

STIMULATING SECTOR DEMAND AND SUPPLY THROUGH NICHE TOURISM DEVELOPMENT: THE CASE OF RURAL TOURISM IN SELECTED PROVINCES

FINAL REPORT

The School of Tourism and Hospitality

College of Business and Economics

18 March 2022



UNIVERSITY
OF
JOHANNESBURG

Introduction

- The COVID-19 pandemic is catalysing changes in consumer demands as well as necessitating a paradigm shift for research on tourist behaviour and decision making.
- Demand is intensifying for safe spaces where social distancing is possible and points to opportunities in alternative niche forms of tourism.

Context of Niche Tourism

- As a result of risk perceptions surrounding COVID-19, the tourism sector is projected to see an expansion in various forms of special interest or 'niche travel' which is driven primarily by the confidence of travelling in smaller groups and a less risk-prone environment
- Niche tourism can play an ever more vital role in South Africa and is an opportunity to investigate tourism offerings in which smaller-scale, controlled and operated niche products can be established to satisfy the changing demands and needs of consumers.
- The pandemic underlines the importance of developing interventions that are targeted to the requirements of specific niches.
- The UJ project seeks to address the above issues in respect of enhanced understanding of tourism sector supply and demand issues in relation to niche tourism and with a focus on RURAL TOURISM in selected provinces rural tourism as case study.

Study Aim

- The aim of the study is to examine how niche tourism may be leveraged as part of the tourism sector's recovery plan to rejuvenate supply and ignite demand post COVID-19.
- One specific niche, namely RURAL TOURISM, is under investigation.
- The case study of RURAL TOURISM was guided by its prior recognition as important by the Department of Tourism, by the policy paper in 2012 and RT was stressed in the Report of the Portfolio Committee on Tourism towards the Transformation Charter in the Tourism Sector dated 13 October 2020.

Research Design and Approach

- The following research tasks were undertaken to inform strategic interventions and project implementation regarding niche tourism supply and demand in South Africa.
- On DEMAND-side international policy best practice reviews of RURAL TOURISM were conducted around the challenges of growing tourism in rural regions. The international review informs our understanding of the DEMAND for such niche forms of tourism.
- The SUPPLY-SIDE issues linked to RURAL TOURISM undertaken by interviews with enterprises in local municipalities in THREE selected provinces which were chosen in agreement at a meeting with Department of Tourism. The three selected provinces for case studies are Limpopo, Eastern Cape and Mpumalanga.

Structure

- Rural Tourism Literature Review – Select Key Findings
- The Three Case Studies
- Key Findings from Case Studies
- Project Conclusions and Recommendations

Rural Tourism Literature Review – Select Key Findings

- Six themes of discussion are presented in the report
- Defining the scope of rural tourism
- Progress in rural tourism research
- The evolution of rural tourism
- Challenges of rural tourism development and rural firms
- Rural tourism in the Global South: African perspectives
- COVID-19 and the Demand for Rural Tourism

Rural Tourism Literature Review – Select Key Findings: Defining RT

- A universal definition of rural tourism “lacks consensus” (Rosalina et al., 2021: 134).
- A variety of meanings can be attached to the terminology of rural tourism (Sharpley & Sharpley, 1997).
- Location remains the most common denominator and is the most widely applied defining characteristic in all reviews undertaken of rural tourism scholarship (Roberts & Hall, 2001; Gabor, 2015; Ruiz-Real et al., 2020; Rosalina et al., 2021).
- According to Lane (1994) rural tourism should be located in rural areas, be functionally rural and rural in scale in respect of being anchored upon small-scale enterprises, traditional social structures, ways of life, agrarian economies and natural settings.
- Arguably, it is useful to adopt a spatial differentiation of three different categories of rural tourism as proposed by rural geographers, namely (1) fringe, (2) remote/exotic, and (3) in between rural spaces

