South Africa’s Tourism Development Journey (Tourism as an Instrument for Development)

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Chapter 15

SOUTH AFRICA’S TOURISM DEVELOPMENT JOURNEY

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Abstract: Nearly two decades into South Africa’s democracy, this chapter describes the most recent policy and strategy initiatives to ensure sustainable development and to enhance the country’s tourism competitiveness. It discusses the key national tourism policies, plans, and strategies, which together provide the framework for tourism development and management in the country. The importance of balancing a “top-down” framework with “bottom-up” local engagement is emphasized as a cornerstone of South Africa’s future tourism journey. In line with the philosophy that “structure should follow strategy”, the institutional framework to manage tourism during the next planning period is outlined. The discussion concludes with the critical success factors to enhance South Africa’s future sustainable tourism competitiveness. Keywords: Sustainable development, competitiveness, stakeholder engagement, national strategy

INTRODUCTION

Although various positive building blocks were already in place, tourism development in South Africa gained significant momentum after the country’s transition to democracy in the early 1990s. The number of foreign
arrivals increased from just more than 3.4 million in 1993 to over 13.5 million in 2012 (9.2 million of which were tourists), with tourism contributing 7.9% to the economy in 2009 (Department of Tourism [DoT], 2011, 2013a).

The Tourism Act No 72 of 1993 and the Tourism White Paper of 1996 on the Development and Promotion of Tourism in South Africa largely provided the parameters and framework for tourism development and promotion in the country during the 1990s and the first part of this century (Department of Environmental Affairs and Tourism [DEAT], 1996; Steyn & Spencer, 2011). In order to address national priorities and ensure alignment with the changing macro, competitive, and market environments, an extensive consultation process was facilitated in 2009, engaging key public and private stakeholders involved in and/or impacting on the tourism industry. This culminated in a comprehensive National Tourism Sector Strategy (NTSS) for South Africa, which was approved by Cabinet in 2010 (DoT, 2011).

The point of departure for the NTSS is that it must in a concrete way contribute toward achieving growth targets as contained in the national New Growth Path for South Africa, where tourism is positioned as one of the six core pillars of growth in the country. In this regard, tourism has committed to creating 225,000 additional jobs by 2020. Based on key trends, the NTSS further seeks to more than double tourism’s direct and indirect contribution from 2010 to 2020.

South Africa’s tourism strategy, as articulated in the NTSS, is premised on three core themes: to growth the tourism economy, to enhance tourist experiences, and to strive for sustainability and good governance. It is emphasized that the successful implementation of the strategy will require multilevel partnerships, collaboration, and coordination between the public and private sectors, civil society and citizens. Strategic priorities addressed in the NTSS include the creation of a conducive environment for sustainable growth; a strong emphasis on marketing and brand management; stimulating regional and domestic tourism; developing business and events tourism; niche product and rural tourism development; increasing investment in the sector; improving service excellence; promoting decent work; addressing community beneficiation; and effective cooperative partnerships (DoT, 2011).

In this chapter, South Africa’s tourism development journey will be articulated, with particular emphasis on the National Tourism Sector Strategy, which is aimed at ensuring sustainable development and enhancing South Africa’s overall competitiveness. The key challenges and critical
success factors pertaining to the implementation of the overall strategy, as well as the lessons learnt, will also be discussed.

GLOBAL TOURISM COMPETITIVE POSITIONING

According to the 2013 World Economic Forum Travel and Tourism Competitiveness Report (2013a), which compares the tourism performance of 140 countries on the basis of 75 indicators, South Africa is rated 3rd in Sub-Saharan Africa (after Seychelles and Mauritius) and 64th overall, dropping four places since 2009 (World Economic Forum [WEF], 2013a). On the positive side, the country comes in high at 17th place for its natural resources and 58th for its cultural resources, based on its many World Heritage Sites, its rich fauna, its creative industry, and the many international events and exhibitions held in the country. Of significance is the fact that infrastructure in South Africa is also relatively highly rated, with air transport infrastructure rated 43rd, rail quality 46th, and road quality 42nd. Overall, policy, rules, and regulations are regarded as conducive to the development of tourism (ranked 29th), with relatively few visa requirements and well-protected property rights contributing to this ranking. However, there are also some key areas of concern that have impacted significantly on the country’s overall ranking. Thus, for example, safety and security remains a key issue (ranked 117th), as so does health and hygiene (87th). A further major concern, particularly when considering South Africa’s longer term competitiveness, is human resources, ranked 132 out of 140 countries featured in the study. South Africa’s price competitiveness is also increasingly under pressure, as is reflected increases in ticket taxes and airport charges (105th) and fuel prices (77th) (WEF, 2013a).

