by both the hotel and the Coast-Care workers³⁷ (Christodoulou, *pers comm.*, 2003; Churchill, *pers comm.*, 2004). Due to the transitory nature of the sand dune, the current dump-site is not effectual at containment. This has evoked a number of complaints from cottage-owners (particularly on the south side of the estuary); whilst the Lodge recognises the urgency of investigating alternative sitings and/or refuse disposal options.

The second issue of concern, is the potential overload of the hotel's sewerage treatment works. MRL inherited a system of open-air maturation ponds, which were adequate to treat the hotel's effluent, but the added burden from the campsite (especially during peak holiday periods) has necessitated the need for a larger and more efficient system. Options are currently being investigated.

There have been no scientific studies as yet, to assess the impact of harvesting (for subsistence or commercial sale) of fish and other marine organisms, in the vicinity of Mbotyi. MRL purportedly adheres to closed seasons, bag and size limits, and only purchases seafood from licensed persons. However, the increased 'commodification' of marine resources from demand created by the hotel, cottage owners and self-catering campers, is likely to have some negative impact on these resources.

Although the Lodge does not market itself as an ecotourism operation per se, it endeavours to instil an ethos of 'responsible tourism' amongst its visitors. Small efforts: like erecting a sign to

³⁷ **CoastCare:** Is the brand name given to the programme designed at implementing the White Paper for Sustainable Coastal Development. It is a DEAT - MCM funded initiative, which amongst other objectives, provides employment for local persons assigned to maintain designated sections of the coastline (MCM, 2003). Two Coast-Care teams operate out of the Mbotyi area (employing ten individuals each) – the first team is responsible for the stretch of coastline north up to Msikaba, and the other, for the coastline south down to Manteku (Churchill, 2004).

remind visitors that 4x4's on the beach are prohibited; and a strict policy of only purchasing wood carvings made from exotic tree species (Christodoulou, pers comm., 2003), has been a start.



Plate 8: An aerial view of the Mbotyi River Lodge (Source: Colvin, 2004).



Plate 9: The Wild Coast Life Guards on duty at Mbotyi (Source: Colvin, 2004).

6.7 Discussion and Future

On the whole, it would seem that the owners of MRL have a munificent attitude towards 'sharing the tourism pie' at Mbotyi. However, they also make no pretences about their commercial motives. They do not profess to be social benefactors, but wish to be acknowledged for the *real* jobs they have created and economic opportunities they have fashioned.

As is made clear by this case study, the experience and business savvy of private sector investors, can facilitate substantial economic benefits and opportunities to the local community or region in which the tourism enterprise operates. However, considering the dire situation of poverty and unemployment in the area, the number of jobs created or benefits received might never be conceived of as being enough. In the same breath, the lodge operator's allude to the "cupped hand coming out all too easily in Mbotyi" (Christodoulou, *pers comm.*, 2003). The situation of dependence and expectations is something, which they would like to move away from. Not everyone aspires to be an entrepreneur, and only a fraction of those that do, actually have what it takes to get things off the ground (Christodoulou, *pers comm.*, 2003). The lodge partners are more than willing to assist and mentor those individuals whom show such initiative. Social objectives are *not* MRL's mantra, but they firmly believe they have made a tangible difference towards poverty alleviation in the local community, through the direct (principally employment and economic) contributions and spin-off opportunities created from the Lodge's existence.

The Lodge owners did however, explicitly allude to the fact that many of the 'community outreach' initiatives they had attempted to institute had been thwarted by the tenacious and bigoted attitude of the ex-Community Trust chairman. "Until such time as he is removed from the Trust, or prepared to demonstrate more amiable co-operation with the Lodge, MRL's interaction and support for the community will be constrained" (Christodoulou, *pers comm.*, 2003).

The future of Mbotyi River Lodge is probably the most assured of all the documented case studies, principally because the owners possess title deeds to the land and the enterprise has proved popular and profitable. However, the Lodge should be cautious of not out-pricing itself

from the family and domestic tourist markets, and would be advised to play a more active role in the protection of the natural environment, upon which sustained tourism to the region, will depend upon.

CHAPTER 7: CASE STUDIES

THE MBOTYI CAMPSITE: A Joint-Venture Partnership

7.1 Introduction

In February 2001, discussions were initiated between the owners of Mbotyi River Lodge (Pty) Limited and committee members of the Mbotyi Community Development Forum regarding the development of a joint-venture campsite to provide more budget and family- affordable accommodation in Mbotyi. This case study provides a working example of Ferrar *et al.* (1997) management sharing community-tourism model. Since the campsite is still a relatively new initiative, its economic impact is briefly discussed whilst greater focus is made of its procedural establishment and the lessons learnt from its early institutional tussles.

The joint-venture (jv) arrangement was instigated on the premise of mutual benefit sharing. The hotel owners recognised that the participation of, and good relationship with, the local community was vital to sustaining an emergent and successful tourism industry in Mbotyi. At the same time, the community acknowledged that having the hotel owners as business partners, would be of value in terms of the financial resources, skills, and expertise they could bring to the operation.

7.2 Study Site

The four-hectare site earmarked for the development of the campsite was a vacant, degraded, piece of communal land, directly opposite the hotel, which had been used as a grazing area for cattle and goats. The site was not particularly attractive with a large amount of alien vegetation encroachment and evidence of human disturbance, but this was considered to be remediable through rehabilitation and a strategic camp design (Mullins, 2002). The site was selected due to its proximity to the Lodge, which would facilitate the supply of linked services such as electricity, piped water, waste and sewage disposal, with associated economies of scale. It was also located conveniently close to the shop, with a good access road to the beach and views of the coastline to the east (refer to Figure 6.1, for Location Map).

The southern boundary of the site is marked by a small wetland and a holiday cottage, whilst a freshwater tributary (from which the hotel extracts its water) marks the north-eastern boundary. A secondary school is located approximately 80 metres from the campsite, constituting the western boundary (Mullins, 2002).

Owing to its location 'within the village', with adjacent cottages, school, and a nearby shop, detracting somewhat from its 'sense of wilderness', the campsite was considered most appropriate to the drive-in tourist / family market (Mullins, 2002; Christodoulou, *pers comm.*, 2003). The discerning ecotourist or wilderness trailist would not be especially attracted to this campsite.

7.3 The Tourism Operation: An affordable Wild Coast Holiday

The Mbotyi campsite has 13 allotted sites, eight shared kitchen facilities (each with a preparation and sink area), one ablution block with six flush toilets, six hot showers, and a communal eating boma (MRL, 2004). The campsite is serviced by an electricity mains supply and piped water, which the hotel agreed to extend to the campsite. The campsite also makes use of the hotels sewerage system, which has a maximum capacity of 300 users. During peak holiday seasons the system reportedly takes strain (Christodoulou, *pers comm.*, 2004). The campsite has its own phone line and there is a payphone 100 metres away (just outside the shop). The road to the campsite is a well-graded dirt track, which is accessible by all vehicles. The campsites perimeter is fully fenced with 24-hour security and all sites have an electrical point and braai facilities (Mullins, 2002; Field Observation, 2003).

The peak season camping rate is R90 / adult per day, and R45 / day for children under 11 years. This will be increased to R100 and R50 respectively, in preparation for the Easter and Christmas vacations 2005 – 2006 (Sotshange, *pers comm.*, 200; MRL, 2004). In a price assessment of comparatively fitted Ezemvelo KZN Wildlife sites, Mbotyi Campsite charges double the average adult / daily rate. When quizzed about the 'relatively' high tariff structure, Mbotyi Campsite Trustees sustain that it is calculated with the incentive of profit maximization, dictated by relative supply and demand. The elasticity of demand on such a location is evidently high, as the campsite has been full to capacity over the peak holiday periods (Sotshange, *pers comm.*, 2003).

7.4 Background

In February 2002, the director of the Pondopark Development Forum (which was operating under the auspices of the Wild Coast SDI at the time), was requested by MRL's owners and the Mbotyi community to assist in 'fast tracking' a campsite development, so that it may be ready in time to accommodate the overflow of tourists (from the Mbotyi River Lodge) for the 2002 Easter long-weekend. It was through his involvement that the Department of Environmental Affairs (DEAT's) Poverty Relief programme came to be the principal funding agent of this joint-venture campsite. DEAT's magnanimous commitment towards the project, can however, be allied to an 'alternate agenda' (de Beer *et al.*, 2002; Masibambane, 2002; Christodoulou, *pers comm.*, 2003).

The Mbotyi JV Campsite proposal arrived at a time when DEAT was looking to initiate its own pilot tourism project, to demonstrate the kind of spin-off opportunities local communities might expect from the development of the Pondoland Park, with the anticipation of securing greater community buy-in for the park as a result (Refer to Chapter 3, Section 3.5.3.1). According to a Pondopark Progress Report (de Beer *et al.*, 2002: 18): this "pilot tourism project would be a means to demonstrate successful implementation of current policy directives and test the implementation of new and emerging policy and ideas".

Mbotyi was earmarked as a suitable site, since it was widely accepted as a (potential) development node, already had committed private sector investors in place, and fitted in with Poverty Relief criterion as being an area 'previously disadvantaged' by prior development efforts. Furthermore, the Pondopark forum had met strong opposition from the Mbotyi Community (stemming largely from rumours and bad-mouthing instigated by the community's Development Forum Chairman and the local headmen), and so the development of this jv campsite could potentially improve relations and win-favour with the community (de Beer *et al.*, 2002; Cooper; Christodoulou; Malindi, *pers comm.*, 2004).

Whatever the underlying motives behind the backing of this initiative, the fast-track development of the Mbotyi jv campsite - being just over three months from early negotiations to final bricks and mortar - is an exemplary case of what *can* be accomplished with respect to tourism development on the Wild Coast, should the political will exist. This record speed

development came as a “kick in the teeth” to those involved in the EU Programme - whom after adhering to every rule in the book and waited for over a year, had still not secured one-year PTO’s on their coastal trail camps (Bailey, *pers comm.*, 2003).

7.5 Procedural Establishment and Institutional Stakeholders

The 50/50 partnership of this joint-venture, was not correlated to the financial (or other) contributions made by either party, but a ‘goodwill’ agreement from both parties. It was agreed that profits (net income minus expenses and loan repayments) would be divided equally amongst the two partners (Masibambane, 2002). The Lodge owners were willing to finance the initial establishment costs of the campsite by providing a soft-interest loan, in addition to providing business, marketing, and maintenance expertise to the enterprise. They would also be responsible for establishing and helping to oversee the administration system of the campsite. A long-term lease on the land, once approved by the national Department of Land Affairs (DLA) and a resident labour force, would constitute the community’s contribution to the partnership (Wiggishof, 2002; Christodoulou, *pers comm.*, 2003).

Prior to negotiations regarding the development of this campsite, the Mbotyi community was not represented by a legal committee or council, outside of their tribal structures. There was however a rudimentary ‘Development Forum’ established, whose members claimed to be looking after the tourism and business interests on behalf of the Mbotyi community (Dlamini, Wiggishof, *pers comm.*, 2004). However, their democratic representation, lest accountability, to the rest of the community was somewhat questionable.

It was decided that a legally constituted ‘Trust’ would be the most appropriate entity to facilitate the future socio-economic and business needs of the Mbotyi community (Masibambane, 2002) However, the legal advisors tasked with instituting the Mbotyi Community Trust cautioned against the managerial representatives of this Development Forum assuming the role of trustees on this newly instituted Community Trust. It was recorded as a matter of concern that this appeared to be the case, and noted that unless proper procedures were followed in the establishment of the Trust, the Master of the High Court (whose task it is to approve the Trust) would have no alternative but to reject the application (Masibambane, 2002). This is a pertinent warning, in light of the controversy that was to come after the

previous director of the Development Forum assumed chairmanship of the new 'Mbotyi Community Trust'.

The same two members who served on the original Development Forum, became Chairperson and Treasurer respectively for the Mbotyi Community Trust, and thereafter fulfilled the role of trustees on the joint-venture Campsite Trust. According to both individuals, however, they were "democratically elected" by the Mbotyi Community Trust as trustees to the Campsite Trust (Ngwevu and Dlamini, *pers comm.*, 2003/2004). The establishment of the Community Trust was the first of four prerequisites in the development of the joint-venture campsite. The other three requirements included environmental impacts, a land tenure agreement, and the terms and conditions of the joint-venture itself. (Bailey and Christodoulou, *pers comm.*, 2003).

The National Department of Land Affairs granted the Mbotyi community a fifteen year lease on the four hectare plot of land demarcating the campsite's boundaries (Christodoulou, *pers comm.*, 2003). There was an alleged land restitution claim on the site by an ex officio community member, but it appears that comparable redress was settled, out of court, by national DLA (Bailey and Sperring, *pers comm.*, 2003). The 'rent' (payable to the Mbotyi Community Trust) on the lease of the land, was agreed to as 10% of the accumulated annual turnover from the campsite accommodation, and that if at any time rates, taxes or similar charges were levied against the property, such charges would be paid by the Campsite Trust and off-set against the rent payable to the Mbotyi Community Trust (Deed of Trust, 2002). This stipulation has particular bearing for the events that transpired after the first rental period.

Although the hotel owners were willing to finance (via a soft-interest loan to the Campsite Trust) all the infrastructural costs of the campsite, the appointment of Poverty Relief as the Funding Agent, meant that this was no longer necessary. Poverty Relief contributed approximately R 900 000 to finance the construction of the fixed and immovable assets. It is not Poverty Relief's policy to fund depreciable or movable assets (i.e. accommodation and soft furnishings), so Mbotyi River Lodge secured a R 200 000 low-interest loan to finance these overheads. It was agreed that the loan would be fully repaid before profits from the Campsite were distributed amongst its shareholders (Christodoulou, *pers comm.*, 2003).

The actual construction phase of the campsite took just over three months, after a preliminary environmental scoping study was done in compliance with the NEMA's (Act 107 of 1998) environmental principles. An application was made to DEAT for an exemption from a full Environmental Impact Assessment (EIA) because the Scoping Report found the potential impact of the proposed campsite to be 'minimal' in terms of socio-economic and environmental impacts (Mullins, 2002; Wiggishof, 2002).

7.6 Critique of Socio-Economic Impacts

7.6.1 Economic Impact

7.6.1.1 Direct Employment and Training

The campsite employs four full-time persons: a general manager, a trainee manager/receptionist, a cleaner, and two security-guards (who share the full-time position). During the busy holiday periods, 3-4 temporary staff are employed to assist with general camp maintenance and cleaning. Their earnings are not included in the annual wage estimate.

The four permanent employees were all put through a formal application and screening process conducted by the Campsite Trustees. Seasonal staff, are however, appointed through the local tourism councillor on the Mbotyi Community Trust (Christodoulou and Ngwevu, *pers comm.*, 2003). It appears that this individual has helped to select suitable candidates for all the tourism-related jobs in Mbotyi, from the River Rangers Programme, the Lodge and Campsite staff, to the EU Horse and Hiking trail guides. During the Mbotyi Household Survey (2003/2004), a number of community members alluded to this situation, expressing a valid concern that he may have too much influence in the development initiatives taking place in Mbotyi. Two respondents pointed out that of the four full-time campsite employees, two came from his immediate family (Mbotyi household survey, 2003/2004; Personal Observations, 2004). It also appears that the hotel uses this individual extensively as a source of employment and communication conduit to the local headman.