Rural Tourism Literature Review – Select Key Findings: Challenges of RT

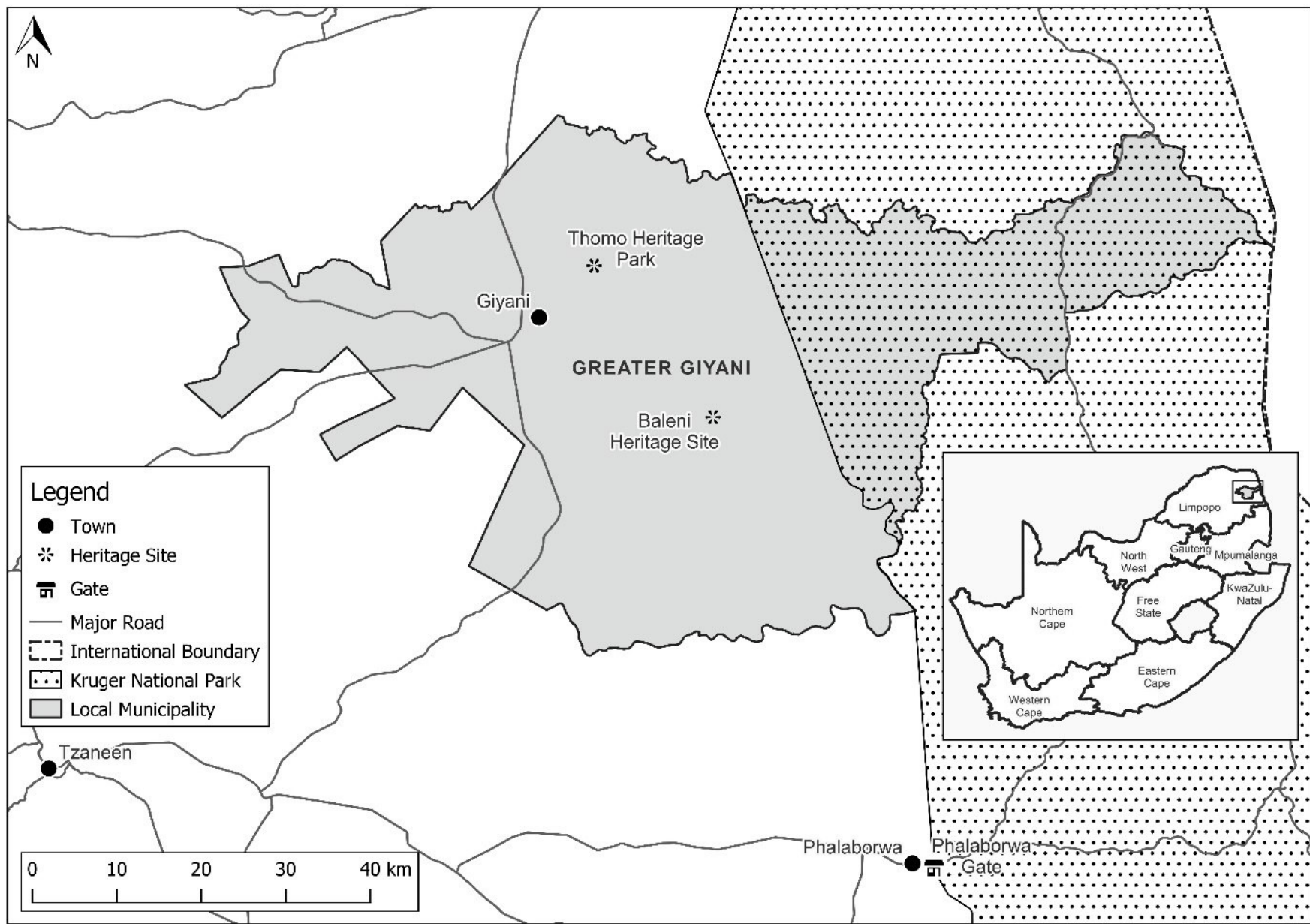
- The challenges of rural tourism development are one of the leading themes in international scholarship.
- Rural areas rely on endogenous strategies which build upon local resources and assets, particularly for the advance of rural tourism BUT it must be understood that not all initiatives to promote rural tourism have been a success in terms of catalysing rural development opportunities.
- Essential foundations for the prospects of rural tourism are issues of enhanced product and destination development in order to create well-coordinated, appealing and meaningful experiences as well as development opportunities which maximise endogenous resources or 'countryside capital'.
- **A critical finding from the international experience is that for the success of rural tourism in any destination the role of local government and of 'place leadership' is vital.**