At another level, the competitiveness study undertaken by South African Tourism compares and benchmarks its positioning and performance relative to those of key competitors, such as Australia, the United States, Kenya, Thailand, and Brazil. Relative to these countries, it maintained the highest growth in tourism’s GDP contribution at 13%, compared to Australia’s 12% (South African Tourism [SAT], 2010). In terms of employment, South Africa recorded a total of 439,000 job opportunities provided and 4% growth between 2003 and 2008. During the same period, Australia recorded 0% growth in jobs and was standing at 499,000 jobs. Of all the benchmarked countries, South Africa has the most favorable repeat tourist rate for foreign arrivals. In spite of the fact that the government’s overall
spending on tourism has increased significantly, Australia, which focuses more on yield than on volumes, still spends approximately 1.8 times more (as a percentage of GDP) on tourism than South Africa. Of particular significance is that many of its key competitors are strategically responding to changes in the macro environment (such as global financial crisis) and changing marketplace (value conscious and experience-orientated) and are increasingly developing and launching new and innovated products and experiences to response to the new opportunities and challenges (SAT, 2010).

Making Tourism Happen at the Local Level

Although there are many excellent initiatives, underpinned by comprehensive plans and strategies, taking place at the national and provincial levels, one of the biggest challenges is to concretize these initiatives at the local levels, as this is where the tourism experience is provided at every “touch-point” and actually experienced by tourists. This is also where the marketing is increasingly also taking place, mainly as a result of the explosion of the use of the social media by tourists. Ideally local communities should also be meaningful beneficiaries of tourism and be regarded as key stakeholders in unfolding South Africa’s future tourism journey.

On a practical level, there still seems to be various constraints and practical barriers that are experienced by both public and private stakeholders at the local level. Based on the outcomes of participative stakeholder strategic planning processes facilitated in 25 local destinations in South Africa, one common view, or rather frustration, was often expressed by local stakeholders: that often they were unable to capitalize on opportunities and optimize the true tourism potential of their respective local destinations. This was mainly attributed to several factors:

- Insufficient access to relevant, reliable, and timely information pertaining to the local levels (such as, who the current and potential targets are; how to evaluate and target them; who the key competitors are).
- A lack of sufficient tourism-related knowledge and skills (how to develop and package viable tourism products/experiences, to brand the local destination, to formulate a marketing plan, to decide on marketing tools, etc.).
- A need for entrepreneurial support for tourism-related initiatives (how to identify opportunities, how to do feasibility studies and formulate a business plan, who to approach for finance and guidance, etc.).
A need for continuous mentoring support. Initiatives and enthusiasm in many communities/regions are often short lived due to insufficient continuous “external” guidance, support, and encouragement (Heath, 2012).

The needs and expectations expressed by local tourism stakeholders in terms of what they expect from provincial and national stakeholders were many:

- Continuous and timely communication from national and provincial stakeholders, particularly on issues that provide opportunities and challenges for local destinations.
- A clear and practical strategic marketing framework that outlines strategies and actions planned (at international, national, provincial, and regional levels) and, importantly, how local stakeholders can participate in these initiatives in an integrated and seamless manner.
- Providing access to relevant, timely, and accessible market, competitive and macro intelligence and knowledge so as to facilitate meaningful decisionmaking and informed marketing strategy formulation at the local levels.
- Facilitating need-driven education, training, and capacity building programs regarding key issues such as tourism development, strategic planning, product packaging, marketing strategy formulation, and so forth.
- Providing user-friendly and relevant entrepreneurial support programs, ranging from how to do a feasibility study and formulate a business plan to guidance on how to access and mobilize appropriate financial resources.
- Avoiding so-called “planning and analysis paralysis” and “implementation inertia”. A concern that was consistently expressed was that there were too many well-intended, but far too ambitious plans and strategies being formulated, without sufficient focus on action and particularly implementation at the local levels.
- Local stakeholders consistently argued that if higher order tourism structures (such as provincial and national tourism development and marketing organizations) provided the preceding support and enabling environment, the energy, initiative, and entrepreneurship would emerge at the local destination levels, which would positively influence the provincial and national tourism goals and priorities. The philosophy and approach that was consistently supported was that of a national and provincial tourism development and marketing framework (“script”), which provided clear guidelines, parameters, and support mechanisms for local stakeholders and tourism organizations to play their key roles as “actors”
in the overall “play” in a coordinated and seamless manner. A bottom-up approach within an agreed-upon top-down coordinated framework, parameters, and enabling environment was strongly advocated, as was the need for a comprehensive, integrated, and implementable approach and model to ensure and sustain destination competitiveness (Heath, 2012).

