ABSTRACT

The predominantly rural area of the Transkei Wild Coast has a potential for local economic growth through tourism development. The area has been struggling to develop tourism because of a lack of visionary leadership, lack of resources, and effective strategies that prioritise tourism as central to economic development. This article argues for tourism as a key sector to sustainable economic development in the area. The Transkei Wild Coast and its local economy must be revived so that the quality of life of the people in the area can be improved in a sustainable manner. In this article, the Transkei Wild Coast is briefly described. This is followed by a discussion of Local Economic Development (LED), the local problems, and suggested strategies on how the tourism industry could be encouraged. It is concluded that LED cannot be realised if the local stakeholders are excluded from the process of tourism development.

INTRODUCTION

Since the democratic change in 1994, there has been fundamental transformation in the nature and organisation of development planning in South Africa (Rogerson 2010:481). One of the most noteworthy moves relates to the rise of LED, in re-engineering of local government to put into practice the mandates of a developmental state (Rogerson 2010:481; Grant & Dollery 2010). The most important step has been to introducing Integrated Development Planning (IDP) as a compulsory planning activity which requires the participation of communities, local business, and civil society organisations in its development, budgeting...

Rogerson (1997:178) notes that some of the factors that are driving the South African local authorities into the business of LED are directly linked with the global environment. However, former President Thabo Mbeki points out that although South Africa seems to be doing pretty well, we are not achieving as much as we can. In an address to the Commonwealth Club, World Affairs Council and US/SA Business Council Conference held at San Francisco in 2000, he said:

> In our own country, we have been assured that our economic fundamentals are correct and sound. We have developed a stable and effective financial fiscal system. We have reduced tariffs to the levels that are comparable to the advanced industrial countries. We have reformed agriculture to make it the least subsidised of all major agricultural trading nations. We have restructured our public sector through privatisation, strategic partners, and regulation. We have an equitable and sophisticated system of labour relations that is continuously adjusting to new developments. We play an active role in all multilateral agencies in the world. Yet, the flow of investment into South Africa has not met our expectations, while the levels of poverty and unemployment remain high. (Mbeki 2000:2)

While acknowledging that we are greatly influenced by international economic trends, Mbeki made the point that too much dependency on North America and Western countries is not a solution to a quest to improve the living conditions of the poor in South Africa. He said it was important that LED processes and activities should be mainly home-designed, to satisfy and improve the economic needs of local government and its people. The political leadership clearly see LED as a tool to improve the prevailing poverty conditions, but it is not performing as it was hoped. The other former President of South Africa, Nelson Mandela, asked a question that LED activists everywhere should try to answer by means of actual results. His question was: ‘Will the legacy of our generation be more than a series of broken promises?’ (Mandela 2001:1). Strong political support can come from asking hard questions.

This article discusses the importance of the tourism industry as a local economic development sector for rural coastal areas in South Africa. A case study approach is used, and the Transkei Wild Coast community serves as a research area. The reason for the selection of the Transkei Wild Coast community is that it has a potential for development and growth in the tourism economic sector. However, it has been struggling to establish tourism as a force in LED. This occurs in spite of the widely accepted reality by national, provincial, and local government, as well as private sector tour operators, that tourism potential in this area can lead to an improvement of economic activism, and ultimately contribute significantly to the country’s Gross Domestic Product. In order to improve the socio-economic conditions of the communities of the Transkei Wild Coast, municipalities in this area must establish LED structures and policies that are supported not only by the municipalities, but also by local stakeholders such as organised business, civil society movements and the local inhabitants.

 ABOUT THE TRANSKEI WILD COAST

The Transkei Wild Coast is located in the Eastern Cape Province in the eastern area of the former Transkei Homeland. The area is mainly rural, with several beaches, hotels and Bed & Breakfasts (B&Bs) mostly used by international and domestic tourists. ‘International tourists’ come from outside the country, and ‘domestic tourists’ are South Africans who are visiting other areas away from their permanent residence. The Wild Coast covers seven local municipalities, namely: Mnquma; Mbashe; King Sabatha Ndalidyebo; Nyandeni; Port St Johns; Ngquza, and Bizana local governments.