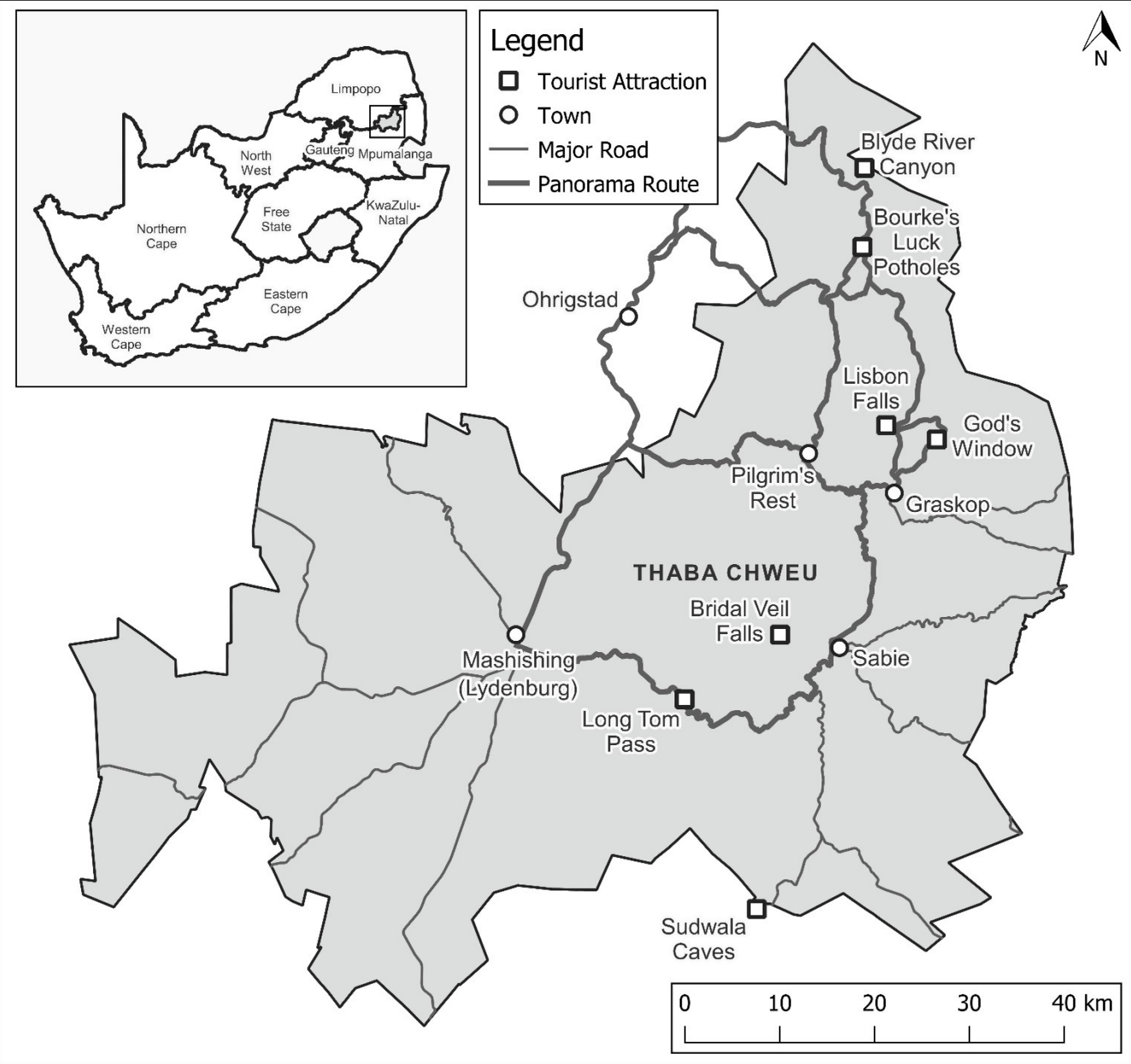
Rural Tourism Literature Review – Select Key Findings: COVID-19 and DEMAND for RT

- COVID-19 is changing consumer demands and creating new opportunities for growing rural tourism with emphasis on open spaces, nature and avoidance of crowds.
- The United Nations World Tourism Organization (2020b) is unequivocal that the role of tourism in rural development is more relevant than ever in the context of the COVID-19 pandemic. It argues that tourism in rural areas offers critical opportunities for recovery as with changing demands tourists look for less populated destinations as well as open-space experiences and activities.
- Rural tourism therefore offers a major opportunity to satisfy the demands of post-pandemic tourists who seek stress-relief and rejuvenation within a nature-based environment or engagement with physical and psychological well-being activities (Cavalheiro, Mayer, & Luz, 2021; Cooper & Buckley, 2021; Rosalina et al., 2021).
- Li et al. (2021: 730) argue that “the pandemic has created high tourism demand for health and relaxation... rural tourism that is close to nature has excellent potential for development and will have benefits for human mental health”. The upturn in consumer demand for open spaces and for the niche tourism offerings of many rural destinations places a premium on understanding the evolution and dynamics of rural tourism.

