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MSc Economics and Business Economics
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The influences of tourism in developing countries

Analysis of the case South Africa

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Foreword

This thesis offers a research about the impact of tourism on developing countries. The subject for the thesis came to me after following the course about tourism at the master urban, port and transport. During my bachelor year, after a course globalization I became interested in developing countries. For this course we had to choose a subject for a report and our subject was: the impact of globalization on Sub-Saharan Africa. From that moment on I was fascinated by the differences of developing and developed countries. Therefore when I had to choose a subject for the master thesis developing countries and tourism was a combination that came up and the subject of this thesis was born.

To my supervisor Erwin van Tuijl, I want to send my greatest gratitude for his guidance, patience and support offered during this process. With his help and optimism he really helped me through the process. I have learned a lot of his advices and will take them by heart in the further path in life. Many thanks!

As well I want to thank everybody who was kindly enough to speak with me and answered all my questions for the interviews, I have held for the case study. Their information, support and advices helped me to create the case study and supported me through the process as well.

Furthermore I want to thank all my friends and family who have supported and helped me through this time of writing this thesis.

Wing Yin Chong

Abstract

Tourism is seen as one of the world's largest and fastest growing economic sectors. Traveling towards developing countries is increasing. Therefore tourism implementation has been seen as a solution for developing countries for escaping poverty. In this thesis, with a literature review, a research framework and a case study about tourism in South Africa that tested the research framework, the following question is answered: how does tourism brings positive impact to a developing country?

After the literature review, a research framework has been set up with 6 common problems of developing countries. Which are: poverty, lack of educational attainment, poor health, lack of infrastructure, lack of environmental sustainability plan and corruption. Positive impact and challenges for each problem have been established.

The main finding of the thesis is that tourism helps reducing poverty, improves education attainment, and has positive impact on health, infrastructure and the environment in developing countries. Tourism challenges corruption in developing countries. Tourism overall will have positive impact in a developing country, when tourism is implemented with care.

Keywords: tourism, positive impact, challenges, developing countries, South Africa

Table of content

Foreword	3
Abstract	5
List of figures	8
List of abbreviations	9
Chapter 1 - Introduction.....	11
1.1. Relevance	11
1.2. Purpose and research questions	12
1.3. Methodology	13
1.4. Thesis Structure.....	14
Chapter 2 - Literature review	15
2.1. Introduction.....	15
2.2. Definition of developing countries.....	15
2.2.1 Classification of developing countries by the World Bank, IMF and the UN	15
2.2.2 Common problems of developing countries.....	18
2.2.3. Conclusion	24
2.3. Definition of tourism	24
2.2.1. Demand-based definitions of tourism.....	25
2.2.2. Supply-based definitions of tourism	27
2.2.3. The system of tourism definitions.....	28
2.2.4. Comparison of the 3 definitions of tourism	29
2.3. Tourism in developing countries.....	31
2.3.1. Positive impacts of tourism in developing countries	31
2.3.2. Challenges from tourism and possible solutions for tourism in developing countries. 34	
2.4. Conclusion literature review and research framework.....	40
Chapter 3 - Research Method	44
3.1. Research method	44
3.2. The case study	45
Chapter 4 - Case study: Tourism in South Africa	50
4.1. Introduction.....	50
4.2. Tourism in South Africa	50
4.3. Problems in South Africa and the impact of tourism on these problems.....	53
4.3.1. Poverty	53

4.3.2.	Poor health	55
4.3.3.	Low educational attainment	56
4.3.4.	Lack of infrastructure	58
4.3.5.	Lack of environmental sustainability plan.....	59
4.3.6.	Corruption	60
Chapter 5 - Discussion and Conclusion		62
List of references.....		69
Appendix A – Interview Questions.....		78