**Policy and Strategy Journey**

With due cognizance to the key issues already noted, various concerted initiatives have been undertaken in recent years, mostly in consultation with the private sector, to develop a shared tourism vision and establish an umbrella strategic framework for South Africa. Thus, the National Tourism Sector Strategy was launched in 2011 (DoT, 2011). Building on this umbrella strategy, various underpinning strategies were launched in 2012 and 2013, which include the National Heritage and Cultural Tourism Strategy (DoT, 2013b); a Domestic Tourism Growth Strategy (DoT, 2012a); a National Rural Tourism Strategy (DoT, 2012b); and a Tourism Service Excellence Strategy (DoT, 2012c). Importantly, this included the new Tourism Bill (Republic of South Africa, 2012), which was formally published in the Government Gazette during November 2012. The following key strategies that are providing the foundation and building blocks for tourism development and management in South Africa are of significance.

**National Tourism Sector Strategy.** Generally accepted as the “blueprint” for the tourism industry, this scheme is a culmination of extensive consultation with a wide spectrum of stakeholder groups and opinion leaders directly involved in and/or impacting on the tourism industry. In essence, the NTSS provides the shared vision, strategic guidelines, and enabling framework to facilitate sustainable growth and development and to enhance South Africa’s longer term competitiveness. The articulated collective vision is to make the country one of the top 20 global tourism destinations by 2020 (DoT, 2011).

**National Heritage and Cultural Tourism Strategy.** Building on the priorities highlighted in the 1996 White Paper on the Development and Promotion of Tourism in South Africa (DEAT, 1996) and the 2011 National Tourism Sector Strategy (DoT, 2011), the National Strategy on Heritage and Cultural Tourism provides a strategic framework and guiding parameters for the sustainable development and promotion of
heritage and cultural experiences. A key feature of the strategy is the strategic directives that are provided to seamlessly integrate heritage and cultural products and experiences into the mainstream of tourism (DoT, 2013b).

**Domestic Tourism Growth Strategy 2012–2020.** As it is increasingly appreciated that domestic tourism is the cornerstone for the sustainability of the industry, a National Domestic Tourism Growth Strategy was developed and published in 2012. This strategy, which was also developed in a consultative way and with due consideration for the global and domestic contexts and within the parameters and priorities of the NTSS, is aimed at stimulating and accelerating growth in domestic tourism. One of the strategic priorities of the strategy is to establish a tourism culture nationwide, which will result in increased awareness of tourism and its value to local communities and the country at large. Further priorities include addressing the challenges of geographic spread and seasonality, which in many ways offers opportunities for enhanced levels of domestic tourism. Significantly, it also focuses on broadening economic participation and entrepreneurship while engaging and benefitting local communities. With due cognizance of South Africa’s past, an underlying priority of this strategy is to create a better and all inclusive society, where everyone is able to enjoy the special products and experiences the country has to offer in terms of tourism (DoT, 2012a).

**National Rural Tourism Strategy.** Building on the NTSS and linking to the Domestic Tourism Growth Strategy, a National Rural Tourism Strategy was also launched during 2012. Its key focus is to ensure a developmental approach to the development and packaging of rural tourism products and experiences, as well as rural entrepreneurial opportunities in South Africa. As part of this strategy, various spatial nodes with growth potential have been identified and prioritized with a view to stimulating accelerated growth in the industry (DoT, 2012b).