Three Case Studies:

- In Limpopo Greater Giyani Local Municipality
 - In Mpumalanga Thaba Chweu Local Municipality
 - In Eastern Cape Raymond Mhlaba Local Municipality
-
- A review of local municipal planning documents, IDPs and the IHS Global Insight data base and government documents was drawn upon as baseline.







. Three Case Studies: Macro-Findings

- In terms of tourism trends between 2002-2019 Greater Giyani and Raymond Mhlaba exhibit stagnation especially in leisure travel with their tourism base dominated by domestic VFR travel.
- For Thaba Chweu there is a growth in tourism trips, a strong leisure economy and a substantial component of international travel to the areas scenic attractions around the Panorama Route and the towns of Graskop and Sabie.
- In all three areas the profile highlights core problems in the institutional environment with local governments classed as distressed or dysfunctional and in financial administration according to the Auditor General and listings of the Department of Cooperative Governance and Traditional Affairs.
- All three case study areas recorded major shrinkage of tourism economies as a result of COVID-19 and a major reduction in the role of tourism to local Gross Domestic Product.

. Three Case Studies: Macro-Findings

- Four key findings are observed:
- First, the material points to the geographical variations in relation to the character and challenges facing rural tourism. The contrasts are particularly stark between Thaba Chweu which is clearly a growing focus for rural tourism based on leisure as opposed to Greater Giyani, with its limited leisure travel and a tourism economy massively dominated by VFR travel as well as Raymond Mhlaba which is an example of a rural tourism economy which has been stagnant or in decline for the past decade and a half.
- Second, is the poor and unsupportive institutional environment for rural tourism development in all case study local municipalities. The research points to an environment for rural tourism which is dominated by considerable mismanagement and local government shortcomings as is underlined by the fact that all three case studies are run by local governments classified by the Department of Cooperative Governance as “distressed and dysfunctional”. Issues of maladministration and corruption have been widely documented in some cases for a period of almost 15 years.
- Three, the devastating impacts of COVID-19 for the tourism economies of all three local municipalities are apparent. In all three local municipalities the largest absolute declines in tourism trips are accounted for in terms of VFR travel. Not surprisingly, the numbers of both leisure and business trips in each municipality was radically cut; in the case of Thaba Chweu a 70% decline in leisure travel was recorded. The significance of domestic tourism in all three local municipalities is shown, albeit in the case of Thaba Chweu the market of international tourism remains critical. The result of greatest concern is the dramatic reduction *within one year* in the contribution of tourism to local GDP because of COVID-19 impacts: in Greater Giyani from 3.1% to 0.8%, in Thaba Chweu from 12.3% to 4.8%, and in Raymond Mhlaba from 3.5% to 1%.
- Four, the findings underscore the imperative for stimulating a recovery in tourism into these areas for promoting local economic development. In addition, they point to the imperative for evolving a policy framework for rural tourism revival which is not a one-size-fits-all policy but is anchored on the nuances and challenges of (often) markedly *different* rural tourism spaces.

Case Studies

- The findings of each of the case studies are presented separately and in detail in the report based on 25 interviews in each of Greater Giyani Local Municipality and Thaba Chweu and 20 interviews in Raymond Mhlaba.
- In the presentation of findings direct quotations from interview respondents are included in order to highlight the views of local rural tourism stakeholders as expressed in their own words.
- In each case study there is presented an overview of businesses, perceptions of tourism assets, perceptions of local government, issues of perceived opportunities and potential support needs.

