

THE SOUTH AFRICAN TOURISM POLICY WITH REGARD TO SUSTAINABLE TOURISM



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Development and International Relations

102,127 signs, equivalent to 42,6 standard pages

Abstract

Although several benefits can be obtained from implementing environmentally friendly management practises, the South African tourism industry has generally been slow to transform. The tourism industry places considerable pressure on the environment with high demands on resources such as food, water, and energy. It, furthermore, creates considerable amounts of waste to be disposed of, creating further pressure on the environment. With improved competitiveness and profitability, through energy efficiency and waste reduction, being potential benefits of implementing environmentally friendly practices it may seem peculiar that the South African tourism industry has not implemented more environmentally friendly practices.

This study, therefore, seeks to investigate which variables encourage the transformation of the South African tourism industry from traditional tourism to more socially and environmentally responsible tourism. As investigating the variables that encourage the transformation to socially and environmentally responsible tourism on a more general level would require much more time and resources, South Africa was chosen as a case study. South Africa was chosen as a case study as it is a developing country, where tourism is playing an important part in the social and economic development, and the new Sustainable Development Goals specifically mention the potential of social and environmentally responsible tourism in achieving a sustainable development.

The project is divided into three parts. The first part analyses how the South African tourism policies have affected changes in in the tourism industry. The second part deals with the influence of the tourists' preferences on the management of tourism facilities. The last part discusses how the policies and preferences have interacted in the influence of the industry. The empirical material for this study has mainly been obtained through official reports and policies. The analysis of the South African tourism policies builds on policies, strategies, and action plans developed by the South African government. The empirical material used in the second part is mainly obtained through official organisations such as UN organs, the World Travel and Tourism Council, and the Center for Responsible Travel. However, also various academic articles and books have been reviewed in the process of building a thorough understanding of tourists' preferences. Part three mainly builds on the findings from part one and two and is supported with further data from official reports and academic articles.

To analyse how the South African policies has affected the tourism industry, Hood & Margetts' theory of four policy instruments (finance, organisation, information, and authority) is used. This makes it possible to give a clear overview of how the different policies will affect the industry, and when combined

with the knowledge of tourists' preferences, the theory shows which type of instrument poses the biggest potential of transforming the industry in a sustainable direction.

It was found that the South African government has changed their use of policy instruments from a heavily reliance on information and organisation to incorporating more of authority and finance. As the investigation of the tourists' preferences showed that the tourists generally have a high concern for environment but also were very cost conscious when choosing their holidays, companies are reluctant to make investments that might lead to higher costs, which will be passed on to the costumers. However, as South Africa has recently developed financial incentives to support the companies wishing to live up to the customers' preferences, there is reason to believe the South African tourism industry will be encouraged to implement environmentally friendly practices in the near future.

List of abbreviations

AMSCO:	African Management Services Company
FEDHASA:	the Federated Hospitality Association of South Africa
GDP:	Gross Domestic Product
NMSRT:	National Minimum Standards for Responsible Tourism
NTSS:	National Tourism Sector Strategy
SMMEs:	Small-, Micro-, and Medium Enterprises
TEP:	The Tourism Enterprise Partnership
TGSP:	Tourism Grading Support Programme
TIP:	Tourism Incentive Programme
UNWTO:	the World Tourism Organisation

Definition of terms

The following terms will in this thesis be defined according to the definitions the South African government works with so as to avoid any misinterpretations.

<u>Cultural Tourism</u>	is the motivation of tourists to experience the customs and traditions, history, and heritage of a country. Also visits to museums, festivals, monuments etc. is cultural tourism (National Department of Tourism, 2012C)
<u>Ecotourism</u>	travel to natural areas that are environmentally and socially responsible; promotes conservation and involves local people socio-economic (Tourism White Paper, 1996).
<u>Heritage</u>	The South African definition of heritage is defined in the White Paper on Arts and Culture from 1996, which states that heritage is the sum of “wildlife and scenic parks, sites of scientific and historical importance, national monuments, historic buildings, works of art, literature and music, oral traditions and museum” (National Department of Tourism, 2012C, p. 6)
<u>Previously neglected Communities</u>	the black population group that were excluded during the apartheid period. Black refers to all with African or Asian origin (Tourism White Paper, 1996).
<u>Responsible tourism</u>	tourism that promotes responsibility to involve local communities, to keeping visitors safe, promotes responsible government, and the responsible use of environmental resources (Tourism White Paper, 1996).
<u>Sustainable tourism</u>	any tourism management, development or activity that optimise the economic and societal benefits without compromising the possibility for similar benefits in the future (Tourism White Paper, 1996).
<u>The tourism industry</u>	all stakeholders that are in touch with direct spending by tourists.

List of Content

Abstract	I
List of abbreviations	III
Definition of terms	IV
List of content.....	V
1 Introduction.....	1
1.1 Problem Formulation	3
1.2 Structure of thesis	4
2 Methodology	4
2.1 Research design	5
2.1.1 Case study	6
2.2 Research method	7
2.2.1 Sources.....	7
2.2.2 Data processing.....	8
2.3 Theoretical considerations	8
3 Policy instruments.....	9
3.1 Four policy instruments.....	9
3.1.1 Authority	10
3.1.2 Information	11
3.1.3 Finance.....	11
3.1.4 Organisation.....	12
3.2 Policy, implementation and private firms	13
3.3 Limitations.....	13

4 South Africa's tourism policy	14
4.1 Governmental structure	14
4.2 Development and promotion of tourism	15
4.3 Strategies and action plans	17
4.3.1 Development of rural and heritage tourism.....	19
4.3.2 Public-private partnerships	20
4.3.3 Climate change response	22
4.4 New legislative framework.....	24
4.5 Conclusion.....	25
5 Changes in the tourists' preferences.....	25
5.1 Environmental awareness among tourists	26
5.2 South Africa's key tourism source markets	26
5.3 Conclusion.....	28
6 The transformation of the South African tourism industry	29
6.1 The performance of some of South Africa's policy instruments	29
6.2 Choosing between the policy instruments	30
6.3 New policy interventions.....	32
7 Conclusion	34
Bibliography	36
Appendix 1: South African rural areas	42
Appendix 2: Tourist arrivals to South Africa	43
Appendix 3: Top 20 source markets.....	44
Appendix 4: Top 20 Long-haul markets	45

1 Introduction

“Modern travelling is not travelling at all; it is merely being sent to a place, and very little different from becoming a parcel.”

- John Ruskin

With a world that gets more and more integrated, and remote places becoming more accessible, it is no surprise there has been a boom in international tourism. Tourism is one of the largest industries in the world, contributing 9% of world Gross Domestic Product (GDP), and also one of the biggest income generators for developing countries (United Nations World Tourism Organization, 2015A). However, huge amounts of energy use, water consumption, waste generation etc. can have severe impacts on the environment and local communities if not properly managed (World Travel & Tourism Council, 2014; Honey, 2008). It is, therefore, no surprise each tourist leaves behind a notable footprint.

According to the World Tourism Organisation (UNWTO), Tourism has a potential to contributing to a sustainable development, if managed in a responsible way, and has been included as a direct target in three of the seventeen new sustainable development goals recently adopted by the UN; Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; Goal 12: Ensure sustainable consumption and production patterns; and Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development (United Nations World Tourism Organisation, 2015B).

With tourism providing 1 in 11 jobs worldwide and with twice as many international tourist arrivals in developing countries as in developed countries, the impact of tourism on economic growth is non-disputable. This is recognised in one of the targets of goal 8 *“By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products”* (United Nations World Tourism Organisation, 2015B, p. 3). The World Travel & Tourism Council’s forecasts show that tourism will support 126 million jobs directly; 25 million more than in 2013. This is especially an opportunity for marginalised parts of society. The travel and tourism industry have an opportunity of providing jobs in areas where job opportunities are otherwise scarce as nature and rural areas tourism grow in popularity (World Travel & Tourism Council, 2015A).

The tourism industry directly influences consumption and production patterns for transportation, accommodation, leisure activities, and other related sectors. It also indirectly influences the whole supply chain for those sectors and, therefore, has a potential to make a significant difference by adopting sustainable consumption and production practices (World Travel and Tourism Council, 2012). This is acknowledged in target 10 of goal 12 “Develop and implement tools to monitor sustainable development impacts for sustainable tourism” *which creates jobs, promotes local culture and products*” (United Nations World Tourism Organisation, 2015B, p. 4). Local communities can develop local crafts, food, and music and dance activities for the tourists, thereby, earning an additional livelihood (World Travel and Tourism Council, 2012). In 2012, Rio+20 adopted a Global Framework for action on sustainable consumption and production practices, and one of the five programmes in here was on sustainable tourism, including ecotourism (United Nations Environmental Programme, 2012).

The biggest segment in tourism is coastal and maritime tourism, which is why tourism can help with goal 14 to conserve and sustainably use the oceans, seas and marine resources for sustainable development. This is also recognised in target 7 of goal 14 *“by 2030 increase the economic benefits to SIDS [Small Island Developing States] and LDCs [Least Developed Countries] from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.”* (United Nations World Tourism Organisation, 2015B, p. 4). Nature tourism and ecotourism is generally some of the fastest growing sectors in the tourism industry, growing annually 10-15%. As majestic landscapes, natural heritage sites, and pristine biodiversity often are the main driver when tourists choose their destinations, the treatment of nature and animals are, therefore, of the utmost importance for a sustainable future (Honey, 2008; United Nations World Tourism Organisation, 2015B).

However, tourism is not always good for the surrounding communities and nature. If not sustainably managed, tourism can have disastrous consequences for the surrounding environment (Honey, 2008). The UNWTO defines sustainable tourism as *“tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities.”* (United Nations World Tourism Organisation, n.d.). In Africa, more than 80% of foreign visitors visit national parks for wildlife watching. With up to 5 million visitors per year in protected areas alone, the South African government and tour operators have come to realise the importance of responsible tourism as a foster of sustainable development in rural areas (United Nations World Tourism Organisation, 2015C).

Furthermore, in South Africa, most of the pristine nature and wildlife are placed in reserves and world heritage sites, most of which are placed in somewhat rural places (Naidoo, 2008). Tourism, therefore, have a potential to benefit local communities across the country so a bigger portion of their

spending will stay in the country. However, more than 85% of wildlife-watching tourists combine their visit to national parks with other forms of tourism, e.g. 60% combine it with visits to beach resorts (United Nations World Tourism Organisation, 2015C). Unfortunately, where tourism companies providing nature experiences are interested in preserving the surrounding environment, as their livelihood directly depends on it, many beach resorts are more focused on quality and luxury, and less attentive to being environmentally conscious (Giampiccoli & Nauright, 2010).

The arrival of international tourists in South Africa have been projected a strong growth, and the number of international arrivals is expected to double in 2015 compared to 2005. During the same period, however, the national investments in the tourism industry are falling both in constant terms and as a percentage of GDP (World Travel & Tourism Council, 2015B). Furthermore, tourism contributes over 9% to the South African GDP and supports more than 1.4 million jobs (10% of the workforce), which is why priorities from the National Development Plan have been implemented in the National Tourism Sector Strategy (NTSS) (South African Tourism, 2015; World Travel & Tourism Council, 2015B). However, these plans are targeted at community development and nature tourism operators, whereof most already work to preserve the nature (United Nations World Tourism Organisation, 2015C). Although, even with this high focus on ecotourism and sustainability, only 9 organisations operating in South Africa are members of the International Ecotourism Society and of these only 2 are South African companies (The International Ecotourism Society, 2014).