**National Tourism Service Excellence Strategy.** Market research has indicated various inconsistent service levels in the tourism value chain was constraining competitiveness; thus, a National Service Excellence Strategy was developed through an extensive consultative process. A strategic analysis of tourism service levels in the country indicated that there were various initiatives to promote service excellence, but that they were often uncoordinated and fragmented.
A key goal of the National Service Excellence Strategy was to build on current initiatives and importantly to integrate such initiatives to enhance “seamless” service excellence throughout the entire tourism value chain. The long-term goal of the strategy is “to establish South Africa as a globally competitive service economy and the world destination of choice in terms of providing excellent customer service”. The short-term goal of the Service Excellence Strategy is “to provide a pleasant and unforgettable experience to South Africa’s visitors and to all other customers in the tourism value chain”. The five pillars of the strategy are research and information; upskilling service delivery; public awareness; measuring and monitoring service standards; and managing consumer feedback systems (DoT, 2012c, p. 4).

Tourism Resilience Strategy. A key outcome of the NTSS was the formulation of a Tourism Resilience Strategy during 2012. Its key objectives are to promote the development of resilience strategies and plans by individual tourism businesses; to guide the industry’s response during economic crisis; to promote the tourism’s resilience during economic crisis; to promote this strength by sharing resilience initiatives of other countries; and to promote the implementation of recommendations of the UNWTO’s Tourism Resilience Committee (DoT, 2013c).

Vision and Strategic Focus Areas

South Africa’s tourism vision, as encapsulated in the 2011 National Tourism Sector Strategy is “To be a Top 20 tourism destination in the world by 2020” with the mission of “growing a sustainable tourism economy in South Africa, with domestic, regional and international components, based on innovation, service excellence, meaningful participation and partnerships” (DoT, 2011, p. 9). The strategic objectives and tourism targets for the country have three key themes.

One, increasing tourism’s role in the economy (growing the industry’s total contribution to the economy, providing excellent people development and decent work within the sector, increasing domestic tourism’s contribution to the economy, and contributing to the regional economy. Two, ensuring market-driven tourist experiences and leveraging the destination brand (delivering world class experiences, entrenching a tourism culture among all South Africans, and positioning South Africa as a globally recognized tourism destination brand). Three, ensuring sustainability and good governance (achieving transformation within the industry; addressing the challenge of geographic, seasonal, and rural tourism spread; promoting
“responsible tourism” practices within the industry; and unlocking tourism economic development at a provincial and local level (DoT, 2011).

Action and Implementation

South Africa has a comprehensive and forward-looking set of national and provincial policies and strategies to take tourism to the next level and enhance the country’s competitiveness. However, a key challenge will be to prioritize and coordinate these plans and ensure a bias for action and implementation. At all costs “planning and analysis paralysis” and “implementation inertia” needs to be avoided.

Transforming the Industry. Given South Africa’s political past, responsible transformation of tourism is a critical success factor which can be a major determining factor in achieving its vision for the country. The challenge is not only to transform existing businesses, but also to grow the industry as a whole and provide the enabling environment for black-owned businesses of all sizes to be established. The Broad-Based Black Economic Empowerment code, which was gazetted in 2009, places a legal responsibility on businesses to comply. Various initiatives are also being put into place to promote businesses with a code Scorecard and to encourage them to improve their scores and reach the charter targets. Furthermore, a tourism awareness campaign is being initiated to inform and engage tourism stakeholders in these initiatives (DoT, 2011).

Decent Work with Fair Remuneration. Ensuring that tourism provides “decent” work remains a key priority. Given its nature (seasonality, long working hours, often low wages, etc.), the industry’s profile as a career choice is not always favorable. Therefore, a concerted effort needs to be made to ensure that businesses comply with the principle of providing decent work. Furthermore, a concerted and continuous effort needs to be made to attract and retain quality people and create meaningful careers in the industry.

A comprehensive study undertaken by the Disney Institute in 2009, in the build-up to the 2010 Soccer World Cup, highlighted the fact that South Africa’s service levels were extremely inconsistent. Various initiatives are being put into place to address this challenge as is articulated in the National Tourism Service Excellence Strategy (DoT, 2012c).