Giyani – Business Overview

- All of the tourism enterprises were owned by black South Africans. The findings highlight the pre-eminence of the market of business tourism for local accommodation providers.
- All respondents stated that they saw a window of opportunity in the tourism industry. Common responses were *“I saw an opportunity”* and *“I needed to generate extra income”*. For 15 of the sample of 25 respondents the tourism business was the primary source of household income. Typical responses were: *“This business is my one and only source of income”* (G2) and *“This is my bread and butter...my only source of income”* (G13).
- For 10 of the respondents, however, tourism was part of a broader household income diversification strategy and not the primary source of income. One guest house owner stated *“I have two buses and a taxi that operate on a daily basis”* (G6) while another accommodation provider observed *“I have rooms I am renting out”*.
- The impact of the pandemic for reducing business travel in South Africa as a whole is therefore a major threat to the local tourism economy. It was observed that local businesses have undertaken a range of adaptive responses as coping mechanisms. These included the diversification of their business operations out of tourism into agriculture as well as undertaking a range of adaptations to shore up the survival possibility of the existing tourism operations. The latter involved changing business practices for improved health and safety of visitors in line with COVID-19 protocols, re-purposing of properties, and the embrace of new digital technologies in order to promote the marketing of businesses.
- In terms of future prospects and opportunities for rural tourism, the respondents pointed to new developments occurring in and around Giyani which provide potential new business opportunities. Three issues were identified, namely the opening of a new gate into Kruger National Park, the re-opening (or discovery) of mining opportunities, and announcements of the potential establishment of a branch campus of Tshwane University of Technology in the town.

Giyani – Perceptions of the Local Municipality

- The local area has a wealth of cultural and heritage assets currently Giyani is not a destination for leisure tourism and records only a small stream of such visitors.
- For the majority of the accommodation respondents Giyani was perceived overwhelmingly as a destination for corporate travel and business tourism destination rather than as a leisure hub. One lodge operator stated as follows: *“Since we started to run this guesthouse, we have realised that most of our guests come here for work purposes”*
- Beyond business tourism with Giyani’s location relatively close to Kruger National Park, many respondents highlighted the leisure opportunities in the area. It was observed, for example, that *“People mainly come to Giyani for work and they sometimes use this area as a by-pass to Kruger National Park”* and that *“Over the holidays, people would come and spend time in Giyani on their way to Kruger National Park.”*
- The tourism assets usually mentioned focused on local culture and heritage. An accommodation establishment operator expressed the viewpoint that: *“Some of our major attractions are Thomo Heritage Park where tourists can get to learn about the local culture and history”*. The importance of culture was reiterated in other responses: *“A lot of people come to Giyani to learn about the Shangaan culture”*

Giyani – Perceptions of Local Government

- Most respondents perceived that local government failed to fulfil its service obligations with the consequence of constraining tourism development in Giyani and the operations of tourism business owners.
- The quality and lack of maintenance of infrastructure were flagged by many as constraints on local tourism development. *“Infrastructure is the biggest problem; in fact I can say it is the biggest stumbling block. The Phalaborwa-Giyani road is full of potholes. It is a disgrace”*.
- *“Our roads are really bad and there is no distinction between tarred roads and gravel in some areas. Our municipality is really failing us because our guests become reluctant to return to Giyani because of the bad roads”*. Likewise: *“The government is not helping us with infrastructure because they do not want to attend to the roads”* (G9).
- Poor signage is a further challenge for tourism development: *“The biggest challenge is infrastructure. When our guests arrive in Giyani and they lose their GPS signal they cannot easily get to us because we still don’t have signage because of financial constraints”* (G3).
- Poor availability of water and lack of provision of street lighting (even in the middle of the town) were added municipal failings. Limited or poor quality maintenance was another issue raised in respect of infrastructure: *“Quality costs... I think our municipality buys cheap material so they can keep the rest of the money for themselves”*

Giyani – Perceptions of Local Government

- The majority of respondents confirmed the lack of assistance from local government for tourism businesses and also raised issues of municipal mismanagement.
- *I noticed that we are not getting the support that we should be getting from the local municipality. The local municipality is the authority that should help and pick up each one in this area. But because of the problems of corruption where some individuals are being, you know, given services most of the time, so it's really not helping.*
- *The local government is a big problem. They are no longer helping us in any way. Back in the day they used to take us to Tourism Indaba on a rotational basis, they would sponsor our transport, accommodation and meals for us to go and experience what we are also offering to other people, by doing that I personally got the opportunity to learn and benchmark my business... But now, things are different I think the majority just lacks vision.*
-

Giyani – Challenges and Opportunities

- Beyond COVID-19 issues it is concluded that the major challenges facing the growth of rural tourism surround the chronic shortcomings of local government.
- Tourism business activities – existing, planned and future – are constrained by the infrastructural deficiencies which are experienced by these businesses. The failure of local government to address the improvement and basic maintenance of roads, local water supplies or provide street lighting and signage are fundamental issues of concern for stimulating rural tourism in this area.
- *Currently, the biggest problem lies with the marketing of our businesses and infrastructure. But I think infrastructure is the most important one because it doesn't help people can't access the places. The potholes in the area are really a problem."*
- The local tourism businesses highlighted a number of interventions and support needs from government, such as financial support, improved marketing and enhancing the operations of the local Tourism Information Centre. Arguably, such potentially useful support measures can only be impactful if undertaken in parallel with or following addressing the infrastructural shortcomings which are as a result of the inadequate performance of local government.