1.1 Problem formulation

The above poses several problems for the development of a sustainable tourism sector in South Africa. The 17 Sustainable Development Goals have made South Africa attentive to how wildlife and nature tourism can enhance rural community development, but have, however, also drawn their attention away from the other tourist areas such as city travellers, adventure tourism, and beach resorts, etc. According to Bramwell & Alletorp (2001), there are several direct and indirect benefits of adopting environmental measures in the tourism industry. Of direct benefits, they highlight the potential for improved competitiveness and profitability, and also the reduced operational costs obtained by minimising waste by recycling and reusing and using the energy more efficiently. Of more indirect benefits, they highlight a better reputation and image as an ethical company, among others. The purpose of this study is to shed light on the lack of motivation, for the part of the tourism sector not directly involved in animal and nature activities, to actively participate in the transformation to responsible and sustainable tourism in South Africa. This leads to the following research question:

What are the variables that encourage the transformation of the South African tourism industry from traditional tourism to more socially and environmentally responsible tourism?

Sub-questions:

- 1. Has the tourism policies affected such transformation? If yes, how?***
- 2. Have the tourists' preferences pushed towards such transformation? If yes, how?***
- 3. How have the tourism policies and tourist preferences interacted?***

1.2 Structure of thesis

The thesis is structured as to be as clear and logical to the reader as possible. First chapter introduced the subject broadly and at the end narrowed it down into a problem formulation and three short and clear research questions, which will be the focus of the remaining part of this thesis. The following chapter, chapter 2, will present the methodological consideration made before and during the writing of the thesis. This is done so as to give the reader a better understanding of the scientific and methodological consideration behind the conclusions, and how this has influenced the conclusions. Chapter 3 will thereafter present the theory. According to Honey (2008, p. 6), *“to make an assessment, it is necessary to examine the growth of ecotourism within each country's tourism strategy, its political system, and its changing economic policies”*. Chapter 4 will, therefore, analyse the policies and strategies influencing the tourism industry. Chapter 5 will explain how the preferences of tourist have changed over time both internationally and in South Africa. Chapter 6, then, will contribute with a discussion of how the policies and preferences have interacted, which has been the main driver of change in the industry, and why.

2 Methodology

In the methodology chapter, my scientific standpoint and the methods used to give an answer to the above research questions, will be presented and explained. The purpose of this chapter is to explain and clarify the reasoning behind the methodological choices made, and thereby give the reader a good and clear understanding of the conclusions drawn in the thesis. The methodological chapter consists of three parts. Firstly, the research design will outline the overall scientific approach, the nature of the problem formulation and research question, and likewise, reflections behind a case study will be explained. Secondly, the research method specifies how the empirical material has been collected and what kind of sources that have been used. In this section, also, the reliability and validity of the sources will be

accounted for. Lastly, the theoretical considerations will be explained and the relevance of the theory used in this thesis will be argued for.

2.1 Research design

The research design is an overall plan before the data collection and analysis can begin. The function of the research design is, thus, to ensure that the data obtained enables us to answer the research question as unambiguously as possible. In the following section, the nature of the research question, the philosophical starting point, and type of study will, therefore, be presented. The problem to be investigated here is of an explanatory nature as it seeks to investigate how the South African tourism policies and tourist preferences have influenced the transformation of the South African tourism industry towards a more socially and environmentally responsible management practise.

To give strength to the analysis and develop the best possible conclusion it is important to understand the scientific consideration made before the research. Mills, et al. (2006, p. 2) states that *“[t]o ensure a strong research design, researchers must choose a research paradigm that is congruent with their beliefs about the nature of reality”*. It is important to understand the researcher’s underlying understanding of reality and knowledge as this underpins the research design and thereby is reflected in the chosen methodology and methods (Fossey, et al., 2002). The researcher’s understanding of reality and knowledge is reflected in his or hers ontological and epistemological stance (Scotland, 2012). Ontology is the study of what constitutes reality and an ontological stance of critical realism assumes that *“reality exists independent of the human mind but cannot be accessed in its entirety”* (Levers, 2013, p. 2). Epistemology is about how meaning is attached to the world; therefore, an epistemology of subjectivism sees knowledge as being influenced by values. Objective knowledge is, therefore, not possible as observations will be influenced by the researchers ‘lenses’ of society, race, gender and language (Levers, 2013).

The above ontological and epistemological stances support a scientific paradigm of constructivism. This approach focuses on the relationships and conditions that influence the development of society by analysing it within their social, cultural, political, and historical context (Fossey, et al., 2002). As meaning is subjective and interpreted by the researcher it is, however, important for the reader to keep in mind how this might affect the conclusions. The goal of critical realist research is to *“identify phenomena and develop agreement regarding the description of the whole from [...] partial fragments perspective”* (Levers, 2013, p. 2) while the purpose of subjective research is to *“develop understanding, increase sensitization to ethical and moral issues, and personal and political emancipation”* (Levers, 2013, p. 3). This is in perfect keeping with the overall purpose of this thesis to understand the issue of why the South African tourism industry has been slow to develop in a more sustainable way.

Constructivism supports very well a qualitative approach in research as the purpose of qualitative studies are to find the meaning embedded within the data and entirely new questions may possibly develop from the analysis (Fossey, et al., 2002). According to Creswell (2007), qualitative research tries to develop an understanding of a complex problem or issue. This involves identifying multiple interactions among factors and follow different perspectives. Furthermore, he states that in qualitative studies, the researcher often works from a 'bottom-up' perspective, where data is organised into units. This inductive process involves the researcher to go back and forth between data and themes to obtain a complete picture of the problem (Creswell, 2007).

A pure form of induction or deduction is rare in research but one approach will, however, have a higher influence than the other. This thesis is mostly inspired by the inductive approach. In its purest form induction is when the researcher works from observation to theory generation. Deduction, being the opposite, is when the researcher starts with a theory and then gathers observations to either falsify or confirm the relevance of that theory (Creswell, 2007). In this thesis, data has been collected first and subsequently, existing theories have been evaluated to find those best possible to give meaning to the data. However, it is important to notice that prior to the collection of empirical data some knowledge of sustainable tourism and its connection to development and ecological sustainability was already gained; therefore, it can be claimed that this thesis is indirectly influenced by hypotheses and, thereby, to some degree holds a deductive approach parallel with its main inductive approach.

2.1.1 Case study

According to Yin (2003 in Creswell, 2007), a case study can be either a single-case or a multiple-case design and either holistic or embedded, which gives four different case designs. Which design is most suitable depends on the nature of the case. A multiple-case design gives more credibility to a transferability of the findings to other cases but if the case is unique a single-case design gives the possibility of a more thorough in-depth study. Whether a holistic or embedded design is more suitable depends on the goal of the research. Where the holistic design is more abstract it also apprehends the whole case better than the embedded design. The embedded design is an analysis of smaller sub-cases in the case. This allows for an in-depth analysis on which background a conclusion can be made for the whole case. With the embedded design, however, not the whole case is analysed and the conclusion will, therefore, be generalised to a certain degree. This is avoided in the holistic design where the entire case is analysed, however, as the analysis is more abstract, a more in-depth analysis could have ended in a different conclusion (Creswell, 2007).

The Problem formulation in this thesis can be applied to most countries, but as the economic, political, and cultural context in which the private tourism companies operate differ in each country, the

findings here should be applied to other countries with caution. To be able to give a more in-depth analysis only the influence of policies and tourist preferences on the tourism industry will be explained. This study, therefore, applies an embedded single case study i.e. the policies and tourist preferences in the South African tourism industry. It is likely that other factors not considered in this thesis might influence and motivate the management of the tourism industry. It is, therefore, important to note that had another case design been chosen, the conclusion might have differed slightly. An embedded single-case design was chosen for this research as it gives the possibility of studying what was considered the most influential motivational factors in the industry in depth, but also to test how well the general theories can explain problems in the real world (Eriksson & Kovalainen, 2008). Even though generalisation is not fully possible with case studies it can still support or falsify a theory, as Flyvbjerg (2006, p. 230) says, *"If it is valid for this case, it is valid for all (or many) cases."*

2.2 Research method

Mainly qualitative data will be used, but will be supported by quantitative data where it might give a clearer understanding. Especially chapter 4, about the tourists' preferences, is supported with quantitative data to give a more comprehensive picture of the industry. Supplementing with quantitative data will also enhance the credibility of the research as it will make the arguments more objective and thereby strengthening them.

2.2.1 Sources

This thesis builds on an extensive review of a broad range of secondary sources, from different academic and institutional backgrounds, to give a more objective and nuanced analysis. The qualitative literature used include, but are not limited to, academic articles, books, official reports from the various UN organisations, publications from environmental and developmental NGOs, news media, South African legislations, and publications from governmental organisations. This has been supplemented by quantitative data from statistical reports from national and international organisations.

As to avoid any misinterpretations from work build on other works, references have been made to the original article where possible. It is important to keep in mind that an important constraint with secondary data is that it has been collected for a whole different purpose and, therefore, might not fit the researchers need perfectly and lose an amount of validity. This can be minimised by the researcher by being critical about the data obtained through secondary sources (Fossey, et al., 2002). Another constraint about using secondary sources is that it may not be possible to find fully updated data. However, by the use of triangulation i.e. making *"use of multiple and different sources, methods, and theories to provide corroborating evidence"* (Creswell, 2007, p. 208), it is possible to compare data from different sources

with different perspectives and, thereby, avoid any significant faults in the data and, in so doing, the validity of the argument will be enhanced (Fossey, et al., 2002; Creswell, 2007). In this thesis only one method will be used, analysis of documents, however, information will be obtained from multiple categories of sources.

2.2.2 Data processing

The data collection, data organisation and data analysis often go on simultaneously throughout the research and with the problem formulation and the theoretical framework guiding it (Creswell, 2007). In this thesis, first, a considerable amount of literature has been collected about the subject area to form an understanding of the problem at hand and how best to approach it. The field observations and an extensive amount of literature have been reviewed in the process of formulating the problem and research questions and to guide in the process of choosing the best suitable theory to derive meaning from the data. The research question has then in turn driven the collection of data for the further analysis. The collection of data for the analysis has, furthermore, raised some new questions and, thereby, shown some constraints in the original research question and the question has, therefore, been modified accordingly.

2.3 Theoretical considerations

This section will explain the considerations behind the theory used in this thesis. While reviewing the literature a number of possible theories within the fields of development, political economy, and public policy came up. However, after close considerations, the theory of public policy and governmental instruments by Hood & Margetts and Halkier is believed to give the best explanation to the research question. Therefore, the theory primarily builds on the work of Christopher Hood & Helen Margetts, *The Tools of Government in the Digital Age*, which explains the different tools a government has in its possession. Another important source for the theory chapter is Henrik Halkier's book *Institutions, Discourse and Regional Development: The Scottish Development Agency and the Politics of Regional Policy*.

Hood & Margetts's, *The Tools of Government in the Digital Age*, An improved and updated version of Hood's first book *The Tools of Government* from 1983 (Hood & Margetts, 2007). Christopher Hood is a professor at Oxford University where he is specialised in executive government, regulation, and public-sector reforms (Oxford University, 2015). Helen Margetts is a professor of society and director of the Oxford Internet Institute. She specialises in digital era government, politics and public policy.

Henrik Halkier, author of *Institutions, Discourse and Regional Development: The Scottish Development Agency and the Politics of Regional Policy* from 2006, is a professor in regional and tourism studies at Aalborg University.

Even though the theory about policy instruments in public policy is believed the best theory to answer the research question, it is important to keep in mind that had other theories been chosen the conclusion of the analysis might have been different.

3 Policy instruments

This chapter is a theoretical description of policy instruments a government can make use of when wanting to change society. As mentioned in the Theoretical considerations section of chapter 2, this chapter will mainly build on the works of Hood & Margetts and Halkier. However, where relevant various academic research articles will be used to give supplementing information.

According to Hood & Margetts (2007) government instruments can be divided into two broad categories depending on what the government want to achieve; collect information or change behaviour. The instruments focused at observing and collecting information are called *detectors*. The knowledge gained from the detecting instruments then forms the basis for policy making. The other group of instruments, used for changing behaviour, are called *effectors*. The basic purpose of the effectors is to influence the society to change their behaviour in a certain direction. As the aim of this thesis is to explain how the tourism policies in South Africa encourage changes in the industry the remainder of this chapter will be centred on explaining the effectors.