A description of the physical terrain of the Transkei Wild Coast is given by Robinson (1981:2), who describes the Transkei’s ground as characterised by ‘steeped topography and deeply incised rivers’, in other words, layered landscape with rivers with steep sides. The following are its main features:

- the Drakensberg and Witteberg Mountains, which form part of the Great Escarpment of Southern Africa
- the adjoining high plateau of rolling country at an altitude of some 15 000 metres, and separated from the central plateau by a minor escarpment
- the central plateau of undulating and rolling country, comprising several surfaces at slightly different altitudes between 700 metres and 1 100 metres
- the coastal belt of steeply sloping land, which drops form 700 metres to sea level over a distance of some 30 km.

In Figure 1 below is the geographical location of the Transkei Wild Coast, starting from Kei Mouth in Mnquma municipal area and ending in Makambathi Reserve in Bizana municipal area.
Local Economic Development, it was only in 2006 that the government came up with a National Framework for it to create ‘inclusive local economies, exploiting local opportunities, real potential and competitive advantages, addressing local needs, as well as contributing to national development objectives’ (Department of Provincial and Local Government, 2006:17).

This 2006 definition of LED was an ‘outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programmes in local spaces’ (Department of Provincial and Local Government, 2006). This gap between the time of LED’s creation and its definition by the government gives an impression that developmental municipalities were chasing an unknown object. The government could be seen as wasting rate-payers’ and tax payers’ money. There were also differences in the way money was spent on LED activities by different municipalities. Some municipalities, in particular the six category A and 46 category C municipalities, had LED Directorates with an executive or director responsible for achieving this constitutional mandate, while others had officers with only limited qualifications in Public Administration or Economics. What seemed to matter in the appointments of these executive directors and/or officers was an understanding of party politics rather than knowledge of administration or government (Binza 2010:245).

Relevant scholarly and academic books on LED were published mostly after the dawn of the 21st century. For example, scholars like Trah and Abrahams, and institutions such as the World Bank and the International Labour Organisation, in their books and reports, defined and explained LED, as given below. According to Trah (2004:1), LED is a concept to do with development of local territory, specifically aiming to stimulate the local economy to grow, compete, and create jobs, in particular by making better use of locally available resources (Trah 2004:1). IOL (2006:2) sees LED as a development process that local people take part in. It encourages partnership arrangements between the main private and public stakeholders of a particular territory, enabling the joint design and implementation of a common development plan, by making use of the local resources and even a competitive advantage in a global context, with the final objective of creating decent jobs and stimulating economic activity. Abrahams (2003) writes that LED is a process of creating wealth through the organised mobilisation of human, physical, financial, capital and natural resources in a locality. The aim ultimately is to produce higher standards of living, improve the quality of life, alleviate poverty, create more and better jobs, advance skills, and build capacity for sustained development in the future.

The World Bank (2010) views LED as offering local government, the private and not-for-profit sectors, and local communities, the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth, and ensuring that growth includes everyone. Its purpose is to build up the economic capacity of a local area, to improve its economic
future and the quality of life for all, through a process by which public, business, and nongovernmental partners work together to create better conditions for economic growth and creating jobs. The UN-Habitat (2009:1) provides the following four basic ideas about LED:

- LED is a shared process in which local citizens from all sectors work together to stimulate local business, producing a resilient and sustainable economy. It is a way to help create decent jobs and improve the quality of life for everyone, including the poor and the marginalised.
- LED encourages public, private, academic, and civil-society people to establish partnerships and together find local solutions to common economic problems. The LED process tries to empower local people to effectively use business enterprise, labour, capital, and other local resources to achieve things that are important locally (e.g. to encourage quality jobs, reduce poverty, steady the local economy, and use municipal taxes to provide better services).
- LED is about sustainable development in the long term. It takes time to change local conditions, build ability, organise shared processes, and empower stakeholders, especially the marginalised and the poor.
- Creating an LED strategy is a joint process, and an effort that does not lay down laws. It uses local values (poverty reduction, increased self-reliance, satisfying basic human needs, mutual commitment, integrated social and environmental goals), uses economic drivers (growth in jobs, income, business activity) and considers development (the role of structural change, quality of development). This suggests that LED is not about quick fixes or creating a wish list.

What is deduced from the above definitions is the importance of locality; partnerships between local government and other spheres of government; business and civil society sectors; community empowerment; local communities taking part in considering, designing, and implementing LED policies and programmes; and using local resources effectively. In addition, LED has to invest in the socio-economic infrastructure, employment, and improvement of the quality of life of the local people.

Further ideas have been suggested by Helmsing (2003:69), who writes that LED can be encouraged through tourism, when the attention of the local government is focused on three categories, namely the development of enterprise, locality and community. These categories are briefly discussed below.