List of figures

FIGURE 1: THESIS STRUCTURE	14
FIGURE 2: CLASSIFICATION OF DEVELOPING COUNTRIES.....	18
FIGURE 3: CORRUPTION PERCEPTION INDEX (CPI), 2012 (SOURCE: TRANSPARENCY INTERNATIONAL)	23
FIGURE 4: DEFINITION OF A TOURIST.....	25
FIGURE 5: TIME LINE DEVELOPMENT OF DEMAND TOURISM	26
FIGURE 6: ELEMENTS OF THE TOURISM INDUSTRY (SOURCE: JANSEN-VERBEKE, 1988)	28
FIGURE 7: THREE TYPES OF DEFINITION OF TOURISM	29
FIGURE 8: OVERVIEW OF THE POSITIVE IMPACT OF TOURISM IN DEVELOPING COUNTRIES	34
FIGURE 9: OVERVIEW OF THE CHALLENGES FROM TOURISM	39
FIGURE 10: THE RESEARCH FRAMEWORK	43
FIGURE 11: HDI 2011, AFRICA (SOURCE: UNDP, 2012)	46
FIGURE 12: GDP (PPP) 2010 OF SELECTED AFRICAN COUNTRIES (SOURCE: IMF).....	47
FIGURE 13: TOURIST ARRIVALS IN AFRICA, 2010 (SOURCE: WTO)	47
FIGURE 14: TOURIST EXPENDITURES, 2010 (SOURCE: WTO)	47
FIGURE 15: GDP SOUTH AFRICA (CURRENT US\$) (SOURCE: WORLD BANK).....	48
FIGURE 16: INDUSTRIES IN SOUTH AFRICA (% GDP) (SOURCE: SA CENSUS, 2011)	49
FIGURE 17: RESEARCH FRAMEWORK (LITERATURE REVIEW COMPARED TO THE CASE STUDY).....	63

List of abbreviations

ADBG	African Development bank group
AIDS	Acquired Immune Deficiency Syndrome
BRIC	Brazil, Russia, India, and China
CEO	Chief Executive Officer
EFA	Education For All
ESD	Education for Sustainable Development
GHS	General Household Survey
GNI	Gross National Income
GDP	Gross Domestic Product
HDI	Human Development Index
HDR	Human Development Report
HIV	Human Immunodeficiency Virus
IBRD	International Bank for Reconstruction and Development
IFS	International Financial Statistics
IMF	International Monetary Fund
MDG	Millennium Development Goal
NTTS	National Tourism Sector Strategy
OECD	Organization for Economic Co-operation and Development
PHASA	Professional Hunter's Associations South Africa
PPP	Purchasing Power Parity
PRGT	Poverty Reduction and Growth Trust
SA	South Africa
SDR	Special Drawing Right
TSA	Tourism Satellite Account
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UN	United Nations
UNDP	United Nations Development Programme
UNWTO	United Nations World Tourism Organization
US	United States
WDI	World Development Indicators
WTO	World Tourism Organization
WTTC	World Travel and Tourism Council

Chapter 1 - Introduction

1.1. Relevance

If someone would ask you the question: “What would you do with 10 million Euro’s won from the lottery?” One of your answers probably would be: “I would use the money for traveling all around the world”. This answer shows that travelling has become an important part of our lives. Traveling nowadays is so much easier than in the past. Buy a plane ticket online, get on the plane the next day and within a few hours you are in another country. Because of this ease, people’s curiosity for new places and experiences are easier to fulfill than in the past. Since WWII the mass tourism trend has been growing and in 30 years nearly quadrupled in size. Forecasts shows this will be doubled again by 2020¹. The UNWTO promotes tourism as a driver of economic growth, inclusive development and environmental sustainability². 5% of worldwide economic activity is through the contribution of tourism, while tourism’s contribution to employment is estimated approximately 6-7% of the number of direct and indirect jobs internationally (Ekanayake & Long, 2012).

With tourism as one of the fastest growing and largest industries in the world (UNWTO)³, developing countries, which are struggling poverty, can profit from the international tourism industry. *“Tourism has a potential to stimulate regional development, reduce poverty, empower marginalized communities, and help protect the environment.”* (Torres et al., 2011, p. 298). Trends show that travelling towards developing countries is growing faster than towards the developed countries. It is one of the most important economic sectors and the source of foreign exchange earnings of some developing countries (UNWTO, 2010)⁴. Tourism can help socio-economic progress in destination countries, through job creations, development of infrastructure and export revenues earned in the destination country. It can play an important part in fostering development and fighting poverty in developing countries.