In his defence, this individual was reportedly reluctant to have his daughter apply for the new receptionist job at the campsite, but the hotel partners thought her to be the most capable

candidate and suggested he stand down from the election committee. She has since proved her competency (Christodoulou, *pers comm.*, 2003). Nonetheless, concerns over the clout of one individual, are warranted. Considering the risks of nepotism, partiality, and inter-community jealousies, the Lodge should caution against becoming too dependent on one key informant and source of employment. Admittedly, building a relationship of trust and mutual understanding with a motivated individual in the community is not a fast-track matter. Furthermore, the Lodge owners believe this person to be “a hard-working and capable individual who understands their (business) philosophy” (Christodoulou, *pers comm.*, 2004).

7.6.1.2 Formal Economic Contribution

Although it is still too early to make a thorough appraisal of the economic profitability of the campsite, the returns after the first two years of operation look promising.

After the first year of operation (4th June 2002 – 2003) the rental paid to the community amounted to R14 500 (10% of the R145 000 annual turnover on accommodation) and the portion of the profits distributed to the community by the Campsite Trust, was in excess of R20 000. This amounted to a sum in excess of **R34 500**.

In the second year of operation, the Gross Profit (before tax) after ten months of operation was approximately R130 000. Tax on community trusts is apparently 40%, which leaves a net profit of R78 000 to be divided equally between the hotel and community partners (R39 000 each). The campsite Trust does however have an obligation to first repay the R200 000 loan taken out by the Lodge partners. Nonetheless, over and above this profit share, the Mbotyi community accrued 10% rent on the annual accommodation turnover, which amounted to approximately R20 000 from the 2003/2004 annual estimated sales of R200 000.

The potential amount accrued to the Mbotyi Community Trust from rental payment and profit distribution in year two of operation was R59 000. The wage payment to campsite employees (all Mbotyi residents) amounted to R60 000, meaning that the potential total income accruing to the local community in the campsites second financial year (4th June 2002-2003) was **R119 000** (Christodoulou, *pers comm.*, 2003/2004).

Although the Campsite was never going to be a source of large employment for the Mbotyi community, simply due to the nature of self-catering accommodation, the benefits to the community will come from rental and profit distributions – to be used for general community upliftment and support of other development initiatives. Although at the time of writing, the community is yet to see a cent from these ‘benefits’, the financial profitability of the business has been encouraging. The fact that the campsite has been fully booked during the holiday seasons is proof that this is a sought-after product. However, the high (in-season) daily rate necessitates the maintenance of high-standard facilities and quality service delivery.

7.6.1.3 Informal Economic Benefits

A number of other income earning opportunities have resulted from the campsite development. These include jobs as gillies³⁸, sale of firewood, and outsourcing opportunities such as laundry and dishwashing services (Christodoulou and Sotshange, *pers comm.*, 2003). Temporary employment was also created in the construction and general maintenance of the campsite. Wherever possible, the campsite sourced local labour, but since the Mbotyi community is characterised by a low skills base, some specialised artisans had to be contracted from outside the area. These artisans, did however, impart valuable skills to those local persons working under them (Christodoulou, *pers comm.*, 2003). The Campsite Trust Deed advocates a non-discriminatory employment policy, with women and one disabled community member employed during the construction phase (Foggin, 2003).

³⁸ **Fishing gillies:** young local boys who are employed to assist in amongst other things: catching bait, re-baiting lines, gutting the fish and making the camp-fire. They get paid on average between R 20 – R 25/ day

7.6.2 Social Impact, Community Perceptions and Institutional Sustainability

After wide stakeholder discussions and thorough investigative research, it is established that the Mbotyi JV Campsite has been beset by institutional teething problems, specifically relating to the functioning of the Trust. It would appear that the problems have stemmed largely from the internal dispute and rift developed between the two elected community trustees, and the insolent, some will argue 'racist', behaviour shown by the (Ex) Chairman of the Mbotyi Community Trust, towards the Lodge partners of the Campsite joint venture.

According to one PondoCROP fieldworker: whilst the lodge may not have delivered sufficiently on some of their responsibilities ('mentorship of the business' was hereby identified); the Mbotyi Community Trust's handling of their business has been at the very least "embarrassing", and "demonstrated little understanding of the purpose or nature of a joint venture" (Undisclosed source, *pers comm.*, 2003). Within two months of the official opening of the campsite on the 4th June, 2002, the community partners - and principally the (ex) Chairman - was insisting that the agreement with the lodge partners be substantially reworked, with them being given a smaller share of the profits, or the community proceed *without* them (Sperring, 2003; Sperring, *pers comm.*, 2003).

The first issue of dispute arose when the community chairperson requested that six caterers be employed to cater for the camp. This was rejected by the lodge partners as "superfluous", since most campers came for self-catering. It was suggested that caterers could be employed on short-term contracts, when and if the need arose, but that it was financially unviable to have them as full-time employees of the camp. According to PondoCROP and the lodge owners, the chairman then tried to employ "bullyboy" tactics to force the lodge owners to agree with him, by threatening to close the business (Christodoulou & Sperring, *pers comm.*, 2003).

However, the *real* conflict transpired soon after the payment of the first rental and profit distribution. The terms of the Trust Deed state that profit will only be distributed after the *full* loan that MRL procured (used to purchase the soft-furnishings and depreciable assets), had been repaid. However, after the first year of operation, the lodge owners thought it would be a generous gesture to demonstrate some leniency regarding the repayment conditions and agreed that they would pay over some portion of the first-year profits, over-and-above the rent accrued

to the Community Trust. This amounted to a cheque of R 37 429, paid directly to the Mbotyi Community Trust account (Christodoulou & Sperring, *pers comm.*, 2003; Sperring, 2003).

The lodge partners were pleased about the profitability of the campsite in its first year, and deliberately made the rental (plus some profit) payout in April of 2003 (two months prior to year end), so that the campsite's success could be reported to the community in their Annual General Meeting (AGM), scheduled thereafter. The lodge partners felt that the community needed a greater sense of ownership in the campsite, and was confident that the rent and profit distribution would help to instil this sentiment (Christodoulou, *pers comm.*, 2003; Kraai, 2003; Sperring, 2003). One can appreciate how it riled the lodge partners when the AGM's brief financial audit skimmed over the recently accrued profit and rental income from the campsite (Christodoulou, *pers comm.*, 2003; Kraai, 2003).

At the same time, it was becoming increasingly apparent that the Community Trust was being internally split through personality differences, political power play, and ulterior agendas – principally between the Trust's Chair and the Treasurer (PondoCROP field officers, *pers comm.*, 2003). The 'conflict' came to a head soon after the first payment was made into the community's trust account, with a heated disagreement over the nature (and accountability) of the spendings, unconstitutional trustee elections and dismissals, a court interdict with counterfeit signatures, followed by costly court cases and counter-affidavits (Bailey, Sperring; Wiggishof, *pers comm.*, 2003).

This Trust debacle, has however, served to demonstrate to the community the consequences of not taking responsibility for and ownership of their Trust - i.e. that they will be the ultimate losers in terms of lost income (due to misappropriated funds and costly legal fees), and future investor insecurity. Those who have acted in an advisory role to the Mbotyi Community Trust, hope that the reality of this lost income will serve as a "wake-up call" to the community, to realise the importance of appointing trustees who will represent their interests, and that they should be informed, as a matter of procedure, on all the Trust's decisions and activities (Wiggishof, *pers comm.*, 2003).

What became evident during the course of this case study, was that there was a very poor understanding of the role and responsibility of the Trust. From discussions with other

Community Trust members, it has become clear that a few commanding figures on the Trust have used the other Trustees as 'pawns' in their personal wranglings. The fact that three of the Trust members I interviewed could not provide the most basic definition for the role and purpose of the trust, was a distressing find. It appears that very little preparation, or consideration, went into the voting of the Community Trustees, for apart from the few polished individuals heading it up (and subsequently splitting it up), the other Trustees (at least the ones I met) were either timorous individuals who would not dare question, poorly educated, ill-informed, or entirely 'disinterested' in the activities of the Trust (Mbotyi Household Survey, 2003/2004).

From a questionnaire survey of over thirty households, only three households admitted to knowing anything about the Trust debacle. Only 52% of households reported to be aware of, or have informed knowledge of the Trust, whilst the remainder either had no knowledge, or so little information that they were not prepared to give an opinion of their perceived purpose of the Trust. A few households which maintained to have a good knowledge of the Trust, described its role as 'representing the community', but the majority of households were vague about the purpose and/or functioning of the Community Trust, usually equating it to 'having something to do with the Campsite?' (Mbotyi Household Survey, 2003 / 2004).

7.7 Discussion and Future

From the development of the Mbotyi joint-venture campsite, a number of key findings, lessons, and future recommendations, can be made:

- 1) There is clearly a market demand for low(er)-budget, self-catering accommodation facilities on the Wild Coast. Since the campsites daily tariff is appreciably higher than comparable campsites, it is likely that the location and appeal of the 'Wild Coast Experience' fuels demand over the popular holiday periods. The niche tourist market is evidently friend and family groups, with red-peak periods being fully booked, despite a fifty-percent increase in the net daily tariff over these periods. However, in order to maximise annual profitability, it is recommended that other target markets be sought. One suggestion may be to target school or university field groups. The relative accessibility of Mbotyi to both Kwazulu-Natal and Eastern Cape institutions, (relatively) good road access,

and a unique biophysical and marine environment (Mann, 1998, cited in White *et al.*, 2002) makes the location ideally suited to learning and research.

Another niche market may be providing venue and catering facilities for local training workshops or assemblies. The hotel offers upmarket conference facilities but these are not always affordable (or suitable) for community skills training courses or local government and NGO meetings. During my field visits, I was surprised to find that there were a number of these organisations working and running training programmes in the area. Mbotyi campsite, with its central dining-boma and kitchenette facilities, is well equipped to host one- or multi-day training workshops, meetings or similar proceedings. Mbotyi would certainly offer a safer and more aesthetically pleasing setting than inland service towns such as Lusikisiki. This type of tourism could also provide local SMME spin-offs in terms of catering requirements, with local women groups providing the catering on a roster basis.

2) The community needs to recognise that their private sector partner has entered into a business contract with them, principally, to generate profit. In order for the partnership to be successful and sustainable in the long-term, there should be a mutual understanding of, and respect for, this business relationship. Whilst some philanthropic overtures may have helped facilitate the partnership in the outset, this should not be expected to continue to govern the business relationship.

In the same manner, the private sector partner needs to acknowledge their community partner as equals – assisting them where necessary but also drawing from their perceptions and experiences.

3) Private sector partners can make an important contribution to a business, in terms of the financial, marketing and business planning / operational expertise they bring to the partnership. In a joint-venture partnership of this nature there is a considerable degree of skills transferral (usually to the inexperienced community partners) but measures need to be put in place to ensure that should these persons leave the business, this investment is not entirely lost. Perhaps a system of ‘mentorship’ should be instituted where those learning new skills are obligated to train others beneath them. This would ensure a more ‘seamless’ transition should employees be promoted to a higher rank, or decide to leave the project.

4) The Mbotyi joint-venture campsite is an exemplary case of what *can* be done (and just how quickly) when the political will exists, backed by a motivated private-sector operator. The fact that it took less than nine months to obtain government sponsorship, secure a long-term lease from National DLA, establish a local Trust, and lay the campsites bricks and mortar, is testimony to this.

Although the Mbotyi Community Trust has encountered major ‘teething problems’, this in the view of PondoCROP arbitrators and other observers (including the hotel owners), is “not necessarily a bad thing”, on the following grounds: firstly, it has helped the community to realise the importance of their Trust, who up until then, had shown virtually no interest in the Trust’s purpose or activities. Secondly, the hotel owners stood their ground during the whole affair, and showed the community and the other Trustees that they were not prepared to be ‘bullied into compliance’. They refrained from ‘personalising’ events, but also made it quite clear that they did not view the Campsite joint-venture as a philanthropic project, but a business partnership with strong profitability objectives and obligations which required respect from both partners. Whilst they showed themselves to be committed business partners (and that they were certainly not going to pull out at the first sign of conflict), the hotel trustees are not prepared to let individual power struggles, internal dynamics, or an apathetic community affect the success of the campsite joint-venture. The hotel owners sought their own legal counsel during the Trust debacle and may propose that the community contribute towards their legal expenses (Christodoulou, *pers comm.*, 2003).

Now that the (ex) Chairman has been legally removed from the Campsite Trust, there remains the issue of institutional memory loss. The hotel trustees invested a considerable amount of time and effort in mentoring their community partners with respect to the campsites administration system, maintenance, financial auditing, and marketing expertise. This will be lost to the project. After some resolution was found with respect to the Mbotyi Trust conflict, PondoCROP offered to run a one-day workshop with the Trust (and any other community members who wished to attend) to help them gain a better understanding of the Trust deed, their legal rights and obligations, and proper procedures to deal with conflict. PondoCROP were quick to point out that these were all “anticipated” problems, associated with a “fast-track” development process – such as the Poverty Relief funded campsite (Undisclosed sources, *pers comm.*, 2003).

Whilst this may be true in part, it is not as if the EU instituted Community Trusts (which took substantially longer to establish) have not experienced their share of problems. It does however appear, that there should have been more workshops and discussions held with the community around the role and responsibility of the Trust, and the importance of voting-in suitable and accountable candidates to serve on this committee. Understanding the Trust Deed, the responsibilities it entails, and procedures for conflict resolution should be a prerequisite requirement of all trustees. Nonetheless, the effectual 'high-jacking' of trust activities by the (ex)-Chairman, might have happened in even the most legally-binding and procedurally correct of Trusts. The important thing is that the community and remaining trustees learn from their mistakes, and strive to become more participant and vocal in the activities of the Trust, whilst demand for greater transparency, should become a fundamental concern.

In conclusion, the Mbotyi jv campsite has demonstrated that with a small amount of capital, a motivated private sector partner, and government backing; considerable economic benefits can be generated for the local community, at little sacrifice to subsistence and other income – earning opportunities (the campsite being developed on a small tract of unused grazing land). Whilst the campsite required relatively little infrastructural development or seed capital, the project would never have taken shape had it not been for the grant-funding provided from government and the experience and motivation brought to the development, by the lodge partners. The early profitability and occupancy of the business has been encouraging. This can be in large part attributed to the marketing efforts of the hotel, and the benefits derived from 'economies of scale' from sharing services with the hotel (such as sewerage, electricity and water provision).

This case study has shown that a certain degree of philanthropy may be required to get a community-private sector partnership started, but this should *not* be expected to govern the nature of the business relationship. It is the community's responsibility to be attentive to the workings of their trust and demand accountability from the Trustees they appoint to look after their affairs. As this study has revealed, failure to do so, will result in the community (the 'purported beneficiaries') being the biggest losers in terms of misappropriated earnings and future investor reserve.