**Enterprise development** refers to actions which help to strengthen the economic base and competitiveness of the area by improving the access of individual and group enterprises to market opportunities, and improving the efficiency of groups of connected businesses. It includes starting up links between local businesses, entrepreneurs and start-up companies, with potential investors from outside, the use of public procurement policies, strengthening of economic clusters, financial support and non-financial business development services.

**Locality development** refers to improvement in social, economic and environmental conditions in which businesses operate in a particular area, and includes the strengthening of both physical and spiritual qualities that make the local area special. Hindson and Vincente (2005:21) put an emphasis on planning as a key instrument of locality development, and strongly believe that local government is in the best position to carry it out. Sometimes, a top-down directive is necessary to correct the current problem of all the municipalities in South Africa by investing resources in the promotion of tourism even if their own locality is not suitable for it. Some of the tourism institutions have hardly changed their approaches since they started up in early 2000. In most coastal municipalities, this lack of energy spoils the potential of tourism as a priority LED approach. Hindson and Vincente further point out that in South Africa, the integrated development plans (IDPs), based on the principles of participation, have succeeded in uniting local stakeholders to have broad visions and programmes of locality development. However, they have not yet succeeded in implementing or financing local business ideas.

**Community development** refers to measures to improve the health, housing, education, and welfare, including economic welfare, of individuals, households and communities in particular areas. These community development services must be designed and implemented in ways that will benefit international and local tourists. This means improving the standard of services and the maintaining of service excellence to show that the municipalities are globally competitive, and their operations meet international service standards. In the development literature, community development is strongly associated with ways to support poor or disadvantaged communities. In South Africa, particularly, in rural communities in areas like Transkei Wild Coast, results from LED initiatives to improve the situation of the current community are hardly visible because of weak LED planning and implementation.

The World Bank (2010) points out that the practice of LED can be undertaken at different geographical places, and should include not only business development initiatives, but also community development initiatives. The view is that combining business and community development could increase employment opportunities, improve the country’s rating on human development as measured through the human development index, and narrow the deep gap between the rich and the poor. LED is about communities continually improving their investment climate and business environment to improve their competitiveness.

Local communities respond to their LED needs in many ways, and a variety of approaches can be taken, such as the following:

- Ensuring that the local investment climate encourages local businesses
- Supporting small and medium-sized enterprises
- Encouraging the formation of new enterprises
There is considerable overlap between the roles and responsibilities of leading LED stakeholders in South Africa. In particular, there is a great deal of duplication between the activities and responsibilities of the various major government ministries, the Department of Corporate Governance and Traditional Affairs (CoGTA), the Department of Trade and Industry (DTI), and the Department of Tourism. There is a pressing need for closer cooperation between all LED stakeholders so as to avoid duplication of tasks and establish specific roles to be performed by different national and provincial government departments. To achieve this, the National Joint Programme of Actions for LED was proposed in 2008, involving the departments of agriculture, minerals and energy. DTI and CoGTA are supposed to mobilise resources for ensuring that LED projects are implemented in an effective, efficient, economical and equitable manner to promote and protect the socio-economic interests of the country. Whether the above programme is effective or not is the focus of this article, but the point is that there is support for prioritising tourism as a sector approach in the Transkei Wild Coast area. In addition, integration and cooperation between the above LED stakeholders, the government of the Province of the Eastern Cape, and the local municipalities in the area, would bring efficiency to the idea of tourism as an LED objective, and hopefully reduce poverty in this area.

Lack of integration and cooperation between LED stakeholders

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Lack of appropriate scaling for LED

There is a lack of awareness and understanding of the most appropriate scale for accomplishing LED in South Africa. A defined territory for LED should be on a scale that creates trust, cooperation and innovation among leading stakeholders. The implied assumption in existing guidelines is that each local area is a separate economy, and that the role of LED strategy is to develop this unit. Rogerson (2010:483) writes that many of the problems that limit the success of LED through tourism in South Africa could be solved either by re-scaling LED or by forging closer relationships between local, district and provincial authorities in development planning. For this to succeed, constant and professional communication is the key.

Weak performance in the role of provinces

The relevant departments in the national and provincial spheres of government have an important role to play in guiding local governments in the evolution of LED programmes through the IDP processes. This guidance could assist municipalities by grounding them in the realities and specific needs of each municipality. The Provincial Growth and Development Strategy (PGDS) provides an essential link between national and local development processes, and can be vital for creating links in LED sectors. Recent evidence suggests that guidelines issued by CoGTA have not always been followed in PGDS preparation. It is essential to reinvigorate the role of provinces by making the PGDS a more powerful influence in the design and implementation of LED strategies where tourism is prioritised.