This thesis will contribute to the research, whether tourism might be a great potential for positive impact in developing countries.

¹ <http://desticorp.typepad.com/desticorp/tourism-growth-forces.html>, retrieved 13 August 2012

² <http://www2.unwto.org/en/content/who-we-are-0>, retrieved 13 August 2012.

³ <http://www2.unwto.org/en/content/why-tourism>, retrieved 11 June, 2012.

⁴ UNWTO, Annual Report: A year of recovery 2010, p. 13

1.2. Purpose and research questions

The aim of the thesis is to give an insight of whether tourism can bring developing countries prosperity, what kind of problems it can resolve in developing countries and what kind of challenges developing countries might face when implementing tourism. The main research question will be as follow:

How does tourism help developing countries achieve positive impact?

Different sub-questions are drawn up, for answering this main question.

The term developing countries brings up some confusing, different views and definitions exist on the term developing countries and it is important clarify this, by answering the following sub-question:

1. What are developing countries?

Important is to know what is included in tourism, since different people have different views on the term tourism and also different definitions for tourism already exist in the literature, therefore an answer will be given to the next sub-question:

2. What is tourism?

A step closer to answering the main question is to uncover the different impacts tourism has on developing countries, to see whether tourism is worth implementing. The third sub-question will be:

3. What positive impact does tourism have on developing countries?

Tourism might not only bring positive impacts to a country. It brings challenges as well. Therefore it is important to find answers for the fourth sub-question:

4. What challenges from tourism does developing countries faces?

For this research the thesis will analyze the case of tourism in South Africa. To see whether other developing countries can learn from the way South Africa has implemented tourism. The following sub-question is formulated:

5. What kind of impact does tourism have in South Africa?

1.3. Methodology

In this section the methodology used in the thesis will be explained. The thesis will start with a literature review. The literature review will explain the relevant theory. It provides the definitions of tourism and developing countries for the thesis and gives a better understanding of the sub-questions and partly answers them. The theoretical review leads to the research framework, to show the impact of tourism on common problems that developing countries are facing. This framework will be used further on in the empirical part of the thesis.

The second part of the research is an empirical study that uses a case study of South Africa, to explain how tourism impacts the country. When looking at the statistics of tourism arrivals, shown is that South Africa has one of the highest tourist arrivals in the continent Africa and also the GDP is one of the highest in the continent Africa. This makes it an interesting case to research and further more to see whether this number of tourist arrivals has positive impact on developing countries.

For a better understanding about the impact of tourism in developing countries, interviews will be conducted with several experts in the field of tourism and developing countries. Also, relevant secondary data and literature will be collected from the databases of the World Bank, United Nations, World Tourism Organization, sites of the countries' tourism board and others. Finally, the collected information and secondary data will be analyzed and discussed and a conclusion will be drawn.