3.1 Four policy instruments

Both Hood & Margetts and Halkier divide the policy instruments the same way, but do, however, call them different names. In this thesis, the names from Halkier will be used. The effecting policy instruments are four basic resources that the government possess to take into use in the implementation of policies. The four tools are authority, which is the defining of rules; information, which is the mobilisation data; finance, which is money or other financial resources; and organisation, which is the coordination of physical and human capital (Halkier, 2006). Each of the four resources demonstrates different ways in which government can influence behaviour. However, as they represent different capabilities and can be used in different ways they will also have different limits and depending on what the government want to achieve some are more likely to be a successful instrument than others (Hood & Margetts, 2007). The four instruments will be explained more in depth in the following.

3.1.1 Authority

The first policy instrument, authority, is the token of authority that gives governments the power to officially demand or prohibit something. Hood & Margetts (2007) make two basic distinctions in this instrument. The first distinction is between general and particular tokens of authority and the second distinction is between the degrees of constraints those tokens impose. They define the particular tokens as relating to specific persons, places or companies, like licences for street musicians, while general tokens apply to everyone, like traffic lights or no-smoking signs. Tokens with a low level of constraint recommend or approve of certain behaviour, like official awards, while tokens with a high level of constraint prohibit or demand. The different combinations will be explained next, but it is, however, important to point out that some policy tools might fit in with more categories and that using one tool does not exclude the use of others; the tools can be combined in any desired way (Halkier, 2006).

Low constraining particular tokens are called certificates and they are official certificates that assert the properties of a company or person (Hood & Margetts, 2007). A voluntary, government-led, 'green' rating scheme for environmentally friendly business is a tool in this group (Bramwell & Alletorp, 2001). Examples of a low constraining general token are non-legally binding standards for good behaviour, such as codes of conducts (Hood & Margetts, 2007).

The tokens with a middle degree of constraints often allow certain behaviour but do not demand it. The level of constraint is not either low or high but should be seen as fluctuating from one end to another. Hood & Margetts (2007) divide medium constrained tokens into two groups; conditional tokens and enablement. A particular conditional token is when the government promises something under the condition that the company delivers something else. A general conditional token is when the promise is made to everyone, e.g. when the police promise that people can hand in illegal weapons without being prosecuted. A particular enablement is when a certain document is needed to do an activity but holding the document does not force you to do the activity. A general enablement is allowances that are not for one specific person but applies to everyone like quotas on fisheries or pollution (Hood & Margetts, 2007; Bernini & Pellegrini, 2013).

Tokens with a high level of constraints prohibit or demand a certain activity. This is laws that prohibit certain activities or products, or set standards that have to be obeyed by anyone who wishes to undertake a specific activity. There might be limits to how much can be polluted or zoning laws in regard to building in coastal areas (Bramwell & Alletorp, 2001; Hood & Margetts, 2007; Bernini & Pellegrini, 2013).

3.1.2 Information

The second policy instrument, Information, has been used by governments since ancient times as governments are in a strategic position to distribute or collect information i.e. they are in the centre of an information network. According to Hood & Margetts (2007), the information instrument contains several tools in distributing a message, which can be divided into the suppression of information, bespoke messages, group-targeted messages, and broadcasting messages. Often a combination of the tools is used to spread a message (Halkier, 2006).

What governments do not tell can be just as influential on behaviour as what they do tell. The suppression of information can be done either by simply keeping silent, by drawing more attention to another unrelated subject, by misinforming deliberately, or by 'leaking' documents as leaked documents are sure to get attention the more the government will try to keep it a secret (Hood & Margetts, 2007). The second tool, bespoke messages, is where the government tailor the information to each individual. This can be done in one of two ways: direct notification, such as a reminder of work permit or driving license is about to expire; or query responses, where information is only given out on the request from citizens such as e.g. counselling for small or medium enterprises on how to develop and grow their business. The third tool is group-targeted messages where the information is tailored to a bigger group of people at the same time such as for example a government conference for a specific industry. The last tool, broadcasting messages is messages that are formed to the world at large. This tool can be used in different ways, e.g. by publishing information in a specialised journal so only a small circle of people get exposed to it or by using mass media to reach as many recipients as possible. The government can also be more passive in their information sharing by publishing information on their homepage so citizens would have to actively go and find it. An example of this could be 'leading by example' where the government could introduce sustainable practices management in its own activities (Stabler & Goodall, 1997; Hood & Margetts, 2007)

Information is one of the most used instruments as it is not a finite resource. Often it is used in combination with one or more of the other instruments; governments can pay other organisations to promote something; they can demand companies to give out certain information, e.g. food labelling or warning on cigarette packages; they can also use organisational instruments to filter the internet so certain content is not available (Hood & Margetts, 2007).

3.1.3 Finance

The third instrument, finance, denotes the stocks of money and other assets that governments can exchange easily, e.g. stocks and bonds. Like with the authority and information instruments, financial tools can be combined in different ways as to what government considers most effective. However, as

governments only have access to a limited amount of fungible funds, governments have to be aware of the efficiency of the different financial tools compared to each other but also compared to the three other instruments (Halkier, 2006; Hood & Margetts, 2007). Governments can influence private actors to behave in a certain way by giving financial aid under certain conditions or give it without requiring anything in return. The pension is an example of the last one. Financial tools can either be customised payments or open payments and they can be targeted at a specified person or firm, or be more generally targeted (Hood & Margetts, 2007).

Customised payments that are given under specified conditions are called contracts while the customised payments given to support e.g. an organisation without requiring anything in return is called transfers. Likewise, the open payments can also be divided into two groups depending on their conditionality. The open payments that are made under the condition that the receiver provides a product or service are called bounties. The receiver is not specified and anyone who provides the service will receive the financial aid. The introduction of eco-taxes is a good example as the government can offer tax reductions for companies who e.g. conserve water, invest in energy efficiency etc. (Bramwell & Alletorp, 2001; Hood & Margetts, 2007; Bernini & Pellegrini, 2013). The last group is the bearer-directed payments that are an open payment where no service is required to obtain the money (Hood & Margetts, 2007).

3.1.4 Organisation

The last instrument, organisation, covers stock of people e.g. military, bureaucrats, workers and physical assets e.g. land, buildings, materials, equipment, computers, etc. Organisation is most often used in combination with one or more of the three other instruments. Organisational instruments give governments the possibility to act directly and, thereby, control. However, the instrument is limited in use as governments only have a fixed capacity in the short run (Halkier, 2006; Hood & Margetts, 2007).

The organisational instrument is divided into three categories, individual treatment, group treatment, and at-large treatment. Individual treatment is where the government's action is aimed at a specific individual or organisation. The tools in this category can be sorted into four groups. First, marking is when the government mark a person, building etc. for any particular reason. This can be a sign next to a soon-to-collapse building, telling people to stay away, or the marking of trees with diseases. Second, storage is when the government storage things, such as food or oil reserves. Third, moving or distributing is when the government is responsible for transportation of people or goods, e.g. transportation of prisoners. Fourth, processing is when the government changes the state of thing, such as vaccinating against diseases (Hood & Margetts, 2007).

The second category, group treatment, is when the instrument is aimed at not an individual but neither the population at large. The evacuation of citizens in the case of natural disasters is an example of a group treatment as only people in the affected area is evacuated. The third instrument, at-large treatment, is when the government's actions are not aimed at anyone specifically but is at the benefit of the whole population. Examples of this tool are the building of roads and bridges, parks, etc. (Hood & Margetts, 2007).

3.2 Policy, implementation and private firms

One thing is the instruments by which governments can seek to change conditions; another is how the private actors react to them. According to Halkier (2006), policy formulations are limited by incomplete information, as the outcome, at some part, depends on the response from the private actors. The interaction between government and private actors ranges from a voluntary to a mandatory level with conditional being in the middle. In the case of non-mandatory interaction, he argues, the firms will judge the incentives on the basis of their own goals and strategies, which may not be similar to that of the policy. Therefore, to meet overall policy objectives, it is necessary to consider which level of instruments would be most likely to bring about the desired reaction (Halkier, 2006).

Halkier (2006) argues that there are three modes of implementing the policies; either through selectivity, project generation, or project appraisal. Selectivity is an expression of political priorities as particular firms are targeted for support here. Project generation is where specific projects are considered for support. This way the government can influence the type of products developed. A reactive project generation is when private actors develop a project which the government then consider for support. A proactive project generation is when the government encourages private actors to develop certain projects for which support is available. Halkier (2006) points out that this is a really good way to influence private actors to do something they would not otherwise have done. The last mode of implementation, project appraisal, deals with the decision process in individual projects. Here the government has the option of setting up criteria publicly so only eligible projects apply, or are only known by the government, who then sort and prioritise the projects. A benefit of the last method is that the government can influence which types of projects will be developed. However, this method is also more requiring in resources. Often a combination will be used (Halkier, 2006).

3.3 Limitations

To sort all the instruments governments have at their disposal into specific groups is to simplify a more complex reality so as to help the understanding of it. The theory by Hood & Margetts (2007) does not take into consideration how the different governmental agencies influence each other. As such, no

governmental agency have all the instruments at its disposal; not just in the questions of who controls the resources in organisation and finance but also in considering how the policies and instruments used in one department influence the policies and possible instruments in other departments creating unforeseen side-effects. Furthermore, governmental departments might cross each other's paths and develop policies within the same area, sometimes with conflicting interests. Hood & Margetts (2007), furthermore, treats government as a totality and does not set any clear boundaries in what they count as government, whether it be national, local or both. Also, the society is treated as a totality.

4 South Africa's tourism policy

This Chapter will explain how the South African tourism policies have affected the transformation of the South African tourism industry in a more sustainable way. The first part of the chapter will start with a description of the governmental structure and role in the implementation and making of the policies. The next parts of the chapter will analyse the development of the South African tourism policies and strategies and how sustainability and social and environmentally responsible tourism has been incorporated into the policies. Finally, the chapter will end with a short interim conclusion.

4.1 Governmental structure

Before 2011, the Ministry of Environmental Affairs and Tourism was the top body in the government's management of tourism. However, tourism had traditionally been seen as having a limited economic potential. This was especially evident in the internal structure of the Department of Environmental Affairs and Tourism. The Environmental division had a staff of around 1,000 while the tourism division was a one-man show until 2010 (Tourism White Paper, 1996; Department of Environmental Affairs and Tourism, 2010). Due to the lack of resources the tourism division had mainly provided administrative functions and the industry was consequently left to develop itself without political strategies and guidelines (Tourism White Paper, 1996).

In 2009, the Ministry of Environmental Affairs and Tourism was split into two ministries and with a separate Ministry of Tourism the industry received more politically attention and resources (Department of Environmental Affairs and Tourism, 2010). The department of Tourism oversees the promotion of South Africa as a tourist destination in accordance with its strategic plans. Furthermore, the department is responsible for developing tourism in a way so as to *"grow an inclusive and sustainable tourism economy"* (National Department of Tourism, 2015A, p. 1)

The South African Tourism Board (hereafter referred to as the tourism board), which is the main advisory board for the minister of tourism, was constituted by the Tourism Act 72 in 1993 (Tourism Act

72, 1993). The main objective of the board is to promote tourism in South Africa by ensuring facilities and services are available in the highest possible standard for the tourists, conduct tourism related research and publish relevant information, and advice the Minister of Tourism on relevant policies (Tourism White Paper, 1996). The Tourism act has been amended three times since its Commencement. In 1996, the act was amended by the Tourism Amendment Act 105 of 1996 stating that the object of the board, to promote tourism, shall be “*with due regard to the sustainability of environmental resources*” (Tourism Act 72, 1993, section 3).

The purpose of the provincial tourism organisations is to promote their respective provinces as a tourist destination domestically, to assist the tourism board conducting research and distributing information to the private sector, and oversee that the national tourism policies are implemented in the provinces (Tourism White Paper, 1996).