CHAPTER 8: EVALUATION, RECOMMENDATIONS AND CONCLUSION

8.1 Introduction

This chapter provides an evaluation of the four selected case studies in relation to the theoretical framework and critical questions proposed by/in this study. The key catalysts, success factors, limitations and 'pro-poor' credentials (i.e. net benefits for the poor neighbouring communities) of each of the documented enterprises will be discussed with reference to the conceptual and theoretical models documented in the literature review (Chapter 2). The key findings and recommendations made from these case studies will then be considered with respect to the key developmental opportunities and constraints pertaining to the region (as identified in the contextual overview - Chapter 3). This critique will be of relevance to the success and sustainability of other community-based and 'pro-poor' tourism initiatives, as well as future tourism development planning in the region.

8.2 Case Study Evaluation

The following section provides a critical evaluation, and comparison, of the documented case studies with respect to the critical questions proposed by this study, and the conceptual theory (Chapter 2).

Are the four selected case studies exemplars for 'sustainable' tourism and how do they compare in terms of their net socio-economic benefits, environmental and institutional sustainability?

Although different ownership and management approaches characterise the four select case studies, each contributes in some form to the socio-economic upliftment of its locale, and are underpinned by sustainable development principles – i.e. that they seek to be socially, ecologically and economically sustainable developments.

Commencing at the one end of the tourism model scale, the **Amadiba Horse and Hiking Trail**, was a pioneering initiative in an area with no prior tourism experience, and a largely unskilled, subsistence rural economy. Pimbert and Pretty (1994, cited in Roe *et al.*, 2000) would classify this kind of initiative as community 'self-mobilisation' with the Amadiba community retaining control and ownership over their resources but developing a contractual agreement with an external agency for funding and support. Ferrar *et al.* (1997) and Spenceley, (2003b) recognise that local NGO's and external agents can play an important 'advisory' role in the development of community-based tourism (CBT) initiatives. In the case of Amadiba Adventures, it is clear that the local NGO, PondoCROP, has provided the vision and impetus behind the development of this Horse and Hiking Trail, and then as the lead NGO in the EU WCCTI Programme, provided the critical link to donor funding.

According to Cronin's (1990) criteria for what constitutes 'sustainable tourism', Amadiba Adventures scores high in terms of being initiated along 'ethical principles' and 'participation of local persons'. The operation has also been particularly mindful of local cultures and livelihoods, being purposefully designed to provide a complementary income-earning opportunity (not substitution) to local subsistence and rural livelihood strategies. Maintaining a "diverse and flexible range of livelihood options" was also identified by Shackleton (2000, cited in DEAT, 2002a: 2) as being critical to the sustainability of any community-based natural resource management project.

Although the Amadiba Horse and Hiking Trail was initiated a number of years prior to the EU WCCTI's involvement, had it not been for the significant grant funding and extensive technical support provided through the EU Programme, Amadiba Adventures would probably never have attained its current level of 'success'. Whilst external agents can be invaluable in providing start-up capital and specialist assistance to a development that rural communities would be unlikely to have little previous experience with, Ashley *et al.* (2001), Ashley and Jones (2001) and Halstead (2002), stress the need for support agents to continuously assess the level of support they provide and the dependence they may be creating. It appears that whilst PondoCROP implicitly recognised this fact, their inability to communicate training requirements and select suitable candidates (in order to build capacity and reduce the situation of dependency on themselves), for the training component of the EU Programme, has not helped to advance the sustainability of this community-run initiative.

The situation in which Amadiba Adventures now finds itself - considering issuing a tender for a private sector partner - is appreciably incongruous to the original tenets and conception of the business: that of an entirely community-owned, and operated, tourism project. Whilst Amadiba Adventures (AA) would probably benefit greatly from the experience and input of a reputable private sector operator (and quite likely see larger benefits from a more efficiently run business with higher occupancies), it may also send a message to the community that they are considered incapable of running the operation alone. From interviews and discussions with employees and AA staff, the sense of pride they felt at being both the owners and operators of this business, was a common sentiment. The value of non-financial benefits - such as increased skills and capacity, renewed pride in local cultures and the natural environment, decision-making power and greater community cohesion - should not always be placed second to direct financial benefits and job creation. PondoCROP (2002a) identified the attribute of 'collective ownership' as being critical to the success of any community-based tourism initiative.

Furthermore, it has been argued (PondoCROP personnel, *pers comm.*, 2003) that the 'sole-community venture' as identified by Ferrar *et al.* (1997) provides an excellent 'springboard' for communities to gain a better understanding of tourism and their prospective role therein. The establishment of the institutional structures (such as the Community Development Trust, ACCODA) and inter-governmental co-operation agreements through the development of the community-owned Horse and Hiking Trail, could help to create a more 'enabling' environment for future private sector partnerships in the region.

In terms of its economic impact and role in uplifting poor rural livelihoods, Amadiba Adventures has had a comparatively widespread impact, albeit at low remuneration levels. Of all the documented enterprises, AA's philosophy is probably the most closely aligned to the tenets of 'pro-poor' tourism (Ashley *et al.*, 2000; 2001), with an emphasis on employing freely available assets (i.e. the local horses and natural environment) to reduce poverty and improve the livelihoods of Amadiba households. This is clearly reflected in the employment and remuneration strategy of the business, with 57 jobs (though only 22 of these are full-time) being created from a trail that up until 2002, ran at under 50% occupancy.

Ntshona and Lahiff (2003b: 43) maintain that "direct personal benefits" (i.e. through wages) are generally preferable to more general, indirect community benefits (such as profit-sharing

agreements) distributed through local structures. Amadiba Adventures appears to operate on the same sentiment, purposely employing more people than is probably necessary (albeit at lower remuneration levels than SA hospitality norms, and with a large percentage of these employees being part-time), in an endeavour to maximise the spread of financial benefits. This means that more households within the region are likely to benefit in a *direct* manner from the wages of family members employed in the community business. This distinctly 'pro-poor' approach may also help to instil a greater sense of ownership in the business, and provide local communities with material incentive to protect the natural environment upon which this Trail depends.

However, besides those employed directly by the Trail business, there was little evidence in this case study to suggest tangible income benefits from outsourcing and economic multiplier opportunities. Whilst small spin-offs do occur, they are not nearly as 'formalised', or dynamically endorsed, as they tend to be when a private sector operator has been involved, such as the case with Mbotyi River Lodge (MRL). Whilst there appears to be growing demand for the Amadiba Horse and Hiking Trail (reflected in the annual growth in turnover from R280 000 in 2000, to over a million Rand in 2003), the lax bookkeeping and business protocols, that has characterised the venture thus far, will need to be addressed in order for the business to become more economically sustainable.

The irony of the Amadiba case study is that the EU Programme could have provided an excellent opportunity for training and capacitating those individuals employed under its 'lead-project', so that the situation which exists today, where only the current Trails Manager has any genuine capacity to sustain the community business, might well have been different. Although the importance of a local champion in driving community-based initiatives, is widely recognised by the literature (Fabricius *et al.*, 2001; Jones, 2001; Halstead, 2002; Ashley & Wolmer, 2003; Trotter, 2003), the fact that the Trails Manager could at any stage leave the business, calls the issue of AA's institutional sustainability into question. If the EU Programme had managed to institute a Facilitation and Support Unit (which was proposed to lessen the dependence mentality that Amadiba Adventures had on the Programme and PondoCROP particularly) then this would have assisted the immediate sustainability and future of this sole-community tourism model. Regrettably, the Amadiba community is now faced with the situation where they, like so many other rural communities with rights to land of high tourism

potential, are seeking a private sector partner instead. The partnership between the Amadiba community and Ufudu has been one such partnership.

According to Ferrar *et al.* (1997) classification of community tourism models, the Amadiba – Ufudu arrangement exemplifies the ‘Financial Incentive Model’ with the Amadiba community benefiting from employment and a concession fee paid into the local Community Trust³⁹. Of all the tourism operations documented, the Ufudu Flyfishing Operation appears to generate the highest economic return for the lowest environmental impact. Generating R 438 000 for the local economy in fourteen months of operation, at the expense of just three fish killed, and rigorous self-imposed restrictions on the amount of natural resources consumed during their time of operation, the Ufudu Flyfishing Operators are an exemplary model for ‘genuine ecotourism’.

This catch-and-release flyfishing operation is characterised by the lowest possible consumption of non-renewable resources, focus on small tourist groups, conservation of biodiversity and a ‘learning experience’, local benefit-sharing, and meaningful participation from neighbouring communities – all guiding principles for genuine ecotourism initiatives (Section 2.3.3). This ‘ecotourism branding’ has helped to attract an elite category of special-interest tourist, who are willing to pay R1 350/night (2004 Tariffs) for simple tent accommodation, good food, personal attention, and a ‘once-in-a-lifetime’ fishing experience. Neale and Nicholson (1998) and Swarbrooke (1999) argue, that many ‘ecotourists’ are motivated more by their desire to see pristine ecosystems first hand, than a wish to protect the environment or contribute towards the socio-economic upliftment of neighbouring communities. Whilst this may be true of some of Ufudu’s guests, the reality is that, without their willingness to pay for this ‘exclusivity of experience’, there would be no socio-environmental benefits at all. On the other hand, the fact that these fishermen come with the understanding that it is only a ‘catch-and-release’ operation, in addition to the many offers of support (financial and other) to local SMME and community development projects, is testimony to the ‘ecotourist values’ of many of Ufudu’s clients.

Had it not been for the perceived value of the natural resource base - i.e. the pristine Mtentu estuary and its annual sojourn of Kingfish, this operation might never have materialised.

³⁹ The negotiated fee was 12.5% on turnover, which is considered a ‘generous’ profit-sharing ratio by Ashley and Ntshona (2002).

Governments role in facilitating this partnership was significant in that they provided the Amadiba community with a high-value asset - the catch-and-release flyfishing permit - but without the enthusiasm and tenacity of Ufudu to pursue the venture, the Amadiba-Ufudu partnership would probably still be another proposal 'on paper'.

Although Ufudu are operating in a MCM protected area (which beyond their three-month exemption permit prohibits *any* disturbance to the fish or organisms in the estuary), in light of the near total absence of monitoring and law enforcement on the estuary, the income received from the flyfishing operation has instilled, to some degree, a greater sense of stewardship towards the estuary and its fish resources. Nonetheless, there are still reports of the community turning a 'blind-eye' to recreational fishermen stocking up their freezer chests with high-value marine organisms (such as mussels, fish and crayfish), and local river guides employing their newly acquired skills to catch and sell fresh fish to local markets. At what level of benefits, if at all, such transgressions would cease entirely, is perhaps a moot issue?

For its size, and brief period of operation (3 months of the year), Ufudu has made a tangible contribution to advancing the income earnings of the local Amadiba community. In their 14 months at Mtentu, Ufudu has generated over R203 000 for the Amadiba Community Trust, R212 910 in salaries and wages, and approximately R22 500 in support for localised activities and purchases from the community - principally horse hire and local craft sales. Whilst the number of people employed by the business is few, the salaries and gratuities earned by Ufudu employees are the highest of the documented enterprises and would be considered 'very good' in comparison to other income-earning opportunities in the region (Field Comparisons, 2003; Bailey; Pretorius, B & P, *pers comm.*, 2004). According to PondoCROP personnel, one of the community's criticisms of the Ufudu operation, (*pers comm.*, 2003 / 2004) is that whilst those employed by the Ufudu fair well (from 'good' salaries and generous gratuities), these earnings are limited to a few persons (i.e. the eight full-time persons employed by the operation). This is in contrast to the Amadiba Adventures model, where many more people are employed, but at a considerably lower remuneration level. This concern, however, does not hold much weight, as the wider community is supposed to benefit from the profit-sharing agreement that Ufudu has with ACCODA (12.5% of Gross Profit which goes directly to the Community Trust).

Due to the short-term nature of their contract, Ufudu have not actively pursued local SMME linkages or other local outsourcing avenues. However, given their relationship to many potential social benefactors (their regular clientele including many high-profile and influential businessmen), this should become a high-priority agenda for Ufudu, if their concession at Mtentu is renewed.

Despite having developed a good working relationship with the community and delivering on their promises (Ufudu consciously set out *not* to raise unrealistic expectations), Ufudu's future at Mtentu is by no means assured. Their four-year (extended) concession comes to an end on the 29 December 2004, and thereafter the Amadiba community are in a position to take on a new private sector partner should they so wish. Whether Ufudu's pioneering efforts (in originally securing the catch-and-release permit for the community), and their socially and environmentally conscious performance thus far, will influence the new concession contract, remains to be seen. If the flyfishing permit is not renewed by Marine and Coastal Management (MCM), then this might turn the tables considerably: Ufudu would be unlikely (and unwilling) to charge the rates they do *without* the flyfishing drawcard. A private sector partner such as Wilderness Safaris - who would invest large sums to upgrade the existing camp and market it as an exclusive wilderness experience - would probably be able to charge similar or higher daily rates, with or without, the flyfishing permit. Who the community selects as their private sector partner therefore depends largely on the renewal of the flyfishing permit⁴⁰ (a government responsibility) and the perceived socio-economic benefits accompanying a new or renewed partnership.

In concluding, the Ufudu operators have demonstrated just how much tourists (and that is domestic tourists) are prepared to pay for a 'unique' tourism experience. The 'Mtentu Flyfishing Experience' displays an inelastic demand curve: where the quantity demanded (i.e. occupancy) appears to be effected less by price than it does by inclement weather conditions and related fishing success. This is an important consideration for future tourism planning in the region. The Ufudu operation, being small and low-impact, has generated tangible economic benefits for resident communities at minimal environmental cost (in fact, by attaching a monetary value to the protection of such resources, they have had a positive environmental

⁴⁰ However, according to an ACCODA Trustee (Ndovela, *telephonic comm.*, 2004), the renewal of the flyfishing permit by MCM is "looking promising", and is anticipated to have been processed by the end of November, 2004.

impact), but this would not have been possible without the 'exclusivity' to which guests feel they are entitled. A nodal approach to tourism development, with different types of tourism confined to particular nodes, as was originally proposed by Els and Taylor (1979), and reiterated by Nicholson (1997) and de Beer *et al.* (2002), would be critical to the sustained success of an operation such as Ufudu.

The **Mbotyi River Lodge** is one of few operations on the Wild Coast where the owners possess title deeds to the land. This case study is representative of Spenceley (2003b) 'community tourism model' - being private land, with private operators who demonstrate a strong sense of corporate social responsibility (CSR). Although the owners of this hotel have no legally-binding contract of social or economic responsibility to the community, of all the documented case studies, Mbotyi River Lodge (MRL) makes the largest *formal* contribution to the local economy, in addition to facilitating extensive informal earnings through support for localised activities and community SMME linkages.

The income accruing to Mbotyi communities from MRL's wages is estimated at R500 000 per annum, with employee wages between 63 - 99% higher than the wages paid to full-time staff employed in Amadiba Adventures. Over and above their regular wages, MRL has boosted the local economy through part-time wages paid to persons employed in the extension and restoration phase of the hotels revamp, and the building of the joint-venture campsite. The total direct earnings (from full and part time wages) into local Mbotyi communities since the hotels inception - December 2001 up until December 2003 - is estimated to be close to R1.85 million.