Thaba Chweu – Business Overview

- The municipality has many scenic drives along the Panorama Route on top of the numerous attractions throughout.
- There are two primary regions within the Thaba Chweu municipality, centered around two large towns. The first is the western portion of the municipality, centered around the town of Mashishing, previously known as Lydenburg. The area surrounding Lydenburg has a number of different economic activities but centers primarily around the adjacent mining industry.
- The other, eastern, portion of the municipality is centered around the town of Graskop. is primarily dependent on tourism and the forestry industry which owns much of the land surrounding the towns of Sabie, Graskop and Pilgrim's Rest.

Thaba Chweu – Perceptions of Local Municipality

- The majority of respondents focused on tourism products and assets related to nature-based tourism and the wide-range of natural attractions throughout the area – the Panorama Route, waterfalls, God's Window, Bourkes Luck Potholes, 3 Rondavels and Pilgrims Rest.
- Many stated that typically tourists visit the area to spend time outdoors, outside of dense urban areas, for nature photography and for outdoor leisure recreation activities such fishing, hiking and camping. *“People want to get into nature. Get out of the hustle and bustle of the city”*. Many also indicated that both regions are common stopovers between Kruger National Park and Johannesburg.
- However, many in the Lydenburg cluster mentioned that the area used to be a major stop-over to Kruger, but because of the increasingly bad quality of the road, many tourists bypass the area and opt for stop-overs in more accessible places such as Dullstroom or within the Graskop cluster.

Thaba Chweu – Perceptions of Local Government

- All respondents had negative perceptions of local government.
- The biggest issues, were related to basic service delivery and infrastructure, Road maintenance came up amongst all of the respondents.
- The Lydenburg cluster emphasized the poor quality of the roads. One operator said *“The municipality is not helpful at all. Potholes in a small town like this? They can’t get anything done!”* . Driving through the town this was apparent, with potholes which often took up the entire street.
- *“Visitors often can’t get through to our resort because of the roads”*. Another mentioned that it was giving the area a bad reputation stating *“One client arrived here and exclaimed ‘this is the last time we will visit the area’ because of the bad roads”*.
- Visitors had made comments on review and social media platforms one saying *‘Don’t go to Lydenburg. Roads are awful. Never again!’* and the other *‘Lydenburg is filthy! Will never be back’* . One respondent went on to note that it is creating serious problems with perceptions of the area as *“Word of Mouth marketing is getting really bad”* (TC18). Another said *“We are suffering reputational damage because of the roads. It’s a hindrance to growth”*

Thaba Chweu – Perceptions of Local Government

- Graskop cluster, poor service delivery was even more prominent in discussions of the failure of the local municipality.
- *“Number 1 problem is service delivery. Service delivery is completely ineffective” .*
- Some of the major issues were the debt the municipality owes to Eskom prevents consistent access to electricity. Several businesses stated that they obtain their electricity directly through Eskom, rather than through the municipality. One respondent stated *“They charge us rates and tax but they don’t supply anything. We get our water and electricity directly. So what are they providing us?”* On top of issues such as simply accessing power, there appears to be little-to-no maintenance of power sources, resulting in inconsistent power supplies.
- A further problem was around policing. Several respondents noted that there have been incidents where tourists were victims of crime, highlighting inadequate policing.
- *“the big issue is enforcement and regulation. Traffic cops don’t help with major traffic problems. On top of issues with crime, there are problems with litter in the most pristine natural space on the Earth. Public drinking, drinking and driving, noise and public indecency have all become prevalent”.*
- Major concerns listed with the misuse of funds by the municipality. *“Politics is killing towns. People are randomly appointed. No one who really cares about the town. Local government shouldn’t be politicized”*

Thaba Chweu – Challenges and opportunities

- Challenges mainly related to infrastructure and service delivery.
- Lack of international tourists.
- Challenges specific to the heritage town of Pilgrim's Rest – PWD maintenance.
- Transformation in demographics and patterns of visitors to the area, which is markedly different than the pre-pandemic visitors. *“we are struggling to understand how to serve this tourism market”*.
- Businesses are adapting products to meet the demands of local tourists
- The potential is there, the attractions are there, they just need to be upgraded and maintained. Sky lift at Graskop a successful drawcard and plans for God's Window skybridge

Raymond Mhlaba – Business Overview

- This is a rural local municipality with a basket of potential assets for rural tourism development in relation to the area's history, heritage and natural scenery.