The gap between LED practices in cities and small towns

The difference between the practice of LED in large and small towns is producing divergent economic growth performance because the large cities’ competitive approach to LED offers a more promising path for sustainable economic growth. The divorce in approaches between large centres and smaller towns is simply extending existing inequalities. An important point is that perceptions of the practice of LED differ from municipality to municipality. A critical issue in closing the gap is to recognise the limitations of the CoGTA’s one-size-fits-all approach, and instead to accept the need for a differentiated approach to the practice of LED by municipalities. This differentiation can be implemented by looking at the municipal categorisation, and the urban/rural divide of municipalities. Such an approach would acknowledge that not all municipalities will ever be in the same situation as regards economic development, and therefore they require different LED tools to at least ensure that their local economies are growing, that jobs are being created, and that each municipality can expand its sources of revenue.

Poor dissemination of correct LED practice

Many LED projects and programmes have been implemented since the existence of developmental local government in 1995/1996 and the defining of LED...
in 2006. However, there have been shifts in LED practices as a result of learning by doing and also learning from mistakes. While there is growing consensus about what does not work in LED, there is much less appreciation of its good practice. Although people argue about what constitutes good practice, and it cannot always be transferred from one context to another, there is widespread agreement about the basic need for better governance and for municipalities to get the basics right in terms of functioning properly. Learning from other municipalities what has best succeeded and making use of it without re-inventing the wheel could be very beneficial in the LED practices.

Lack of availability of LED data for policy development

Rogerson (2010:492) writes that ‘to build competitive local economies, LED officials need much more effective analytical tools, and must focus on the real economic challenges such as an accurate economic data and value chain analysis’. The availability of official local-level data for planning has deteriorated since 1995/96 in some municipalities. The shortage of socio-economic data prohibits effective LED planning and results in poor policy development. In sectors such as manufacturing, the quality of available spatial data has declined because certain regular data series, such as a manufacturing census, was abandoned. In priority economic sectors, such as tourism, and creative industries, almost no economic data which might inform competitive advantage and enhance LED planning for these critical sectors exists.

PRIORITISATION OF THE TOURISM INDUSTRY FOR SUSTAINABLE LED IN TRANSKEI WILD COAST: WHY?

As stated above, the Transkei Wild Coast community area is mainly rural, and most hotels and B&Bs are found in the Transkei area, which makes it the most preferred tourism destination. According to Pearce (1989:15) ‘tourism might be seen as a means of development in a much broader sense, that is, the path to achieve some end state or condition’. Gartner (1996:8) concurs with this by stating that ‘tourism development is often viewed as a process of physical change’. Wild (1994:12) argues that sustainable tourism development produces many economic advantages for the host communities, in addition to maintaining environmental diversity and quality, with local economic development as the ultimate objective.

Even more clearly, Rees (1989:13) makes the point that ‘sustainable development is a socio-economic challenge that does not undermine the ecological and social systems upon which communities and society are dependent. He also argues that its successful implementation requires integrated policy planning and social learning processes; its political viability depends on the full support of the people it affects through their governments, social institutions and private activities. A statement by the World Commission on Environment and Development (1987:43) emphasises the inclusiveness of all developments that affect the environment, in particular tourism: ‘Sustainable development is the development that meets the goals of the present without compromising the ability of future generations to meet their own needs’. Despite all these brief arguments presented above that seem to give a picture of how tourism as an industry has grown and will still grow worldwide, areas such as the Transkei Wild Coast in South Africa have not benefited as was expected, and the reality is just the opposite.

The International Centre for Responsible Tourism (ICRT) and Scott Business Consultancy (2004:3) have introduced the concept of ‘pro-poor tourism’, putting its case as a non-specific tourism product. Pro-poor tourism is an approach to tourism development and management which aims to enable local poor people to secure economic benefits from tourism in a fair and sustainable manner. ICRT sees pro-poor tourism as a tool to improve the livelihoods of poor people in three main ways:

- economic gain through employment and micro-enterprise development
- infrastructure gains: roads, water, electricity, telecommunications, waste treatment, etc.
- empowerment through taking part in decision-making.