These earnings exclude the informal income and spin-off opportunities created by the existence of the Lodge and the tourist market it provides. Although they have no binding responsibility to their neighbouring communities, it would appear that the Lodge owners have an altruistic view of tourism development(s) around Mbotyi. They realised from the outset that it made good business sense to maximise local outsourcing opportunities and tourism activities for the community around the Lodge and its guests. They have done this in numerous ways, including the contracting of nanny services, support for the local horse trail, river guides, and initiating the Mbotyi craft-centre and joint-venture campsite. Besides boosting local incomes, the local household survey (Mbotyi Household Survey, 2003/2004) revealed that these outsourcing opportunities have helped to create a positive attitude towards tourism in the area. The

financial, administrative, marketing, and logistical support (in varying degrees) provided by MRL to these local and associated tourism enterprises, has been invaluable to their inception and sustained operation. Moreover, without the captive market provided through MRL, it is unlikely that any of these community enterprises would have been viable at all. The importance of private sector drive in expanding income-earning opportunities to the wider community, should not be underestimated.

Since MRL's owners possess title to their land, the institutional sustainability of Mbotyi River Lodge is inherently more stable than any of the other documented operations. Nonetheless, the acceptance and attitude of its neighbours, is critically important to ensuring its sustained success. Mbotyi made an interesting location for study as it had so many of the dynamics, conflicts, different stakeholders and interest groups, in force (and in conflict) along the wider Wild Coast. A number of haphazard 'illegal' cottages were being built during the course of investigations, whilst legal cottage owners were rallying together to try and arrest this incursion. The battle lines had been drawn between those of old and those of new, and whilst many of the cottage-owners continue to harbour some resentment towards the Lodge (especially over the controversial 'non-residents' policy), this appears to be abating with time. The community, on the other hand, for the most part, consider the re-opening of the hotel to be 'an answer to their prayers'. Whilst the number of jobs provided could never realistically fulfil the hopes of such a high number of unemployed, it appears the majority of local households perceive MRL's employment process to be 'fair' and remunerations 'reasonable' (Mbotyi Household Survey, 2003/2004).

However, it was interesting to discover (as disclosed through the Household Questionnaire Survey) that less than a fifth of households linked the hotels' re-opening to being positive in terms of providing them with a larger tourist market to sell their wares to, or support for their localised activities. This 'entrepreneur culture', so endorsed by government and local development agencies, seems to remain somewhat subdued in these rural heartlands. Access to seed capital and sustained mentorship, provided through a committed and experienced private sector person, is often what is required to get local SMME's functioning.

In closing this case study: MRL's owners do not profess to have a 'pro-poor' tourism philosophy. On the contrary, they attest that through "capital motivation" and an understanding

of “what’s good for you, is good for me” (Christodoulou, *pers comm.*, 2003), they can deliver the type of socio-economic benefits that any ‘pro-poor’ operator would aim for. Whilst they do not wish to be perceived as ‘social benefactors’ or ‘pro-poor practitioners’, they hope to be acknowledged (principally, by the local community) for the jobs they have created, economic opportunities they have provided, and the *real* business partnerships they have forged.

The development of the **Mbotyi joint-venture campsite** has undoubtedly been the most prominent of these ‘community partnerships’. However, one would be mistaken to consider this project as anything less than a business partnership. The Mbotyi campsite development is a 50/50 joint-venture, between the two principal owners of Mbotyi River Lodge and the Mbotyi community (represented by two members of their Community Trust). The defining characteristics of this joint-venture initiative are closely akin to Ferrar *et al.* (1997) ‘management sharing’ community tourism model - with a merge of assets, weight of decision-making in proportion to share of ownership in business, and a corporate style business structure defining the nature of this partnership. Since the campsite is still in an early phase of operation its potential socio-economic impact was broadly assessed, with a more detailed consideration made of the procedural establishment and ‘lessons learnt’ from its early institutional dissonance.

Although it is still too early to make an accurate assessment of the economic sustainability of the business, the returns after the first two years of operation have been encouraging. A sum in excess of R34 500 was deposited into the Community Trust account after the first year of operation (from a 10% rental payment and a profit distribution), followed by a gross profit (before tax) of R130 000 in its second-year, to be shared equally amongst the two partners, over and above a R20 000 rental payment. Although still in an incipient phase, the economic returns derived from the campsite business are significant in relation to any other potential Community Trust income.

The fact that by the time this research had concluded, none of the income had yet been assigned to benefiting the ‘wider community’ in terms of community outreach or development projects (such as the much desired clinic), is of some concern. It is widely recognised (Palmer *et al.*, 2000; Ashley *et al.*, 2001; Cattarinich, 2001; PondoCROP, 2001a; Spenceley *et al.*, 2002; Fabricius *et al.*, 2003) that a range of benefits (both financial and non-financial) should be seen

by the community soon after the tourism enterprise is established, in order to facilitate its acceptability and longer-term sustainability. Halstead (2002: 17) emphasises the timing of these benefits as being critical to obtaining community 'buy-in' to a project. Cash in the bank, especially when the amount is kept secret from the wider community as the Mbotyi Community Trust has done, does not help to instil a sense of ownership in the enterprise, or advance the concept of tourism to its purported beneficiaries. ACCODA (the development forum through which income received from Amadiba Adventures and Ufudu is channelled) is also guilty of stockpiling money in the community's trust account and not providing the community with an adequate range a short, medium and long-term benefits to show for the money. Whilst superfluous spendings should obviously be guarded against, a stash of money in the community trust account, is of not much use to the poor rural households (many of whom are living below the poverty line), whom these tourism enterprises are designed to benefit. Regrettably, in the case of the Mbotyi joint-venture campsite, a large percentage of these earnings will go towards settling legal fees before the community receives any benefit from it. This is a disheartening scenario, but not a 'new' phenomenon for community-based tourism initiatives (Fabricius *et al.*, 2001).

The institutional conflicts experienced by the Mbotyi joint-venture campsite have provided some important insights and lessons to advise future community-based enterprises and private sector-community tourism partnerships. The Mbotyi Trust debacle highlighted the importance of a community taking responsibility for, and ownership of, the management body (i.e. their Community Trust) instituted to represent *their* interests. In not doing so, they will invariably be the biggest losers in terms of lost income and future investor apprehension. The institutional conflict, which originated not between the joint-venture partners but through a personality clash and power struggle between the two appointed community partners, has hopefully served to enlighten the community that they should be informed, as a matter of procedure, of all their Trust's decisions, and appreciate the importance of appointing trustees who will represent *their* interests over selfish agendas.

Lack of transparency, manipulation (with poorly informed Trustees vulnerable to coercive persuasion and subordinate power-plays), lack of community knowledge around the purpose and responsibility of their Trust, and a general disinterest with regards to the campsite development (being a joint-venture initiative designed to give *them* a greater stake in tourism

development at Mbotyi), were some of the main factors to blame for the institutional anarchy experienced soon after the opening of the campsite. However, it appears that matters are being resolved, with many 'hard lessons' learnt in the process. The Mbotyi joint-venture campsite has potential to become a successful community-private partnership, provided effective conflict resolution strategies and institutional monitoring and accountability protocols are put in place. This should be advised upon, and implemented, by an external facilitator who has reputable experience in such fields.

Despite its early institutional problems, the Mbotyi joint-venture campsite is still a great example of what can be done – and just how quickly – when the political will exists, backed by a motivated private sector operator. The fact that it took less than nine months to secure government funding, obtain a long-term lease granted from National DLA, a Community Trust established, and lay down the bricks and mortar for this campsite development, is testimony to this.

8.3 Key Findings and Recommendations

The following key findings and recommendations are made from a critique of the 'lessons learnt' and 'successes' of the documented tourism operations and a thorough appraisal of the regions socio-economic, institutional, and environmental context (Chapter 3).

- A situation of protracted tenure reform and 'legal plurism' (Wiggishof, *pers comm.*, 2003) continues to present one of the biggest limitations to potential investment and development in the Pondoland region. The failure of the Wild Coast SDI, the shelved Mkhweni Lodge and Pondopark proposals are just some examples of proposed development initiatives which have failed to take shape, as a result of the politically sensitive and complex institutional environment which pervades the Eastern Cape's Wild Coast. Secure land rights and defined access to, and use of, natural resources are key assets which rural communities can bring to the 'bargaining-table' in negotiating new tourism partnerships. However, in order to lay claim to these assets, rights to lease or transact this land first have to be bestowed upon residents and previously dispossessed communities. This is so that communities may use the land as collateral (in joint-venture

partnerships), whilst private sector investors are afforded contractual security. It is evident from this study, that whilst government recognises the importance of 'fast-tracking' land reform in historically marginalised areas, such as the Wild Coast, their ability to do so continues to be hampered by cumbersome internal procedures, unclear and overlapping institutional mandates, rifts between different spheres of government, and a clear absence of spatial planning guidelines.

- As tourism has been widely recognised (and agreed upon) as a key developmental sector for the region (ECDC, 1998; DTI, 1999), a detailed 'Spatial Planning Framework' should be drafted in consultation with, and agreement from, all sectors of government and potentially affected stakeholders. As was originally proposed by Els and Taylor (1979, cited in Nicholson, 1997), this spatial plan should delineate specific tourism development 'nodes', with potential development confined to these zones. It should be governments prerogative to provide basic infrastructural services such as roads, water and electricity to these 'nodes' (prospective tourism investors cannot be expected to finance these basic services), whilst those stretches of coastline between development nodes should acquire greater conservation, or non-development status, so as to maintain the undeveloped naturalness for which the area is acclaimed and upon which a sustained tourism industry hinges.
- This research has revealed, that 'fast-track' development on the Wild Coast *is* possible provided the development finds a high-profile, or government-champion, and the political will exists. The Mbotyi joint-venture campsite has been a case in point here. It is, however, argued (Fabricius *et al.*, 2001; Jones, 2001; Kepe, 2001; Ashley & Wolmer, 2003) that rushing a tourism development which requires community participation and acceptance to become sustainable, is more likely to encounter conflict in time, or have a higher incidence of failure. Whilst this is recognised, given the number of empty promises made to communities living on the Wild Coast, a 'fast-track' development - even if early conflict resolution is required - is probably still preferable to no development at all. Evidence from this research revealed that even when institutional and establishment procedures are followed by the book (for example, PondoCROP's application for a lease on the coastal trail huts), there is no guarantee that the development will proceed as planned, or that it will not encounter institutional

conflict. What is clear is that participatory monitoring and conflict resolution mechanisms should be in place to provide early and effective resolution.

- The situation which currently prevails, where those with disregard for the law (such as the illegal cottage owners) continue to enjoy the spoils of the Wild Coast; whilst potentially positive developments are encumbered by an enduring state of tenure insecurity and unclear legislation, requires urgent redress. A nodal approach to development (as recognised by Nicholson, 1997) is imperative to maintaining the integrity of the biodiversity and marketing forte of the Wild Coast. However 'illegal' cottages are a direct threat to this spatial planning, and are in reality, unlawful developments on 'prime real-estate'. Until the role and authority of the traditional land allotters (i.e. the chiefs) is clearly delineated by law, the Wild Coast will continue to be beleaguered by haphazard and inappropriate developments, whilst communities will ultimately bear the cost of investor reticence and stifled development.

- Besides access to capital and the specialised business expertise which a private sector operator can contribute to a tourism partnership, this study has demonstrated that the economic benefits for communities from aligning with an experienced private sector partner, are on the whole, greater than the sole-community based tourism model. This is because the private sector usually has a stronger drive to maximise profit - often through higher occupancies resulting in more full-time employment - and from sustained revenue from royalties, bed-night levies, and/or concession fees (depending on the terms of agreement of the private sector-community joint venture). A motivated private operator is also often well placed to initiate and assist with local SMME activities that would contribute to a wider tourism experience for their guests. Considering the isolation factor and general lack of experience that communities have in tourism-related businesses, sustained mentorship and a 'captive' market provided through a private-sector enterprise, is of considerable value.

- Whilst there is clear market demand for 'alternative' tourism experiences, as the Amadiba Horse and Hiking Trail and Ufudu Flyfishing Experience show, operators need to ensure that the product and services they deliver are of consistent standard and meet the expectations of their target market. Care should be taken not to discount or

marginalise the domestic tourism market in tariff structuring or product development, as they continue to constitute the majority of tourists visiting the Wild Coast (Haynes, 2003). Domestic support for tourism products such as the Amadiba Trail and Ufudu, reveal that there are 'special-interest' tourist groups who are willing to pay more for an exclusive experience or opportunity to experience the Wild Coast for its undeveloped beauty.

- It is widely recognised that an NGO, external agent, or local champion, often provides the initial 'spark' for the development of community-based projects (Katerere, 2000; Fabricius *et al.*, 2001; Jones, 2001; Ashley & Roe, 2002*b*). This was true of all four of the case studies. However, what is of greater exigency to the longer-term sustainability of the operation, is *how* this idea is presented to the community (obtaining community buy-in), and the manner in which the process is taken forward – i.e. the level of participation from local communities in the conceptualisation, development, and management of the initiative. It has been said that an 'adaptive' learning approach is integral to the success of any bottom-up or community-based initiative (Russell & Kuiper, 2001; Ntshona & Lahiff, 2003*b*). This is true, but in the case of the sole-community venture, an external agent is usually required to provide an enabling framework of support for these changes. A local community champion, to drive the initiative, can be very useful (and often critical) to obtaining community participation in the project. However, donor agents and project facilitators should guard against providing a few select individuals with unfettered powers, and should aim to ensure that the project champion remains party to the wider consultation process (Halstead, 2002). Both Amadiba Adventures and the Mbotyi joint-venture campsite are testimony to the kind of institutional instability created through focusing skills training on a single local champion. Should this person leave the project, a major vacuum or situation of institutional memory-loss is created, which provides a tangible threat to the sustainability of the project. This situation could be avoided by either providing skills development and capacity to a wider number of employees, or ensuring that the project leaders have a responsibility to transfer their newly acquired skills to those working beneath them (i.e. provide mentorship themselves).

- Skills development and capacity building are critical to the sustainability of any tourism operation. A private sector partner or operator will usually provide this through 'in-house' training of employees, whilst a community-based venture is inherently more dependent on training opportunities provided through external agencies. In donor-driven programmes, it is critical that the training needs of the community are assessed prior to implementation, and that sustained monitoring and follow-ups are carried out to assess the impact and efficacy of this training.

- Considering their familiarity with the area and rapport with communities, local NGO's are well placed to assist with the development of community-based projects. However, unless the NGO has prior tourism development experience, they do not always have the business management, product development and marketing expertise, required to make the initiative the success. This study suggests that the strength of NGO's lie in community facilitation, conflict resolution, and as intermediaries between different government, community and private sector stakeholders. All of these functions are critical to the sustainability of community-based tourism operations. However, as Wahab and Pigram (1997b) identified: sound organisational, marketing, planning and technical expertise, are also key requisites to making tourism developments sustainable. NGOs seldom possess this expertise, and would be better placed as project managers, contracting (and co-ordinating) authorities in these fields to assist with the strategic planning, development, training and managerial-design of community-based tourism enterprises.