Local Communities. In spite of the fact that in many instances rural communities can greatly benefit from and participate in tourism, this does not
always happen. The key constraints remain lack of awareness of the industry and no or limited tourism skills. Key challenges, some of which are being addressed in the Rural Tourism Strategy, include improving the understanding of tourism and its impacts at the local government level; building awareness of tourism among local communities; managing expectations; providing support with rural tourism development; and implementing a comprehensive community beneficiation framework (DoT, 2012b). Local government is a key stakeholder at this level and can provide the enabling environment to ensure that their communities and locals businesses get the most out of tourism, but also minimize the negative effects. In this regard, the South African Local Government Association is collecting best practices on successful community-based project, which will be utilized to assist other municipalities (DoT, 2011, 2012a, 2012b).

**Enabling Environment for Sustainable Growth**

For tourism to reach its true potential in the country, there are various key factors that need to be addressed, ranging from ensuring a safe and secure environment and facilitating reliable and value-for-money transportation (ranging from international, regional, and domestic airlift to ground transportation).

**Safe and Secure Tourism Environment.** South Africa is often perceived as an unsafe destination, with real challenges to be met regarding crime and safety, but the numbers of crime incidents affecting tourists are relatively insignificant. A key challenge is to engage and inspire the media to not only focus on the negative but more on positive stories that could enhance the country’s tourism image locally and abroad. Furthermore, a credible public relations and information provision campaign is required to improve the foreign source markets’ perceptions of the safety and health situation in South Africa. This is also addressed in the NTSS. The Tourism Safety Initiative, which is being driven by the private sector, in collaboration with various other stakeholder groups, also needs to be supported (DoT, 2011).

**International, Regional, and Domestic Airlift.** South Africa’s Airlift Strategy, which was approved by Cabinet in 2006, and which indicates that tourism should be the key driving force behind enhancing the airlift capacity to and from the country needs to implemented as a strategy priority. This is particularly important to ensure adequate capacity from South Africa’s core international markets. On the domestic front, its vastness, in
many instances necessitates air travel between local destinations for tourists with limited time. In general, air travel is expensive, except for the “golden triangle” routes, which link Johannesburg, Cape Town, and Durban. Furthermore, flights are not always scheduled at convenient times. This severely limits the geographic spread of tourists to lessor visited provinces, and hampers leisure and business tourism to many local destinations. The future strategy should holistically address the key issues, ranging from routes, to pricing, to marketing, and to airport access (DoT, 2011).

**Positive and Conducive Enabling Policy**

Until 2012, the White Paper on the Development and Promotion of Tourism of 1996 constituted an overarching policy framework for tourism development and promotion in South Africa, with the Tourism Act of 1993 providing the legislative framework. Although considerable progress has been made in the implementation of the White Paper, policies in different spheres of government were not always aligned and tourism was often insufficiently integrated with the development of other sectoral policies. The new Tourism Bill, published in the Government Gazette during 2012, and the implementation of the NTSS, could go a long way toward addressing these challenges (DEAT, 1996; Republic of South Africa, 2012).

**Knowledge to Manage South Africa’s Tourism Future.** Although significant progress has been made in tourism research and information management at the national and provincial levels, there is a need to implement a national umbrella knowledge framework to ensure that relevant and need-driven investigation is undertaken by the respective stakeholders and that it is meaningfully coordinated. In this regard, various strategies are articulated in the NTSS, which range from developing a national tourism asset database; to developing a national web- and mobile/cell-based satisfaction survey for tourists to complete; to implementing a tourism index to monitor the overall performance of the industry on an ongoing basis (DoT, 2011).

**Meaningful Collaborative Partnerships.** In the South African tourism industry, the saying that “not one of us is as good as all of us” is truly relevant. Partnerships among the respective stakeholder groups, ranging from the private sector to the public sector to local communities, are increasingly encouraged. In this context, the interaction and coordination between the public and private sector is relatively good, but appears to need considerable work at the provincial, regional, and local levels. A strategic priority
should also be to continuously engage with and empower local communities in a proactive and meaningful manner.

**Priority on Tourism at All Levels.** While it is apparent that the national government has recognized tourism as an important sector of the economy, this does not always appear to filter down to planning, budgets, and actions across all government departments and at all the provincial, regional, and local levels. A continuous challenge is to raise and reinforce the profile of the tourism industry within the country at large and particularly within Parliament and the Cabinet. A further challenge is to also proactively engage all the other ministries and government departments that have an impact on tourism. The same applies to the provincial, district, and local levels (DoT, 2011).