4.2 Development and promotion of tourism

In 1994, the minister of environment and tourism appointed a team, represented by the business sector, provincial governments, the national government, community organisations and labour movements, to formulate a discussion paper; a white paper for a future national tourism policy (Tourism White Paper, 1996). The white paper, providing a policy framework for the development and promotion of tourism in South Africa, focuses mostly on the policy instruments organisation and information to encourage the tourism industry to change its behaviour in a more sustainable direction (Tourism White Paper, 1996). The policy for marketing and promotion of South Africa as a tourist destination is a clear example of the policy instruments organisation and information being dominant. Before the policy was implemented, the different provinces in South Africa were responsible for promoting their own provinces as a tourism destination both domestically and internationally. As a consequence, the provinces were competing with each other in the international marketing, wasting valuable resources. With the establishment of the tourism board, international marketing became a responsibility of the board so as to streamline the promotion while the provincial tourism organisations were responsible for domestic marketing (Tourism White Paper, 1996).

However, the marketing strategies are more focused on achieving the economic values of tourism by branding South Africa as a destination where the tourist receives the most value for their money. Furthermore, the policy mentions nothing about sustainable or nature tourism receiving more attention, quite the contrary; it states that all sub-sectors of the tourism industry should be promoted. Of the examples mentioned in the policy text, one is worth noting, namely game hunting, a tourism sub-sector that were very unsustainable at that time (Tourism White Paper, 1996; Honey, 2008).

The many national parks in South Africa are an organisational policy instrument through which South Africa can protect and conserve the nature and animals while at the same time promote environmentally responsible and sustainable nature-related tourism. Already at the first formulation of the white paper, South Africa experienced a demand for ecotourism and highlighted in the document the potential the parks give among environmentally sensitive visitors (Tourism White Paper, 1996).

By the making of the white paper, tourism was still a very small industry in South Africa due to the former apartheid period where many international travellers boycotted South Africa in protest to such policies. Furthermore, as the domestic market was closed for a big proportion of the South Africa citizens the majority of the tourists were the privileged white South Africans. The industry, therefore, was mainly focusing on catering this *“largely homogeneous and predictable clientele”* (Tourism White Paper, 1996, p. 9). The abandonment of the past apartheid policies, which were constraining the development of the tourism industry, has opened up for whole new markets. A big portion of the white paper focuses on the inclusion of previously neglected communities to achieve a sustainable growth in the industry (Tourism White Paper, 1996).

The changes in policies to include the black community in South Africa, and give them same rights and opportunities as the white population, are a clear example of high constraint authority used as a policy instrument (Hood & Margetts, 2007). This authority was used in combination with organisation to develop the infrastructure throughout the country to give equal access for all. At this time, the infrastructure was at a first world level in and around the cities, but lacking far behind in the most rural areas (see appendix 1 for a map over rural areas in South Africa) where the majority of the black population lived (Tourism White Paper, 1996).

Another focus of the white paper is education as adequate training is lacking. Here authority and organisation are used in combination to add tourism as a subject in the school curriculum and invest in an education system so as to reduce the need to import skilled workers. The development of specialist courses for guides, together with the requirement of having a guide certificate, is using low constraining authority and at-large organisational policy instruments to achieve a certain standard among guides (Tourism Act 72, 1993; Tourism White Paper, 1996; Hood & Margetts, 2007). Furthermore, the financial policy instrument bounty is also taken into use here by offering scholarships, incentive schemes and student revolving loans to improve the access to better education for the less privileged (Tourism White Paper, 1996; Hood & Margetts, 2007).

With the exception of the above, the financial policy instrument is little used in the development and promotion of the South African tourism policy. For many years, South Africa had a tax write-off system for hotels. The more stars the hotel had the more they could write off, creating *“an over-supply of*

five-star properties.” (Tourism White Paper, 1996, p. 32). As a consequence, most financial policy instruments were abandoned in the white paper. However, even though the document does not recommend any specific financial schemes it does suggest an investigation of possible incentives to encourage the industry in developing in accordance with public policy. One of the major limitations for the development of the tourism industry in the 90s was the financing for private actors. The Industrial Development Corporation, which is fully owned by the South African government, did have financial schemes for the tourism industry, but as these required considerable security before loans were approved, they were only aimed at larger well-established operators, excluding small emerging companies and, thereby, the whole previously neglected community (Tourism White Paper, 1996; Industrial Development Corporation, 2014).

To achieve an environmentally responsible development of the tourism industry, the South African government makes use of the particular enablement authoritarian policy instrument where they make the conduct of an Integrated Environmental Management procedure mandatory for all new tourism projects. This is a particular enablement as conducting the Integrated Environmental Management procedure does not force the company to actually implement the project (Hood & Margetts, 2007). Simultaneously, the informational policy is used to *“encourage the conservation and sustainable usage of tourism resources ... [by promoting] sustainable and responsible consumption of water and energy in tourism plants, using readily available technology and encouraging sustainable waste disposal, green packaging and recycling”* (Tourism White Paper, 1996, p. 26+34), however, no financial, organisational or authoritarian instrument is in use to further motivate changes.

4.3 Strategies and action plans

As mentioned in section 4.2, the many national parks in South Africa posed a possibility for tourism development. As a response to the rising visitor numbers in the parks, the National Environmental Management: Protected Areas Act of 2003 (Act No. 57 of 2003) established South African National Parks, an agency of the National Environmental Department (National Department of Tourism, 2012C). The purpose of the agency is to conserve and manage all national parks and other protected areas. South African National Parks is considered a role-player in the responsible development of the tourism industry as it is committed to contributing to economic growth by supplying job and a sustainable livelihood for the local community (Department of Environmental Affairs and Tourism, 2010). The South African National Parks is, thus, another organisational policy instrument that can be used to develop the industry in a sustainable and responsible way. However, potential conflicts arise as the parks are controlled by the National Department of Environmental Affairs, which has different objectives and strategies than the National Department of Tourism (Hood & Margetts, 2007; National Department of Tourism, 2012C).

One of South Africa's most used instruments is information and every year, in the context of the World Tourism Day on the 27th September, they arrange conferences and workshops for all stakeholders in the industry whether they be private, NGOs, governmental departments or funding institutions. The Small Enterprise Development Agency is considered a key stakeholder as they support small-, micro-, and medium enterprises (SMMEs) both financially and by consultations (National Department of Tourism, 2012D; SEDA, 2015). Every year, the UNWTO sets a theme which is then the focus area for the conferences and workshops. Thus in 2012, the discussions were centred on energy efficiency, greening and responsible tourism; in 2013, the theme was sustainable water management practices; in 2014, it was tourism and community development; and in 2015, it was new experiences from demand growth (National Department of Tourism, 2012F).

In 2010, tourism was one of the fastest growing industries and the largest exporter in South Africa, and the government, therefore, identified tourism as a priority sector for national economic growth (National Department of Tourism, 2010). Despite the fast growth, the tourism industry has not developed as sustainable as the government planned for with environmentally sensitive areas attracting a large number of tourists and local communities watching from the sideline while major actors receive all the revenue (Naidoo, 2008; National Department of Tourism, 2010). In spring 2011, the National Department of Tourism launched their new ten-year strategy, the National Tourism Sector Strategy (NTSS), which *"aims to inspire and accelerate the responsible growth of tourism for the next ten years"* (National Department of Tourism, 2011B, p. ii).

One of the objectives is to promote responsible tourism in the industry by increasing the amount of tourism programmes that is led by and benefits local communities, and increase the number of businesses with responsible tourism management. However, contrary to the other 10 objectives, no specific targets or strategies are mentioned in the sector strategy on how to achieve this (National Department of Tourism, 2011B). Nevertheless, the sector strategy does encourage the implementation of the national minimum standards for responsible tourism (see section 4.3.3) and suggests developing funding mechanisms aimed at green products in the industry. This is the first suggestion of using direct financial instruments to influence the industry behaviour in a sustainable direction (National Department of Tourism, 2011B)

As local government initiatives influence tourism development through organisational instruments such as land use, road maintenance, public transportation system, water and sewage, waste disposal, etc., local governments can have a notable impact on the sustainability of the tourism industry. However, a majority of the local governments only have a small tourism staff with limited experience and knowledge of tourism and no budget allocated to tourism planning and development (National

Department of Tourism, 2011B). As a direct response hereof, the national department for tourism published a Tourism Planning Toolkit for local governments to help them develop and implement sustainable tourism decisions by giving them a guide on how to gather relevant information and use it to make sustainable decisions (National Department of Tourism, 2010). This is an example of the policy instrument information used inside the governmental structure as national authority shares information with local authority. However, as implementing the toolkit was voluntary, only three of the nine provinces implemented it (National Department of Tourism, 2012E).

4.3.1 Development of rural and heritage tourism

As a direct response to the recent years decline in visitors in rural areas and the implementation of the NTSS, where rural and heritage tourism is seen as a unique opportunity for black economic empowerment, the two strategies National Heritage and Cultural Strategy and Rural Tourism Strategy were developed (National Department of Tourism, 2011D; 2012C; 2012D). As a majority of the heritage and cultural sites and resources in South Africa are located in rural areas, the development of these as tourist destinations can help the local communities develop socially and economically (National Department of Tourism, 2012C).

Even though, the South African tourism industry had experienced quite some growth in 2012, most of the development was concentrated around a few places. As appendix 1 shows, the majority of South Africa is rural and more than 40 percent of the population live in rural areas (National Department of Tourism, 2012C). According to South African statistics, between 10 and 15 million South Africans, 20-30 percent of the population, live in areas of underdevelopment or extreme poverty (National Department of Tourism, 2012D).

The development of tourism, the conservation of heritage sites and the economic development in rural areas have so far been managed by three different departments in the South African government. This has resulted in the tourism sector being mainly focused on the development of heritage resources for tourist consumption as a way to earn money. On the other hand, the National Department of Arts and Culture has mainly been working to conserve heritage sites without concern for socio-economic opportunities resulting from the use of heritage resources (National Department of Tourism, 2012C; 2012D). As the departments do not work together, revenues from heritage tourism do not support conservation of the sites, and most of it never reaches local communities either (National Department of Tourism, 2012C; 2012D). The National Heritage and Cultural Strategy and the Rural Tourism Strategy are to integrate the planning, budgeting, implementation, and evaluation management from all relevant departments (National Department of Tourism, 2012D).

Insufficient allocation of resources, like human capital, funding, and materials, was defined as the main challenge in developing social and environmentally responsible tourism at heritage and cultural sites in rural areas (National Department of Tourism, 2012C). South Africa uses the information instrument broadcasting messages to brand the heritage sites, especially the eight World Heritage Sites, among tourists, both nationally and internationally, to attract more tourists to the rural areas. By raising public interests in the sites, the government believes incentives for private firms to invest in their conservation and protection would grow as well (National Department of Tourism, 2012D). However, the National Heritage Resource Act No 15 of 1999 states that the rights of affected communities to be consulted and participate in the management must be acknowledged, but in 2012 the integration of local community in tourism was still the exception more than the rule (The National Heritage Resource Act 15, 1999; National Department of Tourism, 2012C).

The Tourism department uses a contract with another departmental agency to encourage black economic empowerment and integration of local communities into the tourism sector. The contract is with the Expanded Public Works Programme that was launched by the Department of Public Works in 2003 to create decent work and livelihood opportunities (National Department of Tourism, 2012E; National Department of Public Works, 2013). The sub-programme, the Social Responsibility Implementation Programme, funds the development of rural tourism infrastructure projects that can range from cultural villages to tourist centres to hiking trails. Some of the requirements to be approved of funding is that the project should be labour intensive, so as to create jobs for current unemployed and SMMEs, and incorporate a sustainability plan (National Department of Tourism, 2012E). Only projects that align with the NTSS are considered for funding and the Department of Tourism has the final decision making in which projects to fund. In 2012/13, the department funded 57 projects (National Department of Tourism, 2014A).