- Ashley and Garland (1994), Murphy (1994), Ashley *et al.* (2001), and Fabricius *et al.* (2001) maintain that a spread of benefits (both financial and non-) in the short, medium and long-term is required to maintain community support for tourism in a region. Whilst it has been shown that benefits derived from the sustainable utilisation of natural resources, often contribute towards a greater sense of responsibility for the natural environment, this should not be an implicit assumption. The link between the benefits derived from tourism, and greater environmental protection, are not always explicit, as the Ufudu case study revealed. The timing of benefits is also critical. Communities need to see a range of benefits in both the short and long-term. Cash in the bank does not help to sell the tourism product to the wider community. Community trustees should be

aware of this, and should be required to provide a full disclosure of income earnings (from rental, profit distributions and the like) to the wider community.

- Donor funding is most useful in providing 'seed capital' to community-based enterprises. However, care should be taken that the input (be it financial, managerial or technical expertise) provided by these outside organisations, is not so great that the community business cannot achieve sustainability without it – i.e. a situation of dependency created on grants and external expertise as has occurred with the Amadiba Horse and Hiking Trail. Jones (2001) maintains however, that external agents should realise that they have committed themselves for the long haul. They should provide "high-quality, light-touch facilitation" (Fabricius *et al.*, 2001: 47) to the community operation, so that when funding and support does come to an end, the community would have developed the skills and capacity to 'go it alone'. Whilst external funding can help a community-based business grow (as was the case with Amadiba Adventures), this 'growth' can come too quickly or change the original character of the project. These changes may threaten the genuinely 'participatory' and 'local qualities' upon which the enterprise was conceptualised, and jeopardise sustainability of the operation once donor support is withdrawn.

- Whilst a situation of grant-dependency (as referred to above) should aim to be avoided, such a situation should not render a community-project a 'complete failure'. Trotter (2002), from her investigation into achieving local economic development through natural resource-based tourism in Kwazulu-Natal, maintains that whilst many small-scale tourism projects become grant-dependent, they have nevertheless made a positive contribution to improving local livelihoods (i.e. from employment and income generation) during the time they have been backed by donor support. This is certainly true of the Amadiba Horse and Hiking Trail. Even if Amadiba Adventures were to take-on a private sector partner, the experience that the community has had, and the benefits (principally financial) accrued from operating the trail will *not* be forgotten as soon as EU support is withdrawn.

- When entering into joint-venture partnerships, it is important that both partners have an understanding of, and respect for, the business relationship. Whilst some philanthropic

overtures may have helped facilitate the venture at the outset, this should not be expected to continue to govern the partnership. Furthermore, this research experience has shown that 'round-table' negotiations and an adaptive management approach (as opposed to following a 'blueprint' model) leads to greater institutional sustainability and acceptance by all parties concerned.

- Finally, 'community control' does not necessarily translate into egalitarian organisations, as the Mbotyi joint-venture campsite revealed. Whilst Community Trusts are believed to be as the most legally-binding and easy-access vehicle for communities to enter into legitimate third-party developments; they are not exempt from conflict or institutional breakdown. The wider community should be informed, as a matter of procedure, with any new Trust establishment, on the role and purpose of their Trust, the importance of information-sharing, and the need to elect democratic and accountable Trustees who will represent their interests before their own.

8.4 Conclusion

This study aimed to present a critical appraisal of different tourism operations (representing different models of community participation and benefits from tourism) in operation along the Pondoland Wild Coast, in terms of their 'pro-poor' impact, socio-economic, and environmental sustainability.

What has become clear during the course of this research is that assessing the overall sustainability of any particular operation is a difficult task due to the number of variables which go into making a tourism venture 'successful'. In measuring the 'costs' and 'benefits' of any operation, we invariably end up making a number of assumptions about the priority needs of the poor. In so many development initiatives, 'success' of a project is often measured against the number of jobs created and the amount of money generated for the local economy. Whilst the importance of these criteria are unquestionable, non-financial benefits – such as increased skills and capacity, renewed pride in local cultures and their natural assets, decision-making power and greater community cohesion - are often sidelined in the process. The implicit assumption of jobs and direct financial benefits, being the chief arbitrator of success, leads to

wider debates regarding the most appropriate models for community involvement in tourism development. If it is jobs and cash-benefits which are sought-after, then the private sector tourism model (with a private concessionaire making some form of profit-sharing agreement with the local community and providing a number of direct jobs) would probably be the best way forward. Halstead (2002) in her assessment of factors contributing to successful community-based tourism development in Caprivi, Namibia, concluded that there was no one formula which constituted a 'successful' tourism model, but that success and long-term sustainability should be measured against a broad spectrum of social, economic and environmental parameters. Whilst one operation may appear economically successful, this success might have come through, for example, autocratic decision-making or iniquitous wage remittances - neither of which sows the seeds for a successful operation in the long term.

As this research revealed, there are few operations which can be exemplars for all three pillars of sustainability i.e. that they are entirely socially, economically, and environmentally sustainable. Furthermore, how do you compare one operation which may be having a positive environmental impact with smaller financial benefits (such as Ufudu), to another which provides larger financial returns, but at greater cost to the environment (such as Mbotyi River Lodge)? I personally do not believe the two operations *can* be diametrically comparable. Halstead (2002) maintains that if an enterprise can prove itself financially viable over time, creates awareness of the importance of natural resource protection, and has both tangible and intangible socio-economic benefits for community, then it should be viewed as a successful community enterprise. How then, did the four tourism operations documented in this study, perform?

All the tourism operations case studied. have to varying degrees, produced net benefits for the poor – a key criterion for a tourism development to be considered 'pro-poor' (PPT website, 2004a). However, the scope and size of these benefits, differs widely between the various operations with Mbotyi River Lodge producing the largest financial benefits (from both formal wage contributions and informal income spin-offs); but in terms of financial benefits with the least environmental cost, Ufudu undoubtedly performs the best. Besides Ufudu's endeavour to instill a financial incentive behind protecting the Mtentu estuary, none of the documented operations have really made any significant progress in mobilizing local communities to make an explicit link between natural resource protection and poverty alleviation through sustainable

tourism. Whilst there is strong evidence to suggest that increased awareness of the value of their natural resources has contributed towards a positive change in people's perceptions and behaviour to their natural environment, it is a naïve reduction to assume that this will always be the case. The link between income generation and promoting better natural resource management could be made more explicit through environmental education training and the operators themselves. Whilst Section 24 of South Africa's constitution (Section 3.6) makes provision for the use of natural resources in local livelihood strategies, these 'rights' come attached to a certain set of responsibilities. If we consider local communities to be the 'de facto' owners of the natural resources, then one would expect them to place limitations on themselves and use the resources in a sustainable manner. This could be carried out through self-imposed regulations, community monitoring, and law enforcement for those who break the rules. However, a common sentiment which came out of the Mbotyi Household Survey (2003/2004), was that an outside authority (such as Nature Conservation) would still be required to assist – in a participatory manner - with law enforcement and management. Interestingly, of all the operations, Amadiba Adventures was the only one which defined its purpose as a means to diversify incomes and contribute towards poverty alleviation, but not replace local livelihood activities.

The 'non-financial' benefits which Shackleton (2000), Roe and Urquhart (2001), Shackleton and Fabricius, (2001), DEAT (2002a), and Spenceley and Seif (2003) maintain are equally important, have in all of the documented operations, been prioritised below direct financial benefits. Whilst Amadiba Adventures had an imitable chance - with funding from the EU WCCTI Programme - to draw attention to, and focus on, these non-financial benefits (such as environmental education, skills training and capacity building) this has largely been a missed opportunity. Neither Ufudu nor Mbotyi River Lodge related plans to try and increase their contribution of non-financial benefits, with MRL being particularly interested in the financial benefits (which they perceived to be the most 'tangible' contribution) they were contributing to the local community. The perception that social and other benefits would stem from increased financial earnings appears to be an implicit assumption held by the majority of the tourism operators interviewed. This assumption is neither 'right' nor 'wrong', but could be worth keeping in mind in the future planning of 'pro-poor' or 'community-based' tourism developments.

In concluding, this study has revealed that the Pondoland Wild Coast is faced with numerous socio-economic and environmental challenges, including: extreme levels of poverty and unemployment; lack of basic infrastructure and services (i.e. roads, water and electricity); a history of deliberate underdevelopment; prevailing tenure insecurity; political power struggles; unclear legislature and overlapping jurisdictional mandates; direct environmental threats such as the proposed toll road and mining; haphazard and illegal developments; and poorly defined spatial development planning. Given its pristine, yet fragile environment, coupled with acute poverty and a history of underdevelopment, it is not really a question of whether the area should be 'developed' *or* 'conserved' - for it requires both - but how much conservation, balanced by sensitive development, is necessary to have a positive impact on poor rural livelihoods without irrevocably damaging the natural resource base. As has been demonstrated by this study, tourism developments which endeavour to be 'responsible', 'low-impact' and 'community-orientated', can provide this path.

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Appendices

Appendix 1:

List of persons interviewed, format of the consultation, and their respective affiliation or organisation.

Name	Interview Form (Place)	Organisation / Job Portfolio
General		
Bishop, Craig	Structured, open-ended (Pmb)	Senior Environmental Reporter for Natal Witness
Bouwer, Terry	In-depth semi-structured Interview (Umngazi)	Manager of Umngazi River Bungalows
Coleman, Mike	Structured open-ended (Silaka Nature Reserve, PSJ)	Deputy Provincial Director of Eastern Cape Department of Land Affairs.
Cooper, Keith	2 x in-depth semi-structured Interview (Mbona / Kloof)	Ex-Conservation Director of South Africa's Wildlife & Environment Society & Head of PondoPark Steering Committee
Costello, John	In-depth discussion & E-comm (Port St Johns)	Owner of Outspan Inn & long-time resident of Port St John's
de Villiers, Div	Telephonic comm. – structured, open-ended.	Eastern Cape Nature Conservation Officer.
Eillife, Sean	E-comm. – structured	ECODE Consultant on Mid-Term Review
Fielding, Peter.	Telephonic comm.- S/S & O/E.	Independent Fisheries Research/Training Consultant.
Flierl, Elna	Informal Discussion (Tourism Indaba, Durban)	(Ex) Marketing Manager of Umngazi River Bungalows
Goss, Pat	Semi-structured, in-depth interview + Telephonic comm., (Pinetown)	CEO of Goss & Co, Owner of Umngazi River Bungalows & potential developer of Mkwani River Lodge.
Hay, Duncan	In-depth, s/s interview. Email correspondence, Pietermaritzburg	Director of Institute of Natural Resources, on EU Programme Steering Committee and involved with Eastern Cape Estuaries Management Programme.
Hiles, Duncan/ Arnot, Mary-Lee	Informal Discussion, Focus Group (Durban / Pondoland Trail)	Hambanathi Wild Coast Trail (Pondoland)
Kay, Cathy.	Telephonic comm. – structured	Conservation Director of South Africa's Wildlife and Environment Society (WESSA).
Mapiya, V.	S/S Interview (Mkambati Nature Reserve)	Head Ranger at Mkambati Nature Reserve – Eastern Cape Nature Conservation.
Mayer, Siegfried	Pers comm. (Umngazi)	Deputy Director of Veterinary Service for National Dept of Agriculture
Mbatani, Clemmy	Pers comm., (Tourism Indaba, Durban)	Domestic Marketing Co-ordinator for Eastern Cape Tourism Board
Nkosohlanga	S/S interview (PSJ)	Port St John - SDI Officer
Price, Sean	Informal Discussion & S/S E-	Co-owner of African Heartland Journeys &

	comm (Cintsa, East London)	Buccaneers Backpackers (Cintsa)
Purnell, Carol	Informal Discussion (Tourism Indaba, Durban)	Operations Manager for 'Open Africa'
Qwathekana, Malta	In-depth S/S Interview (PSJ)	Managing Director of WWF-SA contract on EU WCCTI
Spenceley, Anna	Informal Discussion & E-comm	PHd candidate; Institute of Natural Resources – 'Responsible Tourism' expert
Stamp, Rebecca	S/S Discussion. (Pmb)	Organiser of the 'Wild Ride' – multi-day MTB event in southern WC section
Trebble, Grant	In-depth, S/S interview & C/E Email-Comm.	External Consultant to EU WCCTI Programme
Webb, Sandy	Email-comm	Secretary for the Wild Coast Cottage Owners Association
Wray, Quentin	In-depth O/E Interview (PSJ)	Economic Editor for Business Report & the Star newspaper
> 30 Tourists	Tourist Perception Survey: Combination of C/E & O/E questions - quantitative	Visiting Tourists, Pondoland Wild Coast
CS 1&2: Amadiba Adventures & Ufudu		
Bailey, Travis	4 x in-depth s/s interviews, email & telephonic comm. O/E, C/E (Mzamba)	PondoCROP Director and Project Manager
Cohen, Steve.	Telephonic comm. – O/E	Project officer on EU WCCTI Programme Management Unit.
Cuba, Nobambo	Pers Comm (Mbotyi)	Director of Triple Trust Organisation – NGO contracted to EU WCCTI Programme.
Haynes, Mike	2 x in-depth, s/s interviews, telephonic & email comm. (Port Edward)	Enterprise Development Portfolio on Programme Management Unit of EU WCCTI
Inskeep, Ed	Informal Discussion (Mtentu Camp)	Academic & Tourist Consultant to World Tourism Organisation
Ndovela, Velaphi.	S/S interview (Mzamba) Telephonic Comm – C/E Quest	Amadiba Adventures Trail Manager and ACCODA Trustee
Ngwelle, Chris	S/S interview (Mtentu Trail Camp)	Local Guide, member of Amadiba Adventures Management Committee and trustee of ACCODA.
Pretorius, Ben and Pam.	In-depth. S/S interview, quantitative case-study questionnaire / Email & tele comm. (Kloof)	Owners of 'Ufudu Flyfishing'.
Sperring, Simon	2 x in-depth, s/s interviews & focus grp (Mzamba / Durban)	PondoCROP Field Officer – Amadiba Region. Contracted to EU WCCTI
Swart, Danie	Pers comm. (Mtentu Camp)	Development Bank of South Africa