**Demand Side of South Africa’s Tourism Industry**

A continuous challenge is to ensure that South Africa’s tourism brand is positive and distinctive and is seamlessly aligned with the umbrella country branding strategy of Brand South Africa. Ideally this initiative should be implemented through all spheres of government, as well as within the private sector, through well-coordinated co-branding initiatives. At the international level, South African Tourism’s targeted international marketing efforts have generally been targeted and successful, as is reflected in the international awards won for some of their marketing campaigns.

Regarding the future, there are some key challenges, which include staying abreast of the exponentially increasing technological developments and trends in the field of tourism marketing and messaging; maintaining a distinctive competitive positioning; strategically evaluating the destination marketing strategies at the provincial, city, district, and local levels, with a view to promoting seamless alignment at all levels; and ensuring that destinations adopt a spirit of “co-optition” (cooperating and complementing each other), rather than blindly competing with each other. A continuous challenge will also be to drive the implementation and reinforcement of the brand throughout the entire national tourism industry (DoT, 2011; SAT, 2011).

**Domestic Tourism as the Backbone of the Industry.** As is the case in most leading destinations, there is an increasing realization in South Africa that the domestic tourism market forms the backbone of the industry. A key challenge is to address the imbalances of the past, as due to historical
reasons, many South Africans have not had the opportunity to be true tourists in their own country. On both a strategic and operational level, various initiatives are being undertaken by South African Tourism, provincial tourism marketing bodies, and other stakeholders to create a culture of travel among all South Africans.

To ensure appropriate product-market matches across the spectrum, a key challenge is to have a concerted drive to ensure appropriate product development, distribution, information provision, and possible social programs to appeal to the broader range of the domestic market segments. A comprehensive strategy with this focus is contained in the Domestic Tourism Growth Strategy, which was launched in 2012. Among others, it addresses the creation of a holiday culture, particularly among previously disadvantaged groups; diversification of the tourism offerings and services; minimizing barriers to travel; and broadening the strategies to appeal to the wider spectrum of target markets, including the lower and higher ends (DoT, 2012a). Emanating from the strategy, an initiative that could have significant implications is a partnership that has been announced between the national Department of Tourism and the Industrial Development Corporation to undertake an audit of all underutilized state assets and properties that could be developed into attractions and facilities that can appeal to certain segments neglected in the past (DoT, 2013a).

**Benefits of a Regional Approach.** Tourists do not always appreciate political boundaries and are often interested in packages and experiences that cross country boundaries. Hence, there is increasing appreciation for the benefits of collaborating with other national destinations, with the result that various forms of collaboration and partnerships have been established. In this regard the Regional Organization for Tourism in Southern Africa (RETOSA), in collaboration with other regional players, performs a key facilitating, coordinating and umbrella branding and marketing role (RETOSA, 2010). From a market perspective, there is also increasing appreciation that there are many untapped opportunities provided by the various continental markets. Key limiting factors in attracting the African markets include visas and air access, which are respectively very expensive and not frequent enough. Strategies to address these challenges are outlined in the NTSS (DoT, 2011; RETOSA, 2010).

**Priority on Business and Events Tourism.** South Africa has successfully hosted various successful large sporting and other events, including the 2010 Soccer World Cup, for which considerable additional infrastructure
was created. To capitalize on business and events tourism potential, a National Convention Bureau has been established. In its first year of operation, it already secured more than 80 new association meetings for the period 2013–2017. In 2013 alone, the 38 secured association meetings are projected to bring more than 57,000 delegates to the country (DoT, 2013a). In order to ensure creditability and accessibility to all, in collaboration with the industry, various initiatives are underway to strengthen the accreditation of professional conference organizers.

Supply Side of Tourism

South Africa’s natural environment is undoubtedly one of its greatest tourism assets and unique selling propositions. Therefore, it is imperative that all stakeholders, including domestic and international tourists, are encouraged to conserve and protect it. Tourism businesses are increasingly encouraged to contribute toward the triple bottom-line: economic growth, ecological sustainability, and social responsibility. Furthermore, as a result of global warming and climate change, tourism’s footprint is increasingly being questioned from various quarters. Hence, its stakeholders will increasingly have to demonstrate their efforts to minimize environmental damage to counteract the possible negative perceptions of conscious tourists. On the positive side, the “responsible tourism” standards that have been developed and are being implemented are, by all indications, increasingly being embraced by stakeholders in the industry (DoT, 2011).