These ways for pro-poor tourism to improve the lives of poor people could be key pillars of a new tourism strategy. The Transkei Wild Coast community has prioritising tourism as a driving agent, and with its potential to grow, the tourism industry can be seen as having a useful opportunity at hand to explore. However, for this to succeed, Ntonzima (2011) raises the following observations as critical to the success of an LED tourism-led strategy in the rural Transkei Wild Coast:

- The Transkei Wild Coast has the potential to offer a unique tourism product, based on a special amalgamation of heritage, wildlife, beaches, environment, and culture
- This area is mainly characterised by sunny weather; the warm waters of the Indian Ocean, low population density, and an unspoilt and spectacular landscape
- Environmental fragility and its protection have become a major concern which, in the 21st century and beyond, should be highly protected
- International market research and literature on tourism show clearly that unspoil nature, wilderness and wild life attract tourists
- Safety and security is one critical aspect that has to be promoted and maintained continuously for the tourism industry in this area to flourish to its highest potential.

As pointed out by ICRT and Scott Business Consultancy (2004:3) in a general emphasis, tourism can contribute to poverty reduction, and for many of the least developed areas in the world and particularly in many rural areas, tourism is one of the few current viable strategies for local economic development. Central to prioritisation of the tourism industry as a sector to improve LED, Socially Respon-
sible Investment (SRI) is an essential requirement. SRI requires that investment by international and national investors in the Transkei Wild Coast’s tourism enterprise development must benefit local communities. It has a differential impact depending on the extent to which there is perceived commercial advantage, which is present in the Transkei Wild Coast. Pro-poor tourism practices in areas where LED tourism-led strategy is an approach, should embrace the principle of SRI, in order to promote the following:

- The importance of facilitating local community access to the tourism market in order to maximise linkages and minimise leakages
- Support of strategies which assist the development of local capacity to realise these opportunities
- Action by developers and financiers, hoteliers and tour operators, all acting to create those opportunities to assist local communities to benefit from them
- The importance of measuring and demonstrating impacts on local economic development and reduction of poverty
- Movement beyond statements of general principles and instead towards measuring and reporting the impacts of initiatives in specific terms
- Movement from pilot projects and experiments to programmes of action and meaningful social and economic impact.

STRATEGIES FOR IMPROVING TOURISM-ORIENTATED LED IN THE TRANSKEI WILD COAST

To plan, implement, monitor, and evaluate is the core of a successful LED practice to improve the local economies. It is important for this community to learn from countries in the North and other local municipalities that have coastal communities, how they have used tourism as an approach to accelerate local economic growth and create jobs for local people. For successful tourism-led LED in the Transkei Wild Coast, the following aims are suggested:

- an improved infrastructure, particularly roads
- relatively good transport
- functioning and easily accessible health systems
- improved management of the accommodation segment
- improved shopping facilities
- a workforce which is familiar with LED and fairly well-educated
- improved marketing and communication modes (such as Internet access, telecommunication, destination and product marketing, and information centres). The image of a tourism host is an important component of tourism destinations, hence the need for improved marketing and communications modes for the Transkei Wild Coast.

In addition, the following proposed tourism segments in the Transkei Wild Coast could be available to make the area economically competitive: heritage and cultural tourism; nature-based tourism products such as game reserves and bird-watching; sun and beach tourism promotion; agriculture tourism; and events tourism such as conferencing, wedding events, and so on.

Lastly, it is suggested that a tourism and economic development summit should be held by the seven indentified Transkei Wild Coast municipalities, provincial government, business formations, and other significant working stakeholders in the area. With the purpose of crafting appropriate approaches to the sustainable tourism development in the area, the following structures are suggested to provide visionary leadership and governance are suggested for the Transkei Wild Coast community area: Transkei Wild Coast Tourism Board; Transkei Wild Coast Local Economic Development Council; and Transkei Wild Coast Tourism Small Medium Business Forum.

CONCLUSION

The only correct approach for local governments is to locate these discussions and views in the South African context to improve the living conditions of its citizens by driving successful LED activities, while learning carefully how other countries in the North have succeeded in implementing them. The broad understanding of a developmental state by both elected and non-elected leaderships from both public and private institutions can bring about the best development agenda for the good of all South African citizens. It is critical for local government operating in the Transkei Wild Coast area to prioritise tourism development to be the catalyst in improving and sustaining local economic growth and development that can produce jobs, and enable the municipalities to expand their sources of revenue. The Transkei Wild Coast community area must be revived and its local economies resuscitated through tourism, so that the quality of life of the people in the area can be improved in a sustainable manner.

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