4.3.2 Public-private partnerships

The National Department has throughout the years initiated several public-private partnerships to help promote a more responsible development of the tourism industry. In 2009, they used the informational policy instrument by cooperating with the national supplier of electricity, Eskom, to publish 7,380 brochures with tips on how to be more energy efficient in the tourism industry (Department of Environmental Affairs and Tourism, 2010). Furthermore, 9 financial contracts have been signed with the private sector to transform the sector accordingly to the NTSS and the black economic empowerment priority (National Department of Tourism, 2012E).

In 2011, 2 SMMEs were piloted in the African Management Services Company's (AMSCO) South African mentorship programme (National Department of Tourism, 2012E). AMSCO is a pan-African

company that focuses on skill development in the growth of African SMMEs. AMSCO works with a diversity of private companies, 29 national governments in Africa, United Nations Development Programme, and the International Finance Corporation of the World Bank Group (AMSCO, 2015). The two pilot mentorships turned out a success so twenty more SMMEs were recruited the same year (National Department of Tourism, 2012E).

The Tourism Enterprise Partnership (TEP) is a public-private agency, which is partially funded by the National Department of Tourism to support the development of SMMEs with training in tourism business skills, market access and capacity building (National Department of Tourism, 2012A). In 2010, 4,243 SMMEs were trained and 1,197 business linkages between large operators, investors and SMMEs were facilitated (Department of Environmental Affairs and Tourism, 2010). In 2011, 530 of the 2,253 supported SMMEs were rural, and more than 300 SMMEs owned by previously neglected communities enterprises were, furthermore, supported (National Department of Tourism, 2011A; 2012A; 2012E). TEP supports SMMEs with training, obtaining finance, marketing, technical assistance, obtaining certificates etc. (Gauteng, 2014).

Since 2004, the National Department of Tourism have formed a public-private partnership with the Federated Hospitality Association of South Africa (FEDHASA), a private organisation that represents the hospitality sector in lobbying the government (Department of Environmental Affairs and Tourism, 2010; FEDHASA, 2013). The purpose of the partnership is to fund and promote the annual Imvelo Award on Responsible Tourism, which have a record number of entries every year (Department of Environmental Affairs and Tourism, 2010; National Department of Tourism, 2012A).

The Imvelo Award is given in eight categories, which are described in the following (Imvelo Awards, 2013A, p. 1). In the Best Social Involvement Programme category, the award is given to *“the business that has made the most effort to ensure the integration of its activities with its local community”*. In the Best Practice - Economic Impact category, the award is given to the business that contributes the most to *“the economic benefit of the community”*. In the Best Overall Environmental Management System category, the award is given to the business that best manages its *“environmental impacts as a business in a sustainable and responsible manner”*. In the Best Single Resource Management Programme category, three awards are given for best water management, best energy management, and best waste management respectively. In the Most empowered tourism business category, the award is given to the business that has best *“addressed the issues of empowerment”*. Finally, in the Investing in people award category, the award is given to the business that has taken the best *“practical steps to develop the human resource component of [its] business”*.

Since 2012, when the National Minimum Standards for Responsible Tourism (NMSRT) was developed and implemented, every entry to the Imvelo Award needs to be in compliance herewith (Imvelo Awards, 2013B). The NMSRT was developed as a response to the high number of private accreditation systems certifying the sustainability of tourism businesses with different sets of criteria, which gave the tourists no way to recognise what was real and what was greenwashing (South African Bureau of Standards, 2011). In order for the NMSRT to become an official South African National Standard it went through a rigorous process by the South African Bureau of Standards to make sure it aligned with the ISO/IEC 17011 International Standard setting criteria for conformity assessment for bodies operating accreditation systems (Hatchuel, 2011; National Department of Tourism, 2015B).

The actual certification will be carried out by the South African National Accreditation System, which is the sole national agency responsible for carrying out accreditations approved by the South African Bureau of Standards (SANAS, 2015). The NMSRT consists of 41 criteria (10 sustainable operations and management criteria, 9 social and cultural criteria, 8 economic criteria, and 14 Environmental criteria), and according to the Tourism Grading Council, more than 4000 establishments were accredited the first year after the launch of the NMSRT (National Department of Tourism, 2012E; SANAS, 2015). To encourage the private tourism firms to get certified with the NMSRT, the National Department of Tourism entered into a partnership with the NGO Fair Trade Tourism South Africa, which they fund to inform on and encourage the implementation of the accreditation system (National Department of Tourism, 2012A).

The National Department of Tourism has, thus, combined an authority instrument with a financial instrument. NMSRT is a general conditional token as it is given to anyone under the condition that they fulfil the criteria, and the partnership with Fair Trade Tourism Africa is a financial contract where money is given under the condition of a promised service (Hood & Margetts, 2007).

4.3.3 Climate change response

In 2010, the National Climate Change Response Green Paper identified the tourism industry as being vulnerable to climate change as well as contributing to it. As a direct response, the National Department of Tourism established the Tourism and Climate Change Task Team to develop an action plan for the industry on how best to adapt to the changing climate and reduce the industry's impacts. The National Tourism and Climate Change Response Programme and Action Plan was developed to be implemented over three years beginning in 2012 and designed to deliver on the following five goals: improve understanding of how tourism is vulnerable to climate change, reduce greenhouse gases (GHG) from tourism activities, provide consistent and effective information to the industry, design a nationally consistent protocol for the implementation, and maintain a positive climate change position in key markets (National Department of Tourism, 2011C)

The first objective, to improve understanding of how tourism is vulnerable to climate change, will be achieved by gathering relevant information. A research project has been initiated together with the Department of Environmental Affairs and the German organisation for international cooperation, Deutsche Gesellschaft für Internationale Zusammenarbeit, to assess the impacts of climate change on some of the biggest tourist attractions in South Africa (National Department of Tourism, 2011C). Following this, in 2012, a guideline for assessing tourist attractions was developed and implemented (National Department of Tourism, 2012A).

The second objective, to reduce GHGs from tourism activities, is to be achieved by information and voluntary authority instruments. As already mentioned in the public-private partnership section, the National Department of Tourism works closely together with the national energy supplier, Eskom, to raise awareness in the industry on energy efficiency. The action plan states that a report should be made describing the tools, which the industry can use in its management of GHG emissions; this was developed and approved of in 2012 (National Department of Tourism, 2011C; National Department of Tourism, 2012A). Furthermore, a voluntary accord will be developed and implemented during 2013 to motivate the tourism sector to reduce its carbon footprint. The draft for the voluntary accord for the tourism industry to reduce carbon footprint was approved already in 2012 (National Department of Tourism, 2012A). An offset programme for the tourism industry had been investigated but was not found practicable (National Department of Tourism, 2011C).

The third objective, to provide consistent and effective information to the industry, builds on two information instruments, group-targeted information to the industry and at-large information on a more general level to tourists. Governmental workshops for tourism stakeholders will be held in each province to discuss responsible tourism and climate change. The workshops took place during 2013, during which time, awareness flyers were distributed to tourists (National Department of Tourism, 2011C; National Department of Tourism, 2014B).

The fourth objective, to design a nationally consistent protocol for the implementation, has three recommendations for action. First, it recommends that climate action plans should be developed for each province, which they were in the spring of 2015 (National Department of Tourism, 2011C; National Department of Tourism, 2015C). Second, climate change initiatives implemented should be reviewed and reported on, and, lastly, provincial tourism stakeholders should be encouraged to report on climate change initiatives at the Broad-Based Black Economic Empowerment Focal Points Forum¹, which has accepted Responsible Tourism as a standing item on its agenda (National Department of Tourism, 2011C).

¹ The broad-based black economic empowerment Focal points Forum is a conference on the inclusion of Black people in the economy (Economic Development Department, 2015)

The fifth, and last, objective, to maintain a positive climate change position in key markets, is achieved through branding South Africa as a climate-friendly destination. At the same time, the changes in preferences and behaviour, in relation to climate and environmental sustainability, among tourists from key markets, will be monitored closely. Furthermore, international policy that might affect South African tourism will be monitored; especially with regard to travel carbon emissions that count for 40 percent of GHG emissions from tourism. As many of South Africa's tourist attractions are placed in rural areas, scattered throughout the country, both international and many domestic tourists travel by aeroplane (National Department of Tourism, 2011C).

The National Tourism and Climate Change Response Programme and Action Plan states that the best approach to address the climate change challenges is for the government to provide the industry with clear and precise information and advice for the businesses. The majority of instruments recommended by the action plan is, therefore, also different tools to use in distributing information. The information instruments are, however, coupled with the authority instrument, but only on a voluntary basis (National Department of Tourism, 2011C).

4.4 New legislative framework

In 2014, a new legislative framework, the Tourism Act No 3 of 2014, was developed to replace the Tourism Act 72 from 1993. Due to the many new strategic actions taken in recent years, the old act was considered not to be in line with, and fully capable of implementing, the objectives of the White Paper and the NTSS. The new tourism act provides the minister with the option to determine norms and standards that must be applied by official tourism institutions while private firms have the option to choose whether they want to implement the norms and standards (Republic of South Africa, 2014). The 'leading by example' is an authority instrument where the official institutions inspire the private sector to follow suit. The National Department of Tourism has already incorporated measures in social responsibility and publishes an annual report of their performance on the inclusion of Black people in the sector (National Department of Tourism, 2015C).

The biggest change from the Tourism Act 72 from 1993 to the current act is the establishment of the Tourism Grading Council, which is responsible for the implementation of the national grading system. The council is to supervise that all grading conforms to the standards and objectives of the national strategies and, furthermore, that the standards are maintained and upgraded where necessary (Republic of South Africa, 2014).

4.5 Conclusion

Before 2009, tourism was administered by the National Department of Tourism and Environmental Affairs. However, the majority of resources were allocated to the environmental part of the department and tourism only existed on paper. After tourism was recognised as one of the sectors with high potential of bringing economic growth to the country, a ministry of tourism was created together with the National Department of Tourism and more resources were allocated. The department is responsible for formulating and implementing all tourism sector policies and strategies. Already before the National Department of Tourism was created, social and environmentally responsible tourism were considered key concepts in the development of the industry and much emphasis has been placed on them since.

The National Department of Tourism uses all of the four policy instruments described by Hood & Margetts, but the main emphasis has so far been on the information instrument. All policies, strategies, action plans and performance plans stress the importance of using information to drive changes in the industry. This includes mass broadcasting, industry conferences, stakeholder workshops, and publishing of reports. Authority instruments are used in the development of the grading scheme, National Minimum Standards on Responsible tourism, which is voluntary to partake in. Authority is further used in inspiring certain behaviour by leading by example and by incorporating responsible tourism in the schools' curriculum.

The organisation instrument is not promoted in the policies and strategies, but does, however, form the basis of every action in the industry. Organisation is used in the management of national parks and heritage sites, which all constitute a relatively big part of tourists' preferred attractions. Normally the building of infrastructure is done by a public agency and would, thus, be categorised as an organisation instrument. However, in South Africa, to improve the inclusion of previously neglected communities and SMMEs, a financial scheme was developed to support SMMEs by contracting them to build tourism infrastructure using labour intensive methods, and thereby improve economic livelihoods. The finance instrument has, furthermore, been taken into more use in the last couple of years to provide incentives for the private firms to transform into a more sustainable behaviour.

5 Changes in the tourists' preferences

As businesses are always looking out for changes in demand patterns among consumers, it is relevant to investigate how the environmental awareness among tourists has developed. This chapter will, therefore, look further into the development of environmental awareness among tourists in South Africa. Section 5.1 will give a short description of the general development of environmental awareness in tourism demand.

Section 5.2 will focus more specifically on the demand in the key tourist source markets for South Africa. And finally, section 5.3 will conclude on the findings in this chapter.

5.1 Environmental awareness among tourists

With the growth of commercial airlines in the 1990s, travelling became easier and more affordable, and international tourist arrivals have since grown from 25 million to 1,238 billion in 2014 (Honey, 2008; Center for Responsible Travel, 2015). However, as the number of tourists grew, traditional destinations became overcrowded, and today tourism is growing at a higher rate in developing countries than in developed countries (United Nations World Tourism Organization, 2015D).