Relevant Investment in Tourism. There is increasing interest from South African entrepreneurs to start small tourism businesses in various spheres, ranging from accommodation facilities to tour operations. Aspect such as access to finance, poor business concepts, inadequate business experience, and insufficient personal equity to fund these businesses appear to be some of the key barriers hampering entrepreneurial advancement. To address these challenges, actions outlined in the NTSS strategy include the establishment of a funding model to help develop the industry in line with the objectives of the national tourism strategy; the streamlining of investment support and enterprise development initiatives; and engaging financial institution to improve tourism businesses’ access to finance (DoT, 2011).

Niche-Product Opportunities and Rural Tourism. According to the NTSS, tourism product development in South Africa is primarily driven by the private sector, with many of the efforts by national, provincial, and local
governments largely being unsuccessful. A key challenge is to ensure alignment and coordination regarding the marketing promises made at the national level and the actual product development at the local levels. In many instances, local municipalities and provinces plan to develop similar experiences within their areas, without recognizing and appreciating that their respective product offerings can be improved through coordination and collaboration with others. Various special interest and niche product and market opportunities exist that are not optimally leveraged. Furthermore, various rural destinations with particular tourism potential remain largely unexplored. Specific actions proposed in the NTSS to address these challenges include identifying at national level, the existing and potential tourism experiences available in South Africa, and formulating a spatial tourism product and experience development strategy for niche markets (DoT, 2012a, 2013b).

**Quality Assurance at All Levels.** Quality assurance is comprehensively addressed in the NTSS. One of the key recommendations is to expand the quality assurance program pertaining to accommodation and conference facilities to other sub-sectors of tourism, including restaurants, tour operations, transport providers, and attractions. A key challenge pertaining to all stakeholders is to implement the “responsible tourism” standards that have been developed for the industry. A major aspect of quality is universal access (making tourism accessible to those with special needs, such as the elderly, people with disabilities, and children). Although the grading criterion is in place, indications are that the issue is often misunderstood, with the result that only a limited number of establishments have been accredited/graded as universally accessible. One of the key actions proposed in the NTSS is to investigate and develop frameworks aimed at legally requiring a greater degree of universal accessibility in new projects (DoT, 2011, 2012c).

**Future Institutional Arrangements and Engagement Framework**

The institutional tourism structures for South Africa operate at four broad levels: national, provincial, regional, and local (metro and local government) levels.

- The National Department of Tourism’s overall goal is to ensure that the industry makes a sustained and increasing contribution to the national economy. It also provides policy and strategic advice to the Minister of
Tourism. In addition, it administers and monitors government’s investment in tourism marketing and other programs. The department manages the core data set, and distributes this and other research information to the public and private sectors (www.tourism.gov.za).

- South African Tourism is responsible for marketing the country as an international destination. It is custodian of the national tourism marketing brand, under which the global tourism marketing campaign is managed (www.southafrica.net).
- Tourism Business Council of South Africa is a private sector membership organization positioned as a united voice for the tourism industry. It advocates for the interests of its members with government and other decisionmakers (www.tbcsa.net).
- Tourism Grading Council of South Africa is responsible for grading accommodation establishments in South Africa through the star quality assurance program (www.tourismgrading.co.za).
- Tourism Empowerment Council of South Africa is responsible for monitoring the industry’s compliance with the Tourism Black Economic Empowerment Charter and Scorecard, as well as promoting transformation in South Africa’s tourism industry (www.tourismbeecharter.co.za).
- Tourism Enterprise Partnership is responsible for supporting the development and growth of small and medium size enterprises in tourism (www.tep.co.za).
- Tourism, Hospitality and Sports Education and Training Authority is responsible for ensuring that training and development standards are in place in the tourism and hospitality sectors. It also provides leadership within the industry on skills matters and promotes training that will meet the needs of employers and employees (www.cathsseta.org.za).
- Provincial Tourism Organizations are responsible for promoting their destination to domestic and international tourists. They also act as a bridge among national and local government, tourism operators and national bodies. The nine provincial organizations, funded internally, are Western Cape (www.tourismcapetown.co.za), Eastern Cape (www.ectourism.co.za), Northern Cape (www.northerncape.org.za), KwaZulu-Natal, (www.tourism-kzn.org), Gauteng, (www.gauteng.net), North West (www.tourismnorthwest.co.za), Free State (www.freestatetourism.org), Limpopo (www.golimpopo.com), and Mpumalanga (www.mpumalanga.com).
- Local government bodies also are involved in tourism planning and development. South Africa is comprised of 5 metros, 46 district councils, and 232 local municipalities. Local Authorities must make decisions
about and set directions for promoting the social, cultural, environmental, and economic well-being of their respective communities. Their role in the industry includes managing assets (such as public land) and enabling infrastructure and services. From a tourism perspective, they also represent host communities. At the national level, the South African Local Government Association represents local government (www.salga.net).