Wiggishof, Karl	3 x in-depth , s/s discussion /interviews. Email & telephonic comm. (Port St Johns / Durban)	Masibambane Specialist Legal Consultant Community & Environmental lawyer contracted to EU Programme
CS 3&4: Mbotyi River Lodge & Campsite		
Ackerman, Sue & Hugh	S/S questionnaire & Informal Discussion (Mbotyi)	Mbotyi Cottage Owners (legal)
Allen	S/S Interview (Mbotyi).	Trainee Manager in Mbotyi River Lodge
Button, Shirley	S/S questionnaire & Informal Discussion (Hilton)	Mbotyi Cottage Owner (legal)
Chief Malindi	S/S (O/C/E) interview (Mbotyi)	Headman of Mbotyi
Christodoulou, Pete (& Jean*)	3 x In-depth s/s interview, structured quantitative case-study questionnaire. Email & telephonic comm (Hilton)	Co-owner of Mbotyi River Lodge and JV Campsite Trustee * Wife of MRL Co-owner
Mr Churchill	Pers comm. S/S, (Mbotyi)	Coast-Care Project Manager
Cooper, Sue	In-depth S/S interview (Mbotyi)	Ex-Manager at Mbotyi River Lodge – Food & Beverage Division
Dlamini, Igi	Informal Discussion (Mbotyi)	Mbotyi Community Trustee
Dlamini, Vukile Personal	In-depth, S/S interview (Mbotyi)	Ex-Chairman of Mbotyi Community Trust and Ex-Trustee on Mbotyi Campsite Trust.
Ducasse, Graham & Sandy	S/S questionnaire (Mbotyi)	Mbotyi Cottage Owner (legal)
Sotshange, Emanuelle	In-depth S/S Interview (Mbotyi)	Mbotyi Campsite Manager
Hans & Toku	In-depth discussion (Mbotyi)	Owners of Mbotyi Backpackers
Holmes, Ian	S/S q'aire (Mbotyi)	Mbotyi Cottage Owners (legal)
Hotel Employees	Informal S/S Discussion (Mbotyi)	Mbotyi River Lodge
Duff, John	In-depth, S/S interview	Manager at Mbotyi River Lodge – Food / Beverage & Accomodation
Mkhanwa, Samson	S/S discussion, Mbotyi	Mbotyi River Ranger
Ngewu, David	In-depth, S/S interview + Telephonic comm. (Mbotyi)	Treasurer on Mbotyi Community Trust and Trustee Member of Mbotyi Campsite Trust.
Norris Jones, Heather	Pers comm. & C/E Email comm. (Mbotyi)	Manageress at Mbotyi River Lodge – Finance & Administration Division
Ogle, Claudia	In-depth, S/S discussion, (Mbotyi)	Daughter of David Ngwevu & trainee receptionist at Mbotyi Campsite
Scott, Malcolm	2 x In-depth, S/S discussion & q'aire (Mbotyi /PMB)	Legal Mbotyi Cottage-owner
Sigoca, Pumla	S/S interview: O/E & C/E questions (Mbotyi)	Shopkeeper of Mbotyi Craft Store.
Soyipa, Alex	In-depth S/S discussions (Mbotyi)	Night-guard for Mbotyi Cottage-owners, and

		Captain of Mbotyi Life-Savers Association.
30 Mbotyi Households	Quantitative Household Q'aire Survey: O/E & C/E Q's	Mbotyi Community

Key:

S/S = semi-structured (interview)

O/E = open-ended (questions)

C/E = close-ended (questions)

Pers comm. = Personal Communication but not a prepared interview

E-Comm = Email correspondence/communication

Appendix 2:

Ufudu Case Study Questionnaire Framework

1. History

- 1.1 How did this operation / enterprise come into being? From where & whom did the vision originate & who were the original stakeholders?
- 1.2 Please outline the *process* taken in order to get UFUDU operational. Details could include: identifying the various government, community, private-sector & NGO stakeholders, process of negotiation, lease agreements & degree of contractual security, partnership arrangements & so on. Do you believe the existing arrangement to be effective and equitable? In what ways could it be improved?
- 1.3 What influence has your operation had on local and regional policy directives?

2. Land Rights and Tenure Reform

- 2.1 Are you satisfied with the current level of tenure security for your tourism enterprise? Please elaborate, considering such matters as: return on investment *vrs* calculated risk, restructuring of the tourism industry towards PDC's (previously disadvantaged communities), political transformation and so on.

3. State Involvement: from planning to implementation

- 3.1 Do you believe that government has played a supportive and constructive role in facilitating tourism development on the Wild Coast? You can refer foremost to your personal experience, or should you wish, make more generalized comments. Please comment on government's role with respect to development policy guidelines / restrictions, service & infrastructural support, tenure reform, environmental legislation & management, capacity (from national directors to local councilors), support for local SMMEs, or any other issue you consider relevant to government's role in facilitating tourism development on the WC.

4. Economic Impact

4.1 Please describe the ownership and management structure of your enterprise & highlight the profit-sharing & wage arrangement with employees & local community

A) Direct Employment

4.2 Do you have a set policy or strategy in place to advance *equality* in terms of gender, ethnicity, age and disability in the permanent/casual staff you employ? Is there a forum for reporting progress on the implementation of this objective?

4.3 What is your procedure for employing new staff? Is the position publicly advertised (how?) to the wider community, made on recommendations by existing staff, ACCODA mgt unit, word-of-mouth, or in another manner?

4.4 Is it your enterprises policy to pay *above* minimum wage? How would you rate your wages/salaries relative to other tourism enterprises?

B) Economic Benefits

4.5 Please describe the **economic benefits** that neighbouring communities gain from your business & effort to encourage local (- i.e. within 50 km) participation in the tourism industry. This could include: business linkages, **SMME** assistance (such as sale of crafts ,orders for local vegetable produce), service (river guiding & horse trails) & product purchases (i.e. goods & groceries bought within 50km of Mtentu), philanthropic donations from third parties or your enterprise, direct employment, infrastructural improvements, community trust earnings. For *each* benefit you identify, please estimate the approximate financial value per annum (i.e your 3 -month lease period) and approximate number of local persons who share in this benefit.:

If your enterprise has provided or taken any of the following measures to assist local SMME's, please provide further details:

- 1) Providing credit or guaranteeing loans to potentially promising emerging entrepreneurs (historically disadvantaged).
- 2) Providing marketing, mentoring, training, visitor feedback (on products & services rendered), and/or managerial support to emergent (*HDI*) entrepreneurs.

- 3) Assisting formal / informal sector enterprises to develop *effective* structures, or join existing bodies for marketing and tourism development. This can include assisting the informal sector to become recognized within the formal sector; encouraging local enterprises to add value to their products by improving the quality of the goods they produce, or being more innovative and (tourist) market-driven with the services they are offering.
- 4) Work together with other formal sector enterprises to maximize benefits for local community enterprises.
- 5) Showcase **local business initiatives** to visitors and encourage them to spend more money in the local economy. This can be done by encouraging them to visit local bars or restaurants, buy local arts and crafts, and partake in cultural or adventure tours offered by a local operator.
- 6) Foster the development of community-based tourism products through the use of *existing* facilities, activities and attractions whilst encouraging entrepreneurs to develop complementary products based on market demand and visitor feedback /comments.
- 7) Promote **outsourcing** of food purchases to the local community granted quality, quantity and reliability persists. This may require '**kick start**' **capital loans** for the purchase of seed and/or basic farming equipment, workshopping and/or agricultural extension officers to advise on crop selection, rotation, permaculture, and appropriate technologies which will boost quality and yield. A fair market price should be negotiated for produce purchased.
- 8) Consider *co-operative* advertising, marketing and the promotion of new & emerging products and attractions. Especially where these products adhere to Fair Trade and Tourism principles.
- 9) Where co-operative / joint business ventures are entered into with local entrepreneurs or community members, ensure that risk is **equitably** shared (amongst all partners) and that there is a transparent system of profit-sharing in place, developed through legal & equitable contracts.

C) Impact(s) on Local Infrastructure

4.6 Do you believe that tourism - and your operation specifically - can / has had an impact on infrastructure in the region (positive or negative)? Has any action been taken by you or others to enhance *positive* impacts i.e. improved access rds, building of a school etc?

5. Community Empowerment, Capacity Building and Training

5.1 Do you believe that communities in the Amadiba region have organized themselves effectively around tourism? From your perspective, have they gained or lost political influence, self-esteem, and/or capacity? How do you believe that tourism in general, & your operation specifically, has impacted on the poorest & most marginalized sector of communities living in the Amadiba region?

5.2 Please describe your efforts to raise local awareness around tourism & to increase local PDI's (previously disadvantaged individuals) capacity to contribute meaningfully towards your tourism product. This could include recognized training programs, awareness campaigns, in-house training and so on.

6. Social Impact: Responsibility and Monitoring

6.1 What research (- if any -) was conducted prior to the establishment of your operation, to get an understanding/appreciation for the local safety, infrastructural, resource, educational, historical, political and cultural context of the local area and community? If possible please provide the scoping report or a summary of these findings with particular reference to historical relationships / ties to tourism development in the area?

6.2 Have there been any educational programs included in the local school curricula or a public awareness campaign targeted at the wider community pertaining to the potential positive / negative aspects of tourism & environmental awareness around the natural resources upon which this industry depends?

6.3 Is there any form of monitoring program / social audit in place to help identify potentially adverse social impacts with a view to minimize or negate them in the short to longer-term? What methods (if any) have been taken to ensure that communities are participant in this monitoring process? Do you believe that the majority of individuals see the benefits / potential benefits of tourism in the region?

6.4 Finally, could you please detail and quantify the nature of social investment made by your enterprise into the local community (- as defined within 50kms of your enterprise). This could include financial, technical / training, material or infrastructural support to such things as education, health services, awareness / training workshops & so on (you may have addressed some of these contributions in the above questions).

Prioritising socio-economic impacts

6.5 Below is a list of potentially *positive* socio-economic impacts that your tourism enterprise could have on the local community. Please rank the **top 8** impacts, in order of *significance*. I.e. if you believe the biggest (positive) socio-economic impact that the enterprise has made on the local community is 'job creation', then rank that as '1'.

- Permanent job creation
- More casual labour opportunities
- SMME (Small, medium and micro enterprise) facilitation i.e. credit provision & general support to up-and-starting small businesses.
- Greater income earning opportunities and local economic development from local sourcing and expanding economic linkages
- Increased skills & education i.e. training in tourism related jobs, environmental and health education
- Funds for the community through philanthropic donations (from the enterprise and/or their guests)
- Improvements in infrastructure (roads, electricity, water, telephones etc)
- Improved 'security' perceptions
- Cultural or social enhancement (- locals recognize value in the authenticity of their products, instilling greater pride and respect for local traditions and culture)
- Improved political environment and/or positive influence on policy directives pertaining to tenure reform (i.e. helping the poor to secure 'rights' over tourism assets by way of securing land rights), investment promotion & economic transformation/empowerment.
- Increasing local participation in tourism policy and decision-making.
- Increased community empowerment and capacity building i.e. involving the local community in planning & management decisions, whilst equipping them with the negotiating skills needed to engage with private sector
- Supporting community-based organizations to get directly involved with tourism or commitment to joint ventures (*joint ventures*) with previously disadvantaged individuals / community groups
- Greater understanding / respect for / and use of the environment and its natural resources through awareness, education and training.
- Other:

7. Environmental Impact

7.1 Do you believe your operation to be a working example of environmental best practice / eco-responsible tourism? Please qualify your response. Also consider areas where you feel there may be room for improvement.

7.2 Do you believe local community resource utilization (marine, estuarine & forest harvestings) to be environmentally sustainable? If not, please explain where /how /why some practices are unsustainable & where your enterprise has tried to increase awareness &/or intervene against unsustainable or illegal practices. What do you believe could/should be done to mitigate these practices?

7.3 Has your enterprise any plans to promote an increase or maintenance of biodiversity in the area i.e. estuary management plan, co-operative agreements, NRM workshops, law enforcement & monitoring program.

7.4 Does your enterprise set aside a percentage of its profit for environmental protection / restoration? The Responsible Tourism Guidelines encourage enterprises to report the percentage of this investment and look to increase their contribution by 5% annually.

8. Resource Utilisation by Ufudu

The following questions are quite specific – please answer them to the best of your knowledge. I appreciate that UFUDU inherited a base camp from which to operate, and are not the sole decision makers in actions taken at Mtentu.

Water Consumption

8.1 From where and how (what method of extraction) do you meet your enterprise's water requirements? Are you satisfied with the quality, reliability & cost-efficiency of this water provision? Please elaborate

Power

8.2 What is your main source of energy – solar, paraffin, candle, generator, electrical, other?

8.3 Has your operation introduced any energy saving measures such as: using lower energy appliances, dimming lights or architectural design features to make use of natural lighting and ventilation.

8.4 Are there any plans or targets in place to try *increase* the proportion of energy used from **renewable** resources – solar, wind, hydroelectric over a 5yr plan? Responsible Tourism Guidelines aim for a 10% improvement over three-years.

Natural Resource Utilisation

8.5 Can you showcase any example of 'appropriate technology' used by your operation to reduce demand on natural resources, production of waste, pollution or environmental impacts? For example: using only biodegradable soaps and detergents or using solar hotboxes to cook certain evening mains.

8.6 Would you know the approximate amounts of diesel, paraffin and petrol consumed in the monthly running of your enterprise?

Sewage and Waste Disposal

8.7 How does your current sewage treatment / disposal operate? Are you satisfied with the current system and if not, what measures are being investigated/taken to improve the situation?

8.8 Has there been any form of monitoring with respect to the quantity and quality of sewage outflow into the estuarine environment? If so, what are the findings?

8.9 Does your operation have a recycling policy? If so, please outline the procedures and measures taken to 'recycle' waste products. Responsible Tourism Guidelines advocate a 5% reduction and/or recycling of paper, plastic, metal and glass with a 15% target increase over 3 years. How does your operation measure up?

8.10 In what ways have you tried to instill an 'environmental ethos' amongst your guests. Would you say that your clientele generally has a strong environmental ethos?

8.11 Do you believe the local guides you employ are proficiently knowledgeable in local fauna/flora, ecological systems and environmental issues? Do they have adequate practical experience & theoretical grounding to communicate this knowledge with guests?

9. Changing Policy and Future Challenges

9.1 If you had to shortlist the major lessons learnt after 4 yrs operation at Mtentu – what would they be? Do you believe this enterprise can be a showcase to others (potential and existing) on the Wild Coast in 'responsible tourism' & why?

9.2 Will you voice your opinion on the following “proposed” developments:

- a) mining at Xolobeni
- b) N2 coastal highway
- c) Pondoland Park

9.3 What do you believe to be the principal challenges &/or opportunities facing

A) *your* tourism enterprise, within the next 5 – 10 years?

B) tourism development on the Wild Coast in general (within the next decade)?

Thank-you so much for your time and patience. If there is anything in this questionnaire which you do not want to disclose, or feel is effectively answered by one of your reports, that is fine. Any documentation that you can make available (either electronically or in hard-copy), would be graciously accepted.

Yours sincerely

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Appendix 3:

Mbotyi Household Questionnaire Survey

A. General Household Data

1. Name(s) of person(s) interviewed: M F
Age:
2. What community do you associate yourself with & who is your
i) Traditional authority
ii) Local municipality / councilor
3. Who is the head - or responsible for decision-making - in this household?
4. How many people (in total) are living in, and supported by, this household: no of adults + no of children?
5. What is the highest level of education any one of your family members has attained?
6. How many members of this household are working or earning a monthly income to support this household? In what capacity?
7. What is the main income earning activity for this Hh?
8. Approximately how much is your combined monthly household income?