Climate change did not become a public concern before the 1970s and 1980s with the green movement (Jamison, 2010). During the 1980s, attention was drawn to the negative consequences of mass tourism on the environment and in the late 1980s, the term 'ecotourism' gained much attention (Orams, 1995). In the 1990s, environmental degradation and climate change became an important debate both in public and in politics. The UN conferences on climate change, that just lead to the new Paris agreement, the increase of environmental NGOs and the growing attention by medias all contribute to the popularisation of sustainability and environmental awareness (Martell, 1994)

According to Campbell (1999), Tourists preferring nature-related tourism, where responsibility was taken for the environmental impacts, was considered the fastest growing tourism segment in the 1990s. A study published by the Center for Responsible Travel and the International Ecotourism Society combined, found that although there was a growing demand for eco-labels, social investments and ethical products, more than 90 per cent of the tourists did not ask the businesses about their practices in these areas (Chafe, 2005; Center for Responsible Travel, 2015). Furthermore, only a minority of the tourists described themselves as being ethically conscious and most of them would still stay at a hotel even if it did not perform in an environmentally friendly way (Chafe, 2005).

Moreover, a study by Weaver and Lawton (2007), found that the environmental consciousness was much higher when the destination was a natural area than when it was cities or beach resorts. In a 2013 survey of travel agents, 51 percent responded that the interest in green travel had been constant during the last ten years. However, 24 per cent of the guides stated that the interest were the highest experienced in the last ten years (Travel Guard, 2013, cited in Center for Responsible Travel, 2015).

5.2 South Africa's key tourism source markets

Domestic tourism constitutes 52 per cent of all tourists in South Africa (National Department of Tourism, 2011B). However, as almost 85 percent of the domestic tourists reside with friends and relatives during their stay, this segment only provides a small contribution in tourism spending (South African Tourism,

2012). Other African countries were the biggest suppliers of international tourists to South Africa in 2010, providing 71 per cent of total arrivals. Of the overseas markets, most of the tourists were from Europe, with the United Kingdom and Germany being the main source market, but also, USA contributed a substantial number of tourists (National Department of Tourism, 2011D). The Middle East together with Central and South America constituted the regions with least number of tourists in South Africa, accounting for only 134,990 tourists out of 8.3 million tourists in 2011 (South African Tourism, 2012). Appendix 2 provides an overview of numbers of tourist arrivals from each region of the world.

Nine of the top 20 source markets in South Africa are African countries and the top 5 are all neighbour countries to South Africa (see appendix 3 for a list of the South African top 20 source markets) (South African Tourism, 2012). In total, South Africa received 6,117,105 tourists from African countries in 2011. Of these, 3 million are from Zimbabwe and Lesotho with 1.5 million arriving from each country. Mozambique contributes with 1.1 million, and Swaziland and Botswana with 0.7 million and 0.4 million respectively (South African Tourism, 2012). The African markets generally have a rising interest in heritage and cultural tourism, while the demand for nature and animal driven tourism is quite small among this group (National Department of Tourism, 2012C).

In 2011, a total of 1,275,679 tourists came from Europe and 345,384 from North America. The majority of overseas tourists were from the United Kingdom (420,483), USA (287,614), Germany (235,774), the Netherlands (113,846), and France (105,420) (South African Tourism, 2012). Even though African tourists outnumber overseas tourists many times, average spending by the overseas tourist is substantially higher than average spending by African tourists (South African Tourism, 2012).

A research by VisitEngland shows that, while more than 50 percent were interested in staying at environmentally friendly accommodations, only 13 percent had actually stayed in an accommodation with environmentally friendly practices (VisitEngland, n.d., cited in Blue & Green Tomorrow, 2014). Furthermore, the same 50 percent that were interested in staying at environmentally friendly places also stated that they did not want to concern themselves with being green when on holiday (Blue & Green Tomorrow, 2014). Similar trends can be seen among U.S. tourists where more than 70 percent stated that they turned off the air conditioning when not in the room and reused towels and linen. However, only 12 percent were willing to pay more per night for an environmentally friendly accommodation (The Travel Foundation and Forum for the Future, 2012, cited in Center for Responsible Travel, 2015).

Like the United Kingdom and the USA, Germany is considered to have a rather high level of environmental concern (Bramwell & Alletorp, 2001). A study from 2012 found that 48.7 percent of Germans regularly buy fair trade products, and another study found that 40 percent of the Germans actively seek out environmentally friendly holidays (Forum Fairer Handel, 2013, & FUR, 2013, cited in

National Department of Tourism, 2013). In 2010, a Dutch research centre found that 7.2 million people over 18 years old thought sustainability to be an important part of their holiday (NBTC-NIPO, 201, cited in National Department of Tourism, 2013). That was slightly more than 57 percent of the adult population in the Netherlands in 2010 (Statistics Netherlands, 2015).

Two source markets that are quite small today, but are on the top 20 list for overseas source markets (see appendix 4), and show the potential of being more prominent in South Africa are China and Sweden (South African Tourism, 2012). Of the 297,882 tourists that arrived from Asia in 2011, 84,883 were from China, and with a growth rate of 38.2 percent, China is, furthermore, one of the fastest growing source markets in South Africa (South African Tourism, 2012). In the same period, Sweden is growing in outbound tourism and is among the 20 biggest long-haul markets in the world (National Department of Tourism, 2013). The Swedish Chamber of Commerce stated in 2011 that almost 75 percent of Swedes went on holiday every year and that 18 percent of these were in developing countries (Swedish Chamber of Commerce, 2011, cited in National Department of Tourism, 2013). Swedish travellers are, furthermore, conscious about conservation and fair working conditions when travelling, and sustainable tourism is considered to be the most important travel trend in Sweden between 2010 and 2020 according to the travel agency TUI (TUI, 2013, cited in National Department of Tourism, 2013).

As already mentioned, the European markets are generally very important for South African tourism, and the growing interests, not only in the environment but also in culture and heritage, are providing an opportunity for South Africa. According to a survey of travel agents in 2013, 38 percent said that historical sites were more important for their clients than nature and animal activities (Travel Guard, 2013, Center for Responsible Travel, 2015). According to the UN, cultural tourism makes up 40 percent of international tourism and is the fastest growing niche in South Africa together with heritage tourism (National Department of Tourism, 2012C). Furthermore, statistical data by South African Tourism show that between 60 and 85 percent of tourists from Asia, Europe and Americas are more interested in local history, cultures, and traditions, than wildlife viewing (National Department of Tourism, 2012C).

5.3 Conclusion

Environmental awareness has generally grown steadily since the beginning of the 1990s and is today a priority among many travellers in order to leave behind a footprint as small as possible. Even though the majority of tourists in South Africa are domestic, the majority of spending happens from international tourist. The tourism industry is, therefore, more likely to act according to their demands. 71 percent of international tourists come from other African countries and their demands are primarily driven by an interest in heritage and culture. This demand is also notable among overseas tourists, especially among Americans, where 85 percent are interested in heritage and culture. Several surveys and research studies

have shown that there is a general consciousness about environmental friendly behaviour among tourists from Europe and North America, but also that the lack of environmental behaviour at the destination does not affect the holiday plans. In general, it can be said that tourists are highly aware of the environmental effects the industry has on the environment but prioritise experiences and relaxation higher than green behaviour when away from home.

6 The transformation of the South African tourism industry

Chapter 6 will build on the two previous chapters in the discussion of how the tourists' preferences and the tourism policies have affected each other and the effect this might have had on changes in the industry. First, section 6.1 will highlight some of the troubles South Africa has experienced in the implementation of some policies. Next, section 6.2 will discuss the use of different policy instruments and in what degree they are strengthening the tourists' preferences. Finally, section 6.3 will discuss in what degree some of the coming policy interventions might influence the industry, and what role tourism preferences will play in this.

6.1 The performance of some of South Africa's policy instruments

An essential obstacle in transforming the tourism industry in a more environmentally friendly direction is the lack of alignment with other governmental departments. A substantial part of emissions from tourism come from transportation which is why a close cooperation between the National Department of Tourism and the National Department of Transport is needed (National Department of Tourism, 2011D). The public transportation system in the cities is not very tourist friendly as city buses can only be used with a bus card – buying single tickets is not possible². However, this might also be a tactic decision from the government as it leads to a higher demand for taxis and rental cars, which will support the economy better than busses, both in tourism spending and in the number of jobs, especially among taxi drivers (National Department of Tourism, 2011B). With an unemployment rate on more than 25 percent, there is a strong emphasis on development and job creation among all departments, which might result in difficult compromises having to be made (StatsSA, 2015).

The majority of the South African government's policies on tourism and all the strategies are developed in cooperation with stakeholders in the industry. The Tourism White Paper, the NTSS, the National Heritage and Cultural Tourism Strategy, and the National Rural Tourism Strategy were all developed through several workshops with participants from the House of Traditional Leaders, local governments, NGOs and provincial tourism authorities (Tourism White Paper, 1996; National Department

² Author's own experience during a 4-month stay in Cape Town, South Africa in 2014

of Tourism, 2011B; 2012C; 2012D). However, the participation of private businesses has been quite small, which might explain why several of the strategies have failed in the implementation (SA Tourism Review Committee, 2015). A SWOT³ analysis of heritage and cultural tourism, furthermore, identified limited commitment by private stakeholders to be the biggest threat to implementing the strategy (National Department of Tourism, 2012C).

The Social responsibility implementation programme, under the Expanded Public Works Programme, was implemented to create work for unemployed in rural areas by improving infrastructure with labour intensive methods but has not performed according to plans (National Department of Tourism, 2014B). According to a report submitted to the Parliament's Portfolio Committee on Tourism in 2014, many of the projects were far behind schedule, showed a poor workmanship, and had no operational or sustainability plans. Furthermore, some of the projects also had reports of corruption (Vos, 2014).

TEP did not perform optimally either as the demand was not as high as calculated. This was mainly due to the cost of participating. The Annual Report 2013/14 showed that many SMMEs could not afford to pay the required administration fees to access benefits and market support (National Department of Tourism, 2014B). As many of the TEP events take place in more centralised places, the Annual Report 2014/15 pointed out that many SMMEs could not afford the travelling costs of attending (National Department of Tourism, 2015C).

A study by Bramwell and Alletorp (2001), also, showed that when it came to implementing social and environmentally friendly practices, costs were the main obstacle. Especially for SMMEs, finding the money required for the investments can be pretty tough as many cannot grant security for a loan (SA Tourism Review Committee, 2015). To encourage the industry to reduce its carbon footprint, the Climate Change Response Programme and Action Plan laid the foundation for a Voluntary Accord to be implemented by 2013 (National Department of Tourism, 2011C). However, in 2015, this accord has still not been fully developed and implemented, which makes it hard to say anything about its potential effectiveness (National Department of Tourism, 2015C).

6.2 Choosing between the policy instruments

If the private sector is to overcome the barriers to environmentally friendly practices, strong incentives are indeed needed through both governmental legislation and demand from consumers. However, according to Chafe (2005), most tourism companies do not feel any pressure from consumers to create responsible policies. Even though most tourists prefer their holiday to put as little pressure as possible on

³ An analysis of the strengths, weaknesses, opportunities, and threats.

the environment, they do not investigate how big a footprint they actually leave. Chafe (2005) further states that the certification programmes for environmentally friendly tourism are for the most part unknown to tourists. Also, more marketing and education of the quality and legitimacy of the different labels are needed to make them more attractive for the private sector. Due to the lack of knowledge of the different labels among consumers, in 2005, private companies with labels stated that they did not feel any market differential (Chafe, 2005).

However, a study by Discoll, et al (2007) found that, even though most companies agreed that consumers needed more education in choosing more environmentally friendly options, they also feared that such an education would affect tourism demand negatively. This fits very well with the findings in chapter 5 that consumers generally cared about their effect on the environment but did not like to think about it while on holiday. However, a study from 2001 found that even though the tourists are not exactly demanding it they might choose some companies over others depending on their environmental performance (Bramwell & Alletorp, 2001).