Importantly, due to the multifaceted nature of tourism, other departments have been identified that are key to the successful development and management of tourism in South Africa. These include Transport, Home Affairs, Labor, National Treasury, Economic Affairs, Public Enterprise, and Rural Development and Land Reform. Continuous communication and coordination will increasingly have to take place via the proposed structures to ensure a holistic and integrated approach to the development and management of the tourism industry (DoT, 2011).

To ensure that implementation of the national tourism strategy takes place and is monitored, a Monitoring and Evaluation Unit has been established within the National Department of Tourism to monitor the implementation of the umbrella tourism strategy in collaboration with all public and private stakeholders. Regular progress reports are produced on the achievement of targets outlined in the national strategy.

The Critical Success Factors

To ensure that the mistakes of the past are not repeated and that all the stakeholders take individual and collective responsibility to achieve the shared tourism vision for the country, it is essential to identify and agree on the relevant critical success factors. Of particular significance is the fact that the several critical success factors to enhance South Africa’s sustainable tourism competitiveness, that were identified and agreed-upon by private sector stakeholders at a Tourism Leadership Dialogue meeting during 2010, were included in the National Tourism Sector Strategy (DoT, 2011; Tourism Leadership Dialogues, 2010):

- The National Tourism Sector Strategy (which should ideally be an annual rolling document) is continuously and proactively aligned with key developments and trends in the macro (technological, environmental, sociocultural, political, economic, etc.), competitive, and market environments, with appropriate benchmarks, indicators, and evaluation mechanisms being regarded as essential.
Strategic and visionary leadership, driven by an agreed-upon shared and inspirational vision, guiding values and strategic priorities accepted and embraced by all public and private sector stakeholders are pursued.

Community engagement and beneficiation as an underlying and cross-cutting strategic priority are addressed.

Strategic priority is placed on people development (human resources and capacity building).

Tourism, with appropriate funding, is continuously positioned among all politicians and opinion leaders as a strategic and sustainable industry and a key contributor to GDP and job creation in South Africa (from the national to the local levels).

Future tourism product development and packaging is value and market-driven and should be underpinned by a culture of service excellence.

A powerful and distinctive destination brand, competitive positioning, and innovative marketing strategy in the “new” tourism marketplace, aligned from the national to regional to local levels, are warranted.

Reliable, timely, and accessible knowledge (trends competitors, markets, strategies, etc.) and research as a key to future tourism planning, marketing, and management of the resource base are strategically managed.

A results-driven, streamlined, dynamic, and adaptable tourism structure from national level to local level, with clarity on roles, responsibilities, and relationships (avoiding unnecessary bureaucracy) are ensued.

Mutually beneficial partnerships, regionally and between stakeholders at all levels (in a spirit of co-option across political borders) are leveraged.

Sustainable competitiveness and balancing economic, social, and environmental issues are continuously addressed (Tourism Leadership Dialogues, 2010).

Published in 2011, a number of critical success factors were added in the final National Tourism Sector Strategy: influencing a review of the airlift strategy and active participation in its implementation to improve capacity and access; ensuring that effective risk mitigation plans are in place; and realigning the target markets with the changing market landscape to balance the portfolios (DoT, 2011).

CONCLUSION

A new era is dawning for tourism in South Africa. An era which will not only be dominated by the “tilting” of the earth toward the East, new
technologies, intensification of competition at all levels, and the emergence of the “experience” economy. Further, a shared vision is essential for a destination to be successful, communication and coordination among public and private sectors stakeholders is critical, and an agreed-upon “script” and strong implementation focus is fundamental. This chapter discusses how and why many of the foundations and building blocks are being put into place to address the key challenges and priorities in tourism and the way in which these informed actions enhance South Africa’s global competitiveness.
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