B. The Role and Status of Mbotyi Community Trust

9. Are you aware of, or participated in, decisions taken by the Mbotyi Community Trust and what do you understand the role of the trust to be?
10. Do you believe the trust is performing its function/purpose, or are there things you would like to change about it - what?
11. Do you believe the people heading-up the trust were fairly elected and/or been transparent and accountable in their representation?

C. Natural Resource Use & Management: Broad-based Q's

12. Which of these natural resources do you consider to be *most* important to your livelihood (ranked 1-3)?

Wood	Forest Products	Medicinal Plants	Reed/grasses	Marine harvestings
Game	Fish	Stones/sand		
Other:				

13. What natural resources do you believe to be '*plentiful*'?
14. Which resources have you noticed becoming *scarce*? Are there any that you previously utilized, that are no longer available?
15. Are there any ongoing conflicts concerning the use of / access to / and/or rights to natural resources? If yes, what is the nature of this conflict and who are the parties concerned?
16. Do you believe the harvesting practices of this community (& more generally: communities on the WC) to be sustainable? Please qualify (& be specific about resources)
17. What do you think the role of government - and its conservation authorities - should be in protecting and managing natural resources?
18. Are there any 'traditional' system(s) for managing natural resources in the area? Do you think communities could /should play a more active role in managing their natural resources? . Is there a need for greater community law enforcement and/or monitoring?

D. Income Generation from Natural Resources

19. Which resources can you / do you *sell* to tourists or local markets - to whom & when?
20. Approximately how much do you earn (per annum) from the sale of these resources (listed individually).
21. Which resources would you rank as *most* important to:
 - i) Income generation, and
 - ii) Family subsistence

E. Agriculture

22. What crops does your household grow?
23. Do you sell any of these crops? To whom & what is your average monthly /yearly income from this activity?
24. Do such crops grow better now than they did in the past? Y/N - Why?
25. What do you think could help improve yields (*ito* of quality & quantity)? Why?
26. Would you say there has been an overall *increase, decrease or non-change* in people engaging in agriculture over the last ten years?

Livestock

27. What livestock does your Hh own & for what purpose(s) are they kept?
28. Do you believe overgrazing to be a problem? Please qualify

F. Tourism Perceptions

29. Has your experience with tourism in the area been positive or negative? Why?

- Positive Negative Both No experience

Why?

30. What do you understand of a "tourist" and "tourism"?

31. Please express your feelings on the following tourism enterprises:

- i. the Mbotyi River lodge (hotel)
- ii. Mbotyi Campsite
- iii. Backpackers
- iv. Holiday cottages

32. Do you believe the 'community' was adequately consulted and/or participant in the decision-making prior to the development of these tourism operations?

33. Are any members of your Hh 'formally' employed in the local tourism industry i.e. - employed directly by either the lodge, holiday cottages, campsite. What is their job, and what skills/training did they have that might have got them the job?

34. What type of tourism would you like to see developed / promoted in this area?

35. What type of tourism (if any) do you think the community could have *greater* ownership and management of?

G. Legal / Illegal cottages

36. Do you believe the presence of holiday cottages to be a positive or negative thing? Why?

37. How do you think the wider community feels towards these cottage owners?

38. Are they legal i.e. do they have permission to be there?

39. Would you support their removal?

H. Local Economic Development and Infrastructure

40. Which of these services would you rank as priority for the community (ranked 1-5 in order of priority):

Improved roads / access	Reticulated sewage / improved sanitation	(Potable) Water stand-pumps	Access to home loans and micro bank loans
Electricity	Agricultural extension services & assistance	Refuse removal	Skills Training workshops
Local community centre / hall or church	Creche facilities	Community sport facilities i.e. clubhouse / soccer field	Better schools & teachers

SMME facilitation	Direct Employment in the formal sector	More casual labour opportunities	More reliable & cost-effective transport system
Improved market access	Other:		

41. Do you believe that government is doing a good - fair job with respect to delivering on their promises in providing basic (water, lights, roads, sewage & refuse disposal) services? Please elaborate.

I. Tenure Security and Development options

42. What type of 'development' would you like to see happen in this area?
43. Do you feel 'secure' that the land you occupy now will be yours to pass on to your children or would you like to have more defined/ clear ownership rights?
44. Do you know anything about the Pondoland Park Proposal?
45. Do you support it? Why?
46. Do you know anything about the proposed coastal highway?
47. Do you support it? Why?
48. Would you support mining in the region? Why?
49. What do you believe the main factors or reasons to be, hindering development in this area (and the Wild Coast in general)?
50. Where do you think the biggest opportunities - for improving your livelihoods - on the Wild Coast lie? What should government and the people of the Wild coast be focusing on / trying to develop, to improve the lives of the rural poor?

Appendix 4:

Key Legislation pertaining to Environmental Protection and Development on the Wild Coast

- **The Nature and Environmental Conservation Ordinance, 19 of 1974**

Pertains to the protection of wild animals, freshwater fish, flora, rules relating to hunting, and cultivation of indigenous flora. It has been adopted by the new Eastern Cape government, and is required to be read in conjunction with the 'Decree' until such time as the Eastern Cape Department of Economic Affairs, Environment and Tourism (EC DEAET) has established its own statutory nature conservation board. According to Wiggishof and Pienaar (2001:87) the department has already produced a draft Green Environment paper and a draft Nature Conservation Bill, which is proposed to 'consolidate' the nature conservation laws of the former Transkei and the Cape Ordinance into one comprehensive Eastern Cape Nature Conservation Act.

- **The Environment Conservation Act 73 of 1989 (referred to as the 'ECA')**

This Act provides for both the protection and exploitation of the environment, in line with the principles of 'sustainable development'. Protection of natural and ecological processes, aesthetic beauty, waste management, preservation of local bio-diversity, and the promotion of sustainable natural resource utilisation are the principal objectives behind this act, whilst the regulations set out are most significant in so far as they relate to Environmental Impact Assessment (EIA) and Coastal zone management (Wiggishof & Pienaar, 2001; Barnard *et. al.*, 2003⁴¹).

- **The National Environmental Management Act, 107 of 1998 (the NEMA)**

This Act, which came into force in January 1999, emphasises the need to promote greater co-operative governance and public interest in the environment (refer to pp 56). According to

⁴¹ Barnard, D., Barnard, C., Friend, F. and Visser, H. 2003. *Road Map to Environmental Legislation*. Impact Books CC, Pretoria.

Wiggishof and Pienaar (2001), this Act is especially important to the Pondoland Wild Coast in that, apart from the National Forests Act, it is the *only* available legislation which directly facilitates the appropriate mechanisms required for the establishment of environmental management co-operation agreements⁴².

Limitations of the Act:

- Requires substantial government buy-in and support;
- The administrative and institutional processes associated with integrated environmental management are often complex and open to interpretation (Wiggishof, 2003).

Other Acts pertaining to the protection, utilisation, and management of environmental resources along the Pondoland coastal zone, include:

- **The Conservation of Agricultural Resources Act 43 of 1983:** replaced the Soil Conservation Act 45 of 1946. The Acts objective is to provide for the conservation of natural agricultural resources through the maintenance of potentially productive land, by the combating of erosion, protection of (fresh) water sources, vegetation, and the combating of weeds and invader plans (Barnard *et. al.*, 2003).
- **The Marine Living Resources Act 18 of 1998 (MLRA):** the Minister of Environmental Affairs and Tourism is the individual responsible for the administration of this Act, and the regulations thereof. The Act aims to guide 'optimum utilisation' by ecologically sustainable development of marine living resources. It recognises the need to utilise

⁴² **Environmental Management Co-operation agreements:** The National Constitution, NEMA (1998), the National Water Act (1998), and the White Paper for Sustainable Coastal Development in South Africa (2002) all stipulate that the management of natural resources should be conducted in a "*facilitatory and co-operative manner*". Co-management involves the building of partnerships between communities and other stakeholders in which decision-making power, responsibility and authority for natural resource management is shared (Mohamed, 2000: 39) This 'participatory' management approach has evolved as a retort to the militant and coercive preservationist approach applied in the past. A number of estuarine co-management forums are in the process of being implemented along the Pondoland Wild Coast (Sihlope & Russel, 2002; INR, 2003).

marine living resources for human resource development, employment, economic growth, and capacity building within the fisheries and mariculture branches, but adopts a precautionary approach consistent with sustainable development objectives of National Government (Wiggishof & Pienaar, 2001).

Chapter 4 of this Act, gives provision to the establishment of a **marine protected area (MPA)**. It outlines the following prohibitions as applying to marine protected areas:

No person may, without the requisite permission:

- *fish or attempt to fish; (even 'catch and release' requires a permit from MCM);*
- *take or destroy any fauna and flora other than fish;*
- *dredge, extract sand or gravel, discharge or deposit waste or any other polluting matter, or in any way disturb, alter or destroy the natural environment (this should negate mining within the MPA zone);*
- *carry on any activity which may adversely impact on the ecosystems of that area;*

Furthermore, no person shall, except on the authority of a permit:

- *engage in fishing, collecting, killing, attempting to kill, disturbing, harassing, keeping or controlling of, or selling of, or be in possession of, any fish caught from a fishing vessel or vessel in a marine protected area.*

(Wiggishof & Pienaar, 2001:133)

These regulations have particular bearing, since the formal declaration of the Pondoland MPA.

▪ **The National Water Act 36 of 1998**

This is the most authoritative piece of legislation concerning the governance of water issues in South Africa. It aims to ensure the protection of both the quantity and quality of water resources (including estuaries), in the interest of all water users and the sustained functioning of the ecological reserve. It recognises the need for integrated management of

all aspects regarding water resources and, where appropriate, the delegation of management functions to a regional or catchment level, so as to ensure the highest (practicable) level of participation (Barnard *et al.*, 2003; Wiggishof & Pienaar, 2001).

It is therefore an important supporting Act, in facilitating co-management and co-operative agreements around key water bodies such as the Estuary Management Forums.

▪ **The National Forest Act 84 of 1998**

The National Forest Act highlights the promotion of sustainable forest management and the development of forests for environmental, economic, educational, recreational, cultural, health and spiritual benefits. It endorses community forestry and participation, especially by previously disadvantaged persons, in all aspects of forestry and the forest product's industry.

Importantly, for a proposed Pondoland Conservation Area, it provides a detailed procedure for the declaration of a forest nature reserve, forest wilderness area, and "...any type of protected area (PA) which is recognised by international law and practice" (National Forest Act, 1998 cited in Wiggishof & Pienaar, 2001: 104). It clearly defines the implications of a PA in terms of prohibition on cutting, disturbing, destroying, or removing of forest products.

In addition to these key Acts, the following White Papers are of relevance to environmental management in the area:

- White Paper on the Conservation and Sustainable Use of South Africa's Biological Diversity. DEAT, 1997
- White Paper for Sustainable Coastal Development in South Africa. DEAT, 2000
- White Paper for the Development and Promotion of Tourism in South Africa. DEAT, 1996
- Policy on Subsistence Fishing in South Africa. DEAT, 1999.
- Wild Coast Tourism Development Policy, 2000

Appendix 5:

Summary of the main criticisms, and counter-rebuttals, in the Wild Coast Toll Road Debate

MAIN CRITICISMS	REBUTTAL / RETORT (DEAT, SANRAL)
<p>1. Challenge to the rationality, cost and proposed alignment of the N2 Toll Road</p> <p>Many of the critics are not against, the development of the road <i>per se</i>, but are opposed to the current alignment. They claim that the debate has been reduced, by Dr Olver and government, into development <i>versus</i> preservation, rather than a justified concern about proper placement of the road that would ensure maximum benefit to local communities whilst sustaining the marketable natural assets (i.e. its pristine beauty and significant biodiversity) of the Wild Coast. They maintain that there has been insufficient investigation of <i>alternative</i> routings that would not need to bisect a global biodiversity hotspot, nor cost the tax-payer R1.9 billion in bridging two pristine gorges (the Mtentu and Msikaba Rivers).</p> <p>Wessa (2003, 2004) and Davies (2004) agree with DEAT and SANRAL that improved road access could facilitate sustainable development and economic growth in the region, but maintain that the toll road, in its current form, will be more profit than development motivated. - Economic growth will accrue to the engineering and trucking companies, <i>not</i> the local population.</p> <p>A high-speed toll road, which bypasses the present economic centres and provides no arterial roads or access to the area, patently does not provide 'social development' as the highway proponents would have you believe.</p> <p>Many concur with Dr Olver (Director General for DEAT) that the N2 alignment <i>cannot</i> be placed any closer to the coastline, and once off the Msikaba rock formation, would have to traverse through many more river valleys. This is why they argue, they are calling for an <i>upgrade</i> of the existing R61 – which logically straddles the</p>	<p>The exigency for a 'superior primary road', to avail access to a marginalised former homeland (with enormous untapped economic potential) was agreed upon as a key priority for the agri-tourism Wild Coast SDI. The creation of this highway is totally in keeping with government's 'sustainable development' agenda.</p> <p>In Sub-Saharan Africa, 90% of land commerce is directly dependant on roads. Delivery of goods and services, market access, employment opportunities, and household access to consumer goods are all dependent on an efficient transport (in this case – road) system. Although the Wild Coast is undeniably a uniquely pristine area, it is also one of the poorest and most economically undeveloped regions in the national space economy. Government has a responsibility to protect the environment, but equally so, has an obligation to enhance the welfare of those persons living in such impoverished and economically deprived regions. In seeking to link economic growth with social development, and implementing environmental safe-guards (such as the EIA and adherence to its recommendations) – the N2 toll road will be a show-case of "<i>true sustainable development</i>" (SANRAL, 2004a: 1).</p> <p>Eco-tourism was identified as a lead sector of the WC SDI. Although some eco-tourism projects have developed since 1997, they are as yet, of insufficient scale to out-compete other development interests in the area – notably threats from dune mining. The long-term environmental impacts from mining will be conspicuously more damaging. In order to prove that eco-tourism is a more sustainable development option, creating long-term employment and positive multiplier spin-offs,</p>