The South African National Minimum Standard of Responsible Tourism targets some of the above problems as it lists some minimum standards private firms have to comply with to be graded, and promote the certificate among both private firms and consumers (South African Bureau of Standards, 2011). However, as Bramwell and Alletorp (2001) point out, tourists only look to see if the company is graded but do not investigate how much the company actually does. This leaves the companies with an incentive to only just fulfil the standards but not exceed them, as this will result in higher costs but not necessarily more benefits. The South African minimum standards, therefore, might give consumers a way to recognise if the certified companies are legit, but it might also remove incentives for private firms to do more. Furthermore, as the standards are voluntary, there is no guarantee that the firms will actually implement them, especially if consumers do not require it.

To motivate the private sector to transform in a more sustainable direction, South Africa has mostly relied on information instruments. This can partly be attributed to the policy drafting, which relied heavily on EU experts in the field of development (Tourism White Paper, 1996). According to Halkier (2006, p. 39), the policies in the western world highly relied on *“‘softer’ measures like advisory services and network building ... [instead of] ‘hard’ measures such as finance, infrastructure and regulation”* in that period. However, Halkier states that policies with hard measures will create a stronger incentive for industries to comply. This is supported by a study by Bernini & Pellegrini (2013), concluding that financial instruments like subsidies programmes can help the tourism industry have a positive impact on economic growth, social development, and environmental conservation.

Subsidy programmes might also be a good incentive for investments as transferring the costs to the consumers, thereby, might be avoided. When choosing a holiday, the three most important criteria are weather, cost and good facilities (Chafe, 2005). However, more than 30 percent of tourists have stated their willingness to pay more to be assured the company is managed in an environmentally friendly way (Chafe, 2005). The problem with willingness-to-pay surveys is, though, that often people attach more value to a given object when asked to give a hypothetical amount for it without being obligated to actually pay the given amount (Tietenberg & Lewis, 2009). As Chafe (2005, p. 7) states, “[m]any surveys ... looked at consumers’ intentions, but very few ... tested consumers’ purchasing habits”, which is why consumers’ stated willingness to pay is not motivating companies to invest in environmentally friendly practices.

6.3 New policy interventions

Recent years have seen a shift in the weighting of policy instruments. The Tourism Act 3 of 2014 gives the National Department of Tourism the mandate to establish new programmes and mechanisms to further encourage and develop the tourism industry. The aim of the Tourism Incentive Programme (TIP), launched in March 2015, is to achieve the objectives of the NTSS, the National Development Plan and other government policies (National Department of Tourism, 2015E). The TIP will contain four sub-programmes using financial incentives to drive growth in the industry. These programmes will focus on market access, tourism grading, investments, and energy-efficiency respectively.

However, as stated in chapter 3, financial instruments are constrained by it being a limited resource. The National Department of Tourism, therefore, has to be aware of the social and economic return of their investment. Due to the limited resources, all four sub-programmes will not be implemented immediately (Hanekom, 2015). The Minister of Tourism, Derek Hanekom, stated in his speech at the launching of TIP that the Market Access Support Programme and the Tourism Grading Support Programme both would be open for applications immediately, while the energy-efficiency programme would be a pilot programme in the first year, and then grow in the coming years (Hanekom, 2015).

The energy-efficiency programmes will first be introduced at state-owned attractions and destinations to shift to renewable energy technology to reduce costs and make establishments more environmentally friendly. If successful, the programme will be developed for establishments in the private sector as well (Bloem, 2015). If successfully implemented this programme might provide participating private firms with a competitive advantage over those not participating as consumers increasingly expect companies to have environmentally friendly practices, as was shown in chapter 5.

The aim of the International Market Access Support Programme (IMASP) is to support SMMEs to gain market access and improve their international customer base (Hanekom, 2015). This will be achieved

by partially reimbursing the SMMEs for costs related to participating in some predetermined international exhibitions and roadshows (National Department of Tourism, 2015E). This programme has the potential of driving growth among SMMEs, and, thereby, also creating social and economic development in some of the most rural areas; helping to provide a sustainable livelihood for local communities. Tourists are more willing to support a company if they can be assured this will benefit either the environment or local communities (Chafe, 2005).

Like the IMASP, the Tourism Grading Support Programme (TGSP) aims to support SMMEs by making grading more affordable for them (National Department of Tourism, 2015D). As good facilities are one of the three most important criteria when consumers choose their destinations, being graded can prove vital in attracting tourists. The TGSP works to ensure consistent quality standards by offering growing discounts on the grading assessment fees. The first year, SMMEs will receive a 30 percent discount, and if the grading is maintained at the same standard or improved the discount will grow with 5 percent point each year. This will happen until the fifth year where a 50 percent discount is possible. Hereafter, a 50 percent discount will be given each year if the grading standard is maintained (National Department of Tourism, 2015F).

Much of the National Department of Tourism's focus has been on SMMEs, especially in rural areas, as a drive for social and economic growth. However, rural tourism has declined with 17 percent and now only comprises 11 percent of the market while city holidays have grown 58 percent and now account for 20 percent of the market. Also, beach holidays have grown and now encompass 28 percent of the market. However, rural areas still receive a growing number of tourists as holiday packages, where rural tourism is combined with city and beach tourism, have grown with 32 percent and now comprise 23 percent of the market (SA Tourism Review Committee, 2015).

Many city and beach hotels are, however, larger establishments and are, therefore, not covered by the TIP. After the National Treasury has developed *"the carbon tax policy paper, which seeks to reduce greenhouse gas emissions and facilitate the transition to the green economy."* (National Department of Tourism, 2012B, p. 10), all energy production will be taxed from 1 January 2016. This cost will then be passed on to retailers i.e. hotels, and they will then pass it on to the consumers (The Carbon Report, 2015). The tax was originally designed to be implemented from 1 January 2015 but was delayed one year due to uncertainties about willingness to pay among consumers and the fear that this might lead to an economic decline. The tax was postponed a year to develop incentive programmes and discounts for the shift to renewable energy sources so as to further strengthen the transition to a green economy and avoid decreases in consumer demand (Business Day Live, 2014).

7 Conclusion

The purpose of this thesis is to investigate which variables encourage the transformation of the South African tourism industry from traditional tourism to more socially and environmentally responsible tourism. The analysis of the South African tourism policies show a shift in policy instruments from main reliance being placed on organisation and especially information to including authority and finance as well. The White paper from 1996 uses information and organisation with the tourism board, the national parks, infrastructure development, and tourism education. The tourism education, however, also incorporates authority and finance instruments as financial incentives are used to encourage student to study tourism and subjects related to tourism are incorporated in the curriculum in high schools.

With the implementation of the National Tourism Sector Strategy, the national Heritage and Cultural Strategy, and Rural Tourism Strategy, financial instruments have come more into use through public-private partnerships. The National Department of Tourism is funding several programmes that aims at developing SMMEs in a socially, environmentally or economically way. However, the main object of the department is voluntary behaviour, which means most of the organisations receiving funds from the government is offering advice or counselling on either how to grow the business or invest in sustainable practices. To encourage companies to participate in the programmes the National Department of Tourism relies mainly of branding the preferences of tourists.

Chapter 5, however, showed that there generally is a high concern for the environment among tourist but that it is still not fully shown in the tourists' actions. Even though 50 percent of English people wanted to stay in environmentally friendly accommodation while on holiday, only 13 percent had actually done it. Furthermore, there was a general consensus among the studies reviewed that while most respondents cared about the environment they did not wish to think about while on holiday. One study found that more than 30 percent were willing to pay more to stay at environmentally friendly hotels, while others concluded that one of the most important factors in choosing a holiday was the costs.

As the consumers' willingness to pay, for better environmental practices, is questionable and the perceived improvements in performance is small compared to investment costs for companies that have already implemented environmentally friendly practices, incentives to invest in those practices are very small. To have any effect it is, therefore, important that tourism policies and the tourists' preferences and demands are in synergy with each other. With the recent policy interventions, where financial incentives, such as tax discounts obtained by investing in renewable energy, are used to encourage the companies to install environmentally friendly practices it becomes clear that the South African government has started to use policies to strengthening the influence of tourists' preferences.

Companies operating in natural areas have generally showed more willingness to invest in environmental conservation. This, however, can also be explained as simply smart business as they need the environment for the survival of the business. Consumers show clear preferences for environmental friendly practices but are still not very demanding. Therefore, environmentally friendly practices might gain some companies a competitive advantage but it is far away from being a competitive necessity. However, with the support of policies the industry might be influenced to change its behaviour. As most consumers are still much cost sensitive, the shift to more environmentally friendly practices should be a smart business economically to motivate the industry as a whole. Governmental policies hold the instruments necessary for this but are, unfortunately, constrained by the competition of financial funds for other development areas as well.

As this is a case study of the South African tourism industry, the findings are not directly applicable to other countries as the key source markets for those countries might have other preferences, which will influence companies and financial incentives might not be optimal then. However, the environmental consciousness is a growing global trend so most countries have tourists with a certain degree of environmental concern and part of this conclusion might, therefore, be valid for other cases as well.