Raymond Mhlaba – Perceptions of Local Municipality

- A range of tourism products available within the municipality were pinpointed with the majority of responses focused on tourism products related to the area's history and heritage as well as nature-based tourism and events. In terms of the history and heritage the municipality has several attractions such as graves, forts, monuments and memorials mostly concentrated in the southern section of the district.
- Hogsback village and Bedford are the main tourism foci within the municipality, Hogsback positions itself as a nature and adventure-based destination with its main attractions the local waterfalls. Other assets are opportunities for walks at the labyrinth, visiting a local brewery, chocolate shop, and hiking trails, most importantly the Amathole trail. Activities such as birdwatching and horse riding are packaged by local business operators. Bedford is an old English settler town known for garden tourism and for hosting an annual garden festival.

Raymond Mhlaba – Perceptions of Local Government

- Majority of respondents stressed issues around infrastructure.
- *“Roads are very bad, if you go on our websites you will see people complain. Neglecting things like water and electricity is very bad for us”*
- Inadequate electricity provision that hindered business and the power-lines that are not well maintained which impacts business communication: *“Electricity is a major problem we have a lot of illegal connections. Our internet signal is very on-and-off”*
- Lack of marketing initiatives and the lack of funding programmes. *“I suppose more marketing, just getting out there, more brochures and maps”.*
- In this municipality where nature is an attraction the inaction by local government in relation to poaching was flagged as a threat to local tourism assets.
- Red tape in local government was a major constraint on business development. It was evident that government bureaucracy is an impediment to the formation of strategic partnerships with private sector in order to develop the local community.

Raymond Mhlaba – Challenges and Opportunities

- The shortcomings around infrastructural development were the dominant concern for the majority of the respondents throughout the study, and the major constraint on rural tourism expansion within the area.
- One Bedford respondent reiterated the challenge of road infrastructure *“Infrastructure. The road to Grahamstown is actually deadly, people have written off their cars, people have died. The pot holes are huge. In the twelve years I have been living here there has been no effort to fix that road. I would imagine if the roads weren't as bad people would come here for Sunday lunch, but they actually do not like that road at all”* (RM3).
- Within the Hogsback area one of the respondents flagged the same challenge upon business development: *“Since we are on a mountain its so hard to get stock up here. We used have a butchery and bakery, but getting things here is very financially challenging - its just too difficult to come here. The roads play a big part - there are pot holes everywhere. There are no roads”*
- Going forward be more innovative – although they are hoping for local government support
- Opportunities exist for greater domestic tourists and more black-owned businesses if institutional environment can be addressed

Conclusions and Recommendations

- Overall, in the COVID-19 environment niche forms of tourism have been recognized as exhibiting great potential.
- The following are key conclusions and recommendations that emerge from this investigation.

Recommendation 1

- With the rolling of the COVID-19 pandemic the significance of niche tourism in South Africa is greatly heightened for tourism policy and planning as consumer demands shift from 'mass attractions' to smaller-scale forms of tourism.
- Arguably, if appropriately planned and developed, niche tourism can be an element for tourism recovery planning. **This reinforces the recommendation that the Department of Tourism support an extended research agenda to understand niche tourism and for investigations on critical micro-niches in order to provide an evidence base for informing appropriate policy interventions in South Africa.**

Recommendation 2

- In terms of the (macro) niche of rural tourism the ramifications of COVID-19 on changing consumer travel preferences boost the DEMAND for the current and future development of rural tourism.
- Arguably, rural tourism offers a major opportunity to satisfy the demands of post-pandemic tourists in South Africa who seek stress-relief and rejuvenation within a nature-based environment or engagement with physical and psychological well-being activities.
- **It is recommended that the Department of Tourism raise the awareness of local governments to the immediate opportunities surrounding rural tourism but at the same time be cautious not to raise unnecessary expectations that rural tourism is a panacea for local rural economic development. The caveat needs to be made clear that for successful rural tourism there is a need for a basket of local tourism assets and of essential operational infrastructure for access to and facilities for tourists.**