<p>watershed, and would therefore alleviate the need for costly bridges.</p> <p>It is argued that the R1.9 billion saving on the bridges, could then be used to upgrade local access roads, which is really what is needed to give coastal communities access to the eco-tourist and benefit local development!</p> <p><i>"It would appear, that since the 1997 Wild Coast Spatial Development Initiative, the government gave the go ahead for this road and it is Dr Olver's jobs to ensure that it comes about. The trouble is that we know that it has not been thought through, and that we have a better plan which would provide improved access [...in which there has been little effort by government to hear us out, let alone really consider the alternatives] (Davies, 2004: 3)</i></p> <p><i>"We are opposed to this development because the proposal is inappropriate development, not sustainable development"</i></p> <p>(Davies, 2004: 1; Wessa, 2004)</p>	<p>access to the area needs to be considerably improved. (DEAT, cited in Yeld, 2004)</p> <p><i>Q: Why not upgrade the existing R61 instead of building a whole new highway?</i></p> <p><i>A: Not only is the R61 much longer (85 km longer), therefore defeating one of the main objectives of the highway, it also has significantly poorer alignment, both horizontally and vertically. In addition, it functions as a regional access road to towns such as Lusikisiki, Flagstaff and Bizana. The R61 was never designed to fulfil any other function. Routing long distance traffic through these towns would either require bypasses or additional safety structures such as overpasses. Moreover, the sharp corners and existing gradient of the R61, makes it dangerous for high-speed, long-distance travel.</i></p> <p>The new N2 toll road, on the other hand, will provide additional high standard infrastructure for long distance traffic, whilst retaining the function and purpose of the R61.</p>
<p>2. Environmental Impacts?</p> <p>How can an 80-metre swathe of highway traversing through an internationally recognised biodiversity hotspot (IUCN, WWF and Conservation International all recognise this botanically sensitive area as one of the world's richest centres of biodiversity and endemism) - possibly bring about the 'environmental protection' that its proponents maintain?</p> <p>The claims that a further inland routing would do more damage to "rare indigenous forests" (SANRAL, 2004 b: 1) than the Msikaba grasslands through which the N2 is currently proposed to transect, "shows complete lack of familiarity with the literature & environmental studies of the region" according to some critics (Dutton, 2004: 1). They point out that the area around the Msikaba Formation (MF), is an internationally acclaimed centre of endemism (albeit the smallest in South Africa), whilst it is 'common knowledge' that grasslands are a significantly more threatened habitat than midland-type forest vegetation (which exists further inland). These forest patches are generally much younger and less diverse than MF grasslands and incised valley biomes</p>	<p>The actual environmental impact of the proposed N2 alignment will be "minimal" (SANRAL, 2004 b: 1) - certainly when one compares it against the potential socio-economic benefits. It will span the gorges of the Mtentu and Msikaba rivers in order to avoid a much larger impact on the indigenous forests further inland. The grasslands through which the N2 will traverse are largely already transformed through subsistence agriculture and grazing. The significance of impacts on the natural environment will be restricted to a small, localised area of the road reserve, and will <i>not</i> result in the loss or extinction of any plant species.</p> <p>According to SANRAL (2004 b: 1) the total environmental impact on the greenfields section (i.e. the virgin area through which the road will cut) is as follows:</p> <p>Total area affected by construction = 0.36%</p> <p>Total area surfaced = 0.12%</p> <p>Pristine area to be affected by road reserve = 0.16%</p> <p>Pristine area to be affected by construction activities =</p>

<p>(Dutton, 2004; Kay, <i>pers comm.</i>, 2004)</p>	<p>0.09%</p> <p>Pristine area to be affected by actual road surface = 0.0025%</p> <p>In addition, the DEAT has just announced that Pondoland will, within the next six months, have the Eastern Cape's first Botanical Gardens. The idea to create a Pondoland Botanical Garden has apparently been in the pipeline for some time, but 'fast-tracked' because it will address the issue of relocation of plant species threatened by the road, and because the road will now open up access to visitors.</p>
<p>3. A Flawed EIA Process</p> <p>The whole EIA for the Wild Coast Toll Route has been an inherently flawed process, principally because it failed to:</p> <ul style="list-style-type: none"> consider alternative road routings and/or other development options including a 'no go' option to recognise the nature of tribal trust land (not state land) that would effectively be traversed, divided and expropriated without any indication or mention of compensation to sufficiently consult with all interested and affected parties that would be directly impacted by the proposed road alignment to adequately consider the economic impact of this highway bypassing (effectively isolating), the inland towns of Bizana, Holy Cross and Flagstaff to adequately consider the socio-economic ramifications of a toll road on the poorest rural communities of the Eastern Cape and KZN, who would bear the brunt of knock-on impacts from human influx; associated ribbon development and increased taxi fares, as a result of newly imposed toll fees <p style="text-align: right;">(Davies, 2004)</p> <p>Another source of concern is that the upgrading of the road had already commenced months prior to the issue of DEATs, Record of Decision. Kay (cited in Wessa, 2004 [online]) accused DEAT of "consistently turning a blind eye to this, which indicates that there is no political motive to</p>	<p>The allegations that alternative routings were not investigated, is spurious to say the least (SANRAL, 2004a,b; Olver, 2003). Five possible alternative routes and corridors were originally identified for the greenfields section between Lusikisiki and Port Edward. These investigations are clearly outlined in the EIA report. A further six alternatives were then considered during the EIA phase, which included routes in closer proximity to the coast as well as those further inland.</p> <p>In balancing environmental considerations with social and economic considerations, a feasible greenfields corridor was eventually determined, taking both historic and recent investigations into account. An extensive EIA was then carried out for this proposed corridor.</p> <p>According to SANRAL (2004 a, b): The eco-tourism potential of the area was certainly not overlooked by the EIA. Extensive discussions were held with SANParks and the Wildlife and Environment Society (Wessa) regarding compatibility with the proposed Pondoland Park. It was agreed, in principle, that the proposed alignment would benefit the Park as it would avail access for <i>all</i> to enjoy this scenic part of the country – not only those privileged few, with 4x4 access.</p> <p>According to Rogers (2004 b [online]): DEATs spokesman, Wynand Fourie, told the EP Herald in July last year that he "could not remember any <i>specific</i> references within the EIA assessment, as to the possible impact of the road on established eco-tourism initiatives", but Roads Agency head, Nazir Alli, denies this allegation saying that "the village eco-tourism issue had been addressed as</p>

<p>implement the law of the country”</p>	<p>part of the (EIAs) overall economic study.” When questioned about the road destroying the regions ‘sense of place’ and ‘wilderness’, he contested this assumption..... “no, we are simply making the area more accessible” (Alli, cited in Rogers, 2004b:1)</p> <p>There has been no formal response as to why construction had already commenced prior to DEATs final ROD or the public appeal period. According to my site investigations, this was the case.</p>
<p>4. Insufficient Public Participation & Consultation?</p> <p>Wessa’s Conservation Director, Cathy Kay, questions why the DEAT issued its ROD at the beginning of the Christmas period, with only a month for the public to lodge appeals from then.</p> <p><i>“They know that academic institutions and many companies close over this period. Once again the Department has shown a complete lack of sensitivity and transparency in dealing with the South African public on sensitive environmental issues”.</i> (Kay, cited in Wessa, 2004 [online])</p> <p>Wessa motivated for an extension of the appeal period – which they won. The appeal period was extended from the 2nd to the 31st January, 2004.</p> <p>Wessa and others argue that government’s assertion that they have consulted over 3 400 Interested and Affected Parties (I&APs) is “far from the truth” and “meaningless”, when key stakeholders like the Pondo King and Queen, and others living directly enroute of the proposed alignment have failed to be consulted (Dutton, 2004: 1). When asked by Kay as to whether those who had filed concerns in the public participation phase of the EIA, had been contacted by their departments, Dr Olver apparently conceded “that no such effort had yet been made” (Wessa, 2004 [online])</p> <p>Some critics have questioned Dr Olver’s motives for castigating environmental groups and other N2 detractors (i.e through his media statement: <i>The N2 consultation and public participation process was thorough and adequate</i>), when an integral component of the EIA process is to allow for an appeal against the departments ROD. Is it not the duty and</p>	<p>SANRAL believes they have followed all the necessary protocols for the Public Participation Process (PPP).</p> <p>More than 3 400 interested and affected parties were registered during the PPP. Views of all of these parties were documented and considered (SANRAL, 2004 b).</p> <p>According to Olver (08 January, 2004 [online]): The parties concerned “have gone the extra mile” with regard to the Wild Coast, in order to accommodate the varying needs of interested and affected parties in the area. These included newspaper advertisements, radio spots in both urban and rural areas, a briefing paper (circulated in English, Zulu and Xhosa), a question and answer booklet providing background information (again circulated in three languages), registration and response forms which provided the opportunity for parties to provide written comment; and a draft Scoping Report for comment.</p> <p>He ardently disputed the allegation that certain prominent people and traditional leaders were never consulted about the construction of the road.</p>

<p>responsibility of registered I&APs to identify issues that have been ignored, overlooked or misrepresented in the EIA?</p>	
<p>5. Socio-Economic Benefits?</p> <p>The leading critics say they have repeatedly appealed for development which is <i>appropriate</i> to the local context and people – not multinational capitalists.</p> <p>How can the toll road, which is described as a <i>limited access, high speed through road</i>, possibly provide the access needed for tourism? Would not an upgrade of existing roads, which would feed directly to the coast, be of more logical precedence? Surely building these feeder roads would provide greater access, for tourism and local development?</p> <p><i>“A toll road is certainly not going to help a local get to the hospital in Lusikisiki or Holy Cross. A local access road will”</i> (Davies, 2004: 1)</p>	<p>According to its proponents, the highway will generate <i>significant</i> national and regional economic benefits. The estimated investment to the region, as cited in by SANRAL (2004b:1) is as follows:</p> <p>Gross once-off investment in the area (during construction) = R 4 773m</p> <p>New business activity and income (after construction) = R 1 666m</p> <p>Total investment in area = R 6 439 m (during and after construction)</p> <p>The annual increase in income in the service area of the proposed road during and after construction:</p> <p>Wages & salaries to local population = R 228,8m</p> <p>Income increase to local industry = R 171,6m</p> <p>Retailers = R 144, 4m</p> <p>Service Providers = R 57.2m</p> <p>Number of permanent jobs created = 15 880</p> <p>According to SANRAL (2004 a, b):</p> <p>The roads construction will play an important role in eradicating poverty within the region.</p>
<p>6. Link between Mining and the Road?</p> <p>The one thing which both the N2 lobbyists and the Department of Environmental Affairs & Tourism (DEAT) agree upon, is that: eco-tourism is a much more sustainable development option than mining.</p> <p>Yet there are still many inexplicable contradictions. According to the environmental organisations: building the highway, simply makes the mining that much more feasible.</p> <p>The proposed toll road will go within a couple of kilometres of the proposed Xolobeni mining area. The Australian mining company talks about mining 13 – 20 million tons/per annum for 25 years. After wet separation, approximately</p>	<p>South African National Roads Agency and the Department of Environmental Affairs and Tourism have unequivocally stated on a number of occasions, that there is absolutely <i>no</i> link between the toll road and the proposed mining activities at Xolobeni.</p> <p>The DEAT is categorically opposed to mining and believes eco-tourism to be a much more sustainable development option. However, in order for eco-tourism to provide comparable economic spin-offs to mining, access to the area needs to significantly improved. The N2 toll road, in DEATs opinion, is the solution to this primary limiting factor.</p> <p>In a Cape Argus media report (Yeld, 2004</p>

7% of extracted concentrates will need to be taken to the smelter, supposed to be built in East London. This equates to 1-1.5 million tons transported on this road annually or a 20-ton truck every two-to-three minutes (Kay, cited in Yeld, 2004 [online]).

Under such a heavy loads, the road infrastructure will require continual maintenance. Who will be required to foot the bill for this maintenance? The South African tax-payer of course, says Kay (cited in Yeld, 2004 [online])

Some of the unanswered questions concerning the link between the road and the mining, include:

Is the road economically feasible without the mining?

Why take the ore to East London and not Durban, when it states explicitly in the mining prospectus that East London is not the preferred port? (TEM, 2002)

Detractors, commend DEAT for coming out strongly against the mining, but question *why* then, have they sanctioned the (miners) road?

[online]: Olver was reported as saying "the Pondoland Centre of Endemism is certainly a unique and globally important hotspot.... but this is not sufficient reason, per se, for refusing the road"

He also argued that: "there is a tide of illegal developments (along the Wild Coast) – which we're stemming the tide of, but can't hold on forever." "The only hope is a level of development that addresses the needs of people and that gives the area's natural assets a real economic value." – i.e. the highway.

Sources: TEM, 2002; Bohlweki Environmental (PTY) LTD, 2003; Davies, 2003, 2004; Guy & Herrington, 2003; Dutton, 2004; Ngobese, 2004; Olver, 2003, 2004; Rogers, 2004b; SANRAL, 2004a, b; Wessa, 2003, 2004; Yeld, 2004.

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Appendix 6:

Key issues constraining sustainable tourism development along the Wild Coast, as identified by the Wild Coast Tourism Development Policy

ISSUE	DESCRIPTION
TOURISM	
Need for an investor-friendly and 'enabling' environment	Private sector (PS) investment is essential to facilitate the upgrade of existing facilities and exploitation of development tourism opportunities along the Coast. Availability of, access to, financing, land tenure, tourism development controls, and application and approval procedures, all need to be addressed.
Local community participation, benefit and empowerment	Greater incentives required for private sector to enter into joint-venture partnerships with local communities. Communities also need secure bargaining power and capacity building.
Small, Medium and Micro Enterprise Development	Tourism presents many opportunities for SMME development, which are not currently realised due to poor information and inadequate support mechanisms.
Education, Training and Awareness	The Wild Coast is characterised by a general lack of awareness with regard to tourism.
Provision of Physical Infrastructure	The existing physical infrastructure is rudimentary or poor, and as result both communication and access to the region is limited.
Tourism Marketing and Promotion	This has previously been limited by funding constraints but is recognised as an essential measure to sustain a viable tourism industry.
Safety and Security	The 'Wild Coast' unfortunately carries negative connotations that it is not a particularly safe region for tourists to visit.
Standards and Service	These are traditionally low, with limited incentive for hotels or tourism enterprises to improve their standard or service levels.
Institutional Arrangements	Within the tourism industry, institutional arrangements are 'unclear'.
ENVIRONMENT	
Access to Natural Resources	Almost all households in this rural area depend, to varying extent, on natural resources for their livelihood. Equitable access to these resources must therefore be ensured.

Biodiversity Conservation	The Wild Coast has a great biological diversity with many endemic hotspots. The protection of this biodiversity should be a provincial, national, and even international priority.
Overexploitation of resources	There have been some incidences of resource over-utilisation, particularly in marine resources.
Impact of forestry and agricultural activities	These activities can cause soil erosion, siltation and/or pollution of estuaries and rivers, potential drying-up of water courses and loss of indigenous forest.
Uncontrolled spread of illegal holiday cottages	This has a serious negative impact on the environment and future tourism development potential – as they are usually located in pristine environments and prime real estate.
The lack of an integrated planning and development process for the area	There is a fragmented and uncoordinated approach to coastal planning and management on the Wild Coast.
Waste management and pollution control	Increased tourism development will require close monitoring to ensure that effective waste management and pollution controls are in place.
Alien Plant Invasion	<i>This danger has received relatively little attention to date.</i>
General lack of Environmental Management Capacity	Due to a dearth of skilled personnel and financial constraints, there has been a general lack of capacity for environmental protection, policing and management by the assigned provincial authorities.
Lack of management around cultural resources	<i>This has received relatively little attention to date.</i>
INSTITUTIONAL ARRANGEMENTS	
Current Institutional Arrangements	There are numerous institutions involved in policy making, financing, development processing and legislation – this has resulted in much confusion and indecisive decision -making.
Capacity limitations within government	Capacity within government is limited and un-coordinated, resulting in lengthy procedures and poor response time to development applications.
Land issues – tenure and restitution	Issues around tenure reform have not been finalised but the Department of Land Affairs has reportedly made ‘some progress’ with specific procedures for this area.
Legal / regulation situation	There are many contradictory and rigorous controls and legislations pertaining to the Wild Coast which could hamper potential tourism development.