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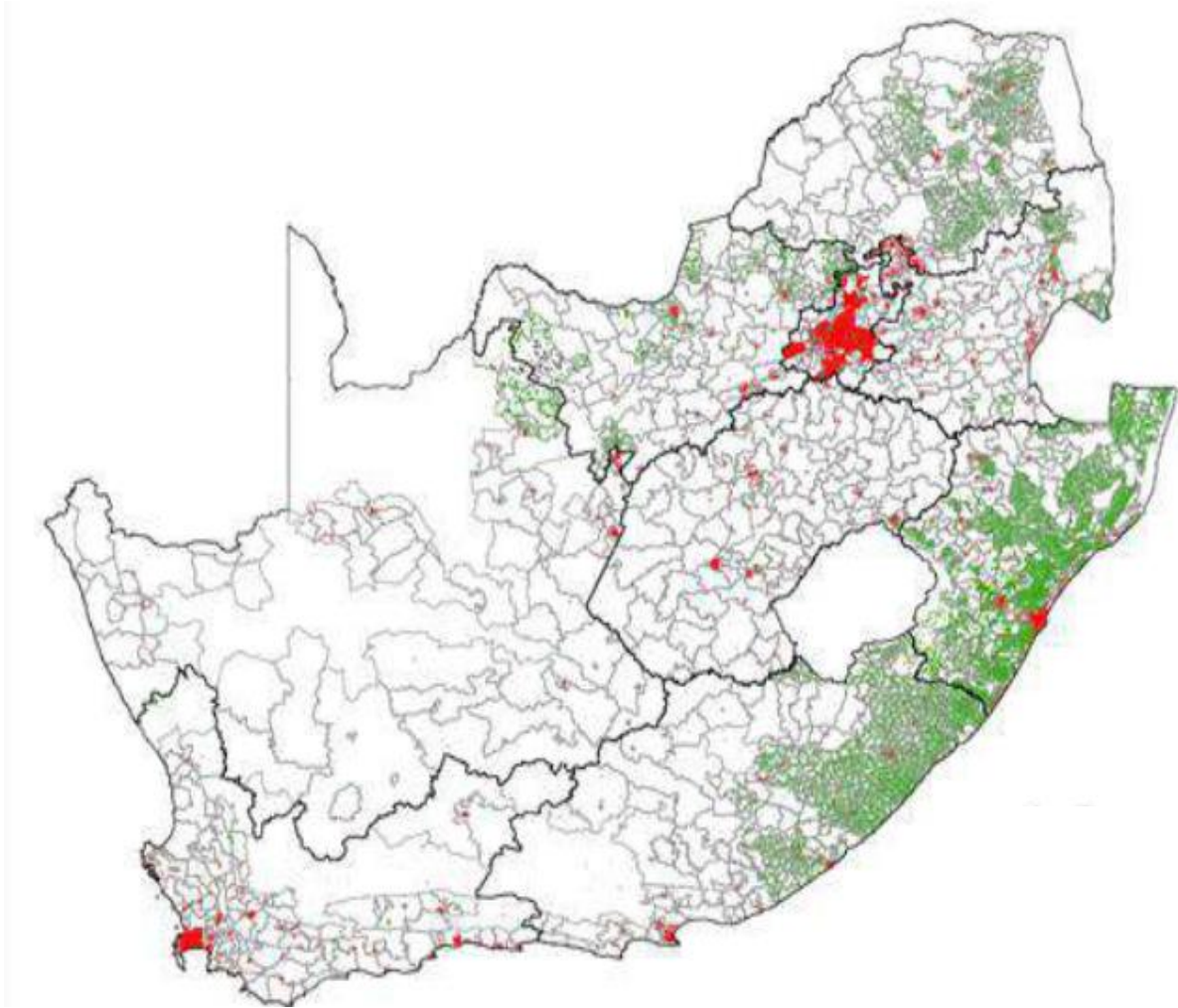
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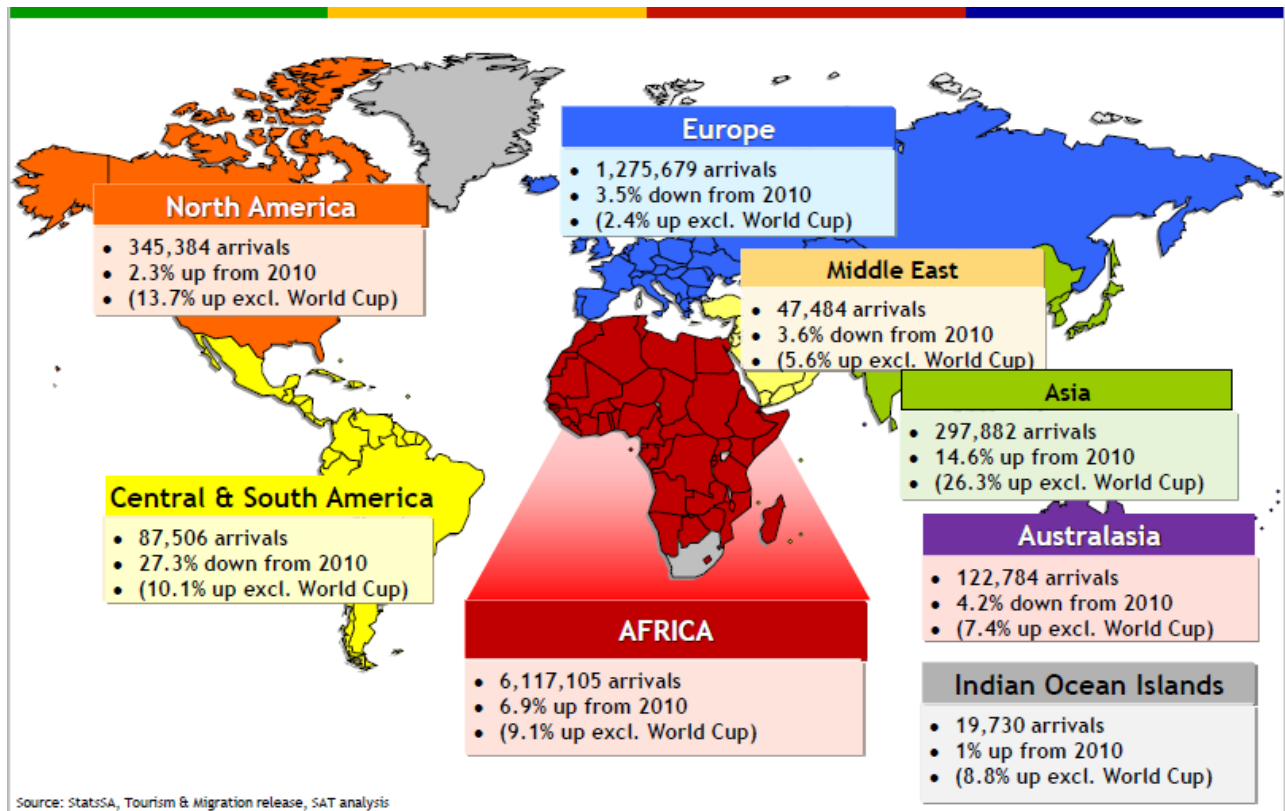
Appendix 1: South African rural areas



Map One: Classification of urban and rural in South Africa as per The Department of Provincial and Local Government and Statistics South Africa 2005. Urban areas are red, protected areas are green and the rest of the map indicates what constitutes rural in South Africa.

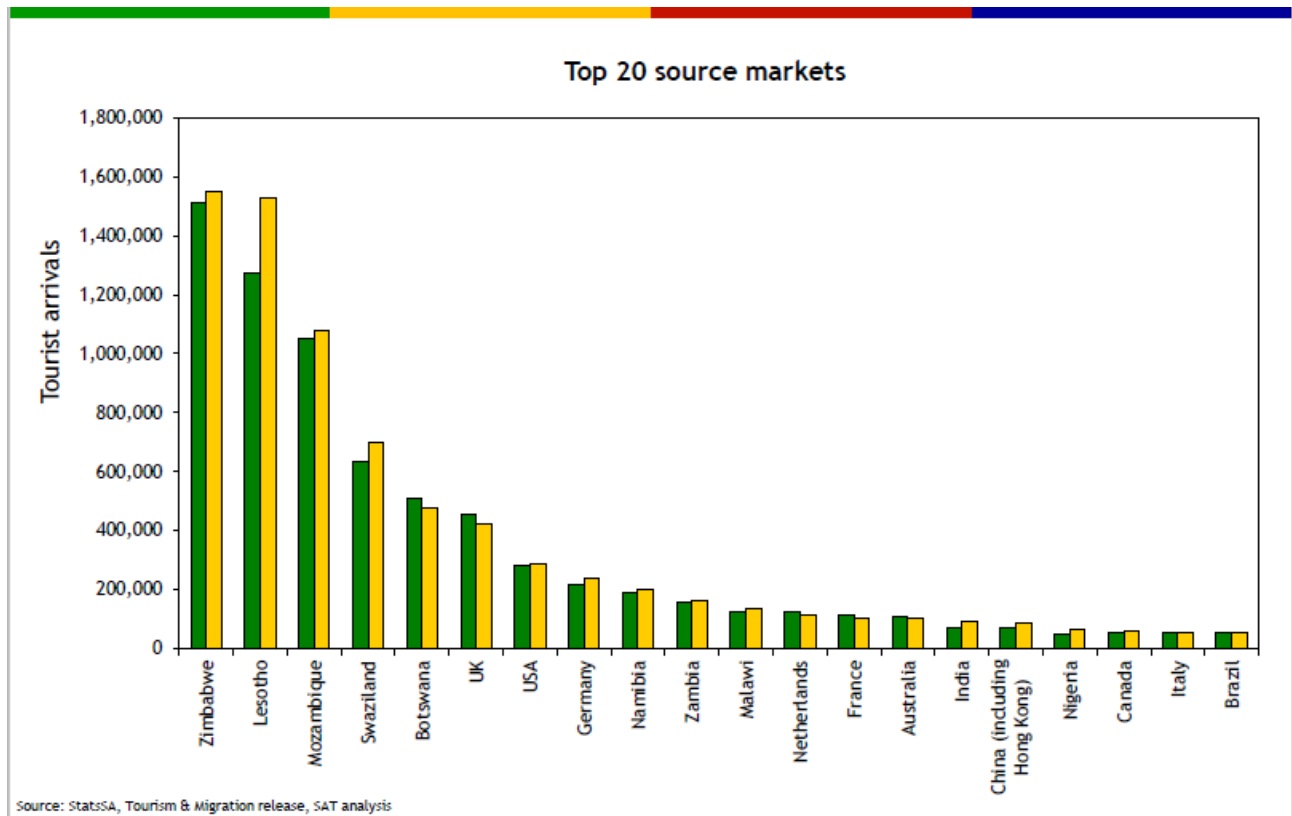
(Source: National Department of Tourism, 2012D, p. 28)

Appendix 2: Tourist arrivals to South Africa



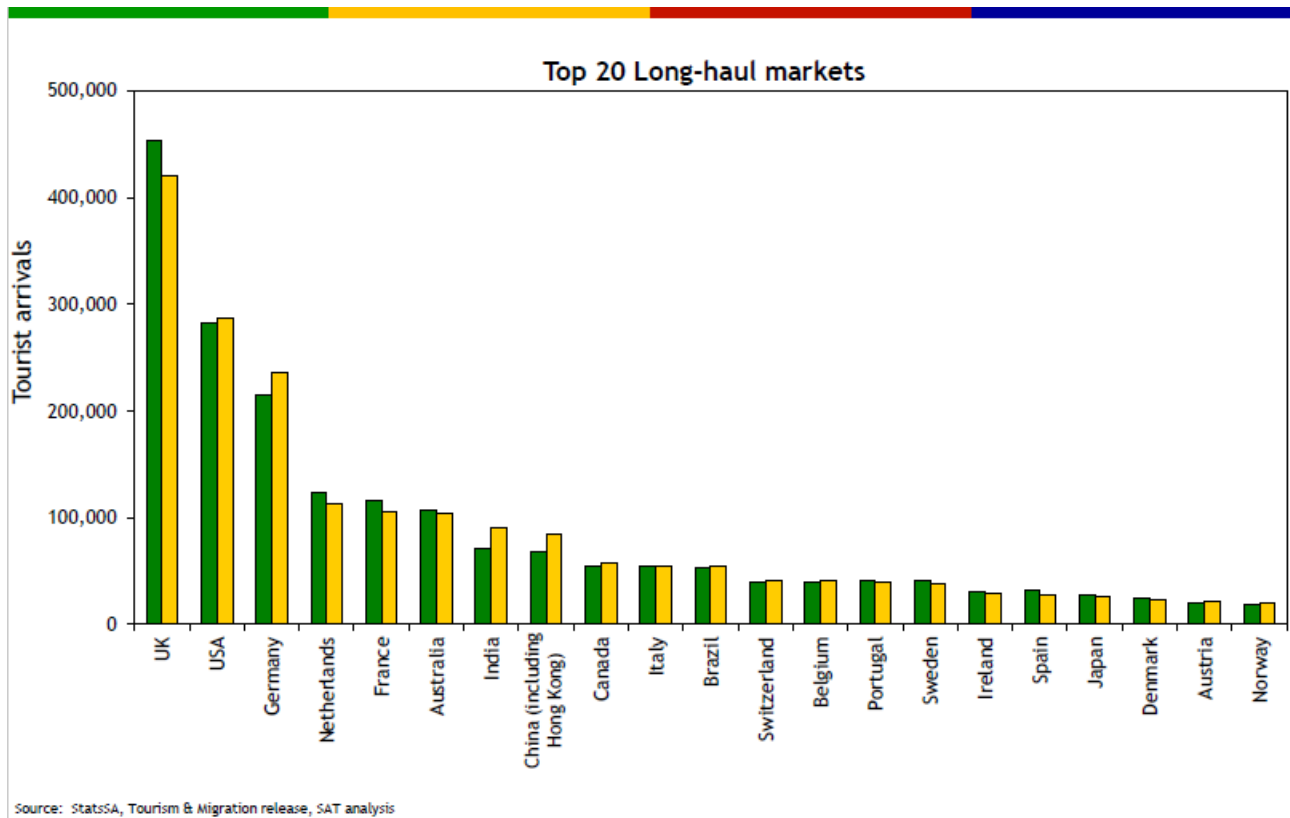
(Source: South African Tourism, 2012, p. 20)

Appendix 3: Top 20 source markets



(Source: South African Tourism, 2012, p. 31)

Appendix 4: Top 20 Long-haul markets



(Source: South African Tourism, 2012, p. 33)