Recommendation 3

- This radical new environment for the building of rural tourism in South Africa lends urgency for the Department of Tourism to initiate a comprehensive strategy for stimulating the niche of rural tourism in order to maximise the window of opportunity that exists in the COVID-19 environment and recovery phase.
- A critical step in this process is to recognise that the Department's existing policy frameworks for rural tourism are now ten years old, seriously outdated and out-of-touch in the radically changed environment of COVID-19.
- **It is recommended therefore that the Department of Tourism revisit and undertake a complete revision of the 2012 Rural Tourism Strategy.**

Recommendation 4

- In terms of rethinking this strategy a strong case can be made for acknowledging the need for a differentiated strategy and policy development that is aware of the international best practice on the geographical delimitation of rural tourism.
- Although it has long-been recognised that the term 'rural' is contested with many definitions, **it is recommended as a starting point for rethinking policy development for rural tourism that the Department of Tourism accept the merits of differentiating at least three spaces of rural tourism: (1) the rural fringe, (2) exotic remote rural, and (3) 'in between' rural spaces.**

Recommendation 5

- It is evident that each of these three different rural spaces exhibit different challenges and opportunities for tourism development.
- Accordingly, it is essential that these differentiated challenges be mapped out in evidence-based research to inform policy development rather than policy be anchored on a 'one-size-fits-all' approach to tourism in South African rural areas.
- **It is therefore recommended that the Department of Tourism undertake further research on the different prospects and opportunities for stimulating rural tourism in different kinds of rural spaces in order to inform interventions for a revised Rural Tourism Strategy.**

Recommendation 6

- Our two cases undertaken concerning 'in between' rural spaces – namely Greater Giyani and Raymond Mhlaba - highlight a set of major challenges that need to be addressed in such spaces for successful rural drive tourism development.
- There are opportunities in these rural tourism areas for further development of leisure tourism if the institutional environment can be addressed. Currently, however, these 'in-between' rural spaces can be characterised as spaces with visitor economies dominated by VFR travel.
- It must be recognised that in such areas that rural tourism might not be the most appropriate sectoral strategy to promote and instead that a greater development focus be upon other sectors, such as agriculture or agro-processing, which might yield greater returns for rural development, job creation and community welfare.
- **It is therefore recommended that the Department of Tourism be selective in interventions to support tourism development in 'in-between rural spaces' in light of the potentially greater returns that might be made by government resource support to other sectors.**

Recommendation 7

- **The core findings from this research point to critical failings by local governments to maintain essential basic infrastructure – especially roads and water – that must be addressed before rural (leisure) tourism development becomes a realistic option.**
- **It is recommended therefore that the Department of Tourism engage actively with initiatives for the roll-out of the District Development Model which is targeted to address service deficiencies and improve basic environment for all local businesses.**

Recommendation 8

- The most problematic findings of this research surround the confirmation of the dysfunctional state of local government in many areas of South Africa, including in all three of our case study local municipalities.
- The 'best practice' international policies for supporting rural tourism are anchored upon the assumption that local government, the closest institution on the ground, is putatively neutral, working for the benefit of the wider community and capable of sound management and capacity for the implementation of policies to boost rural tourism.
- These basic prerequisites simply are not in existence across much of rural South Africa because of the state of rural local governance. The evidence in this study points to a record of local government mismanagement, inefficiency and corruption which militates against successful interventions for stimulating rural tourism.
- The number one challenges for rural tourism development in all three case studies surrounds infrastructural shortcomings which were the responsibility of local government.
- **In light of the resource-constrained environment in South Africa it is therefore recommended that in guiding its budget relating to project support for stimulating rural tourism that the Department of Tourism be informed by the regular reports of the Financial and Fiscal Commission and seek to reduce its engagement with those municipalities that have been declared as dysfunctional or in financial distress because those are “unable to provide basic services to their citizens in a satisfactory manner”.**

Recommendation 9

- The prospects for rural tourism in many parts of South Africa are inseparable from the fortunes of small towns. The challenges of strengthening governance for small town development are a major focus in the recently released strategy for small town regeneration by the Department of Cooperative Governance.
- **It is recommended that the Department of Tourism enhance cooperation with the Department of Cooperative Governance with the roll out of the small town regeneration strategy and ensure that the specific issues that impact tourism and especially rural tourism are aligned for implementation as part of that strategy.**

THANK YOU!