1.4. Thesis Structure

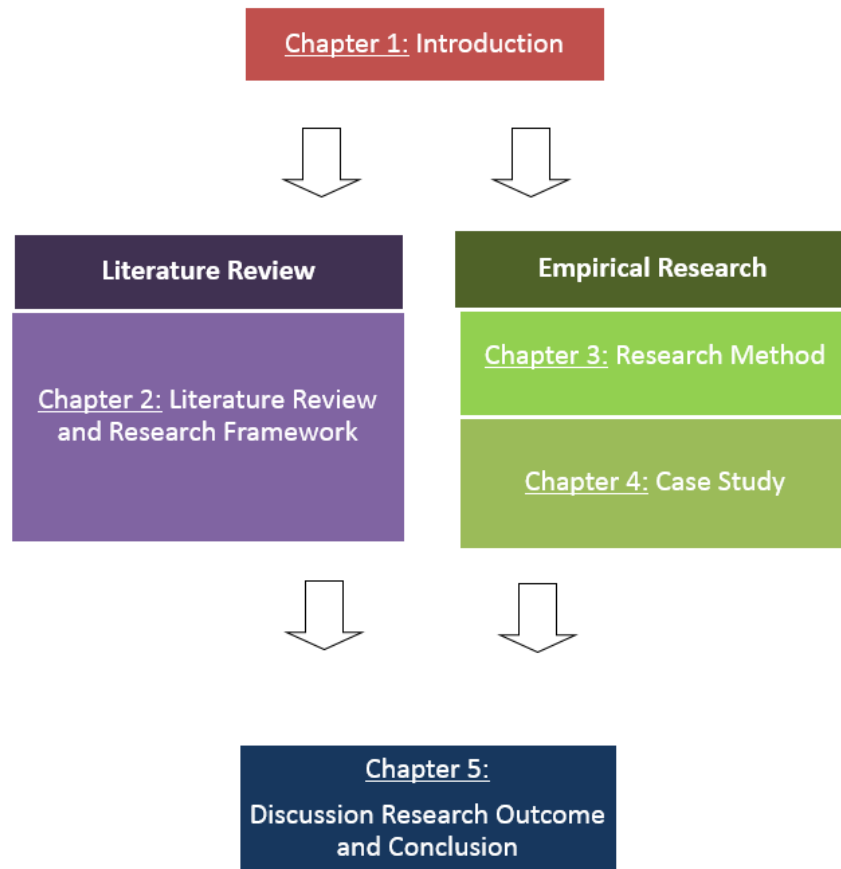


Figure 1: Thesis structure

In Figure 1 the structure of the thesis is shown. The first chapter is the introduction of the thesis and will contain the relevance, the aim, the research questions, the structure of the thesis and the methods used in the thesis. The second chapter is the literature review, with previous relevant published literature, the goal of this chapter is to answer the different sub-questions and present a research framework that will be used further along in the research. Subsequently in the third chapter the research methods used in this thesis will be explained. In chapter 4 the case study will be treated. The last chapter 5 contains the discussion of the research outcome and finally a conclusion will be drawn in this chapter.

Chapter 2 - Literature review

2.1. Introduction

In this chapter a literature review is presented of previous research and literature about tourism in developing countries. This is necessary to explain the relevant theory of the thesis. The chapter will contain a definition of tourism and a definition of developing countries that will be used in the research of this thesis. The possible positive impacts and challenges of tourism will be provided in this chapter. From the collected literature, a framework for the thesis research will be presented in the conclusion.

2.2. Definition of developing countries

To distinguish countries from another, it is useful to categorize countries to see the differences between them. Commonly used for classifying countries are the terms developed and developing countries. Different criterion is used for defining developed and developing countries. Previous research on developing countries mostly uses the classification of the World Bank (Balassa, 1984; Betcherman, 2014; Ravallion; 1997), IMF (Lu et al., 2010; Özturk & Mrkaic, 2014), UN (Khan, 2006) or writes about just one or more countries which are classified as developing countries by all 3 organizations. Therefore in this paragraph the classification of the World Bank, IMF and the UN for developed and developing countries will be clarified.

2.2.1 Classification of developing countries by the World Bank, IMF and the UN

World Bank

The World Bank categorizes members, to see which country is an eligible borrower and which country has exceeds a certain income threshold and attains a non-borrowing status. According to The World Bank, poorer countries should have better conditions from the World Bank. Therefore creation of an estimation of its economic capacities was needed. GNI per capita was recognized to be the best single indicator of economic capacity and progress. While it is also recognized that GNI does not constitute or measure welfare or success in development (World Bank, 2012)⁵. Hence the World Bank's main criterion is the GNI per capita to classify countries as low income, lower and upper

⁵ <http://data.worldBank.org/about/country-classifications/a-short-history>, retrieved 16 June 2012

middle income or high income (World Bank, 2012)⁶. An analytical country classification, a set of World Development Indicators (WDI) for statistical analysis purposes was created, for the World Development Report. The threshold for the high-income country category was a GNI per capita above 6000 US Dollars. The middle-income developing countries split to lower and upper middle-income countries and the last category was the low-income countries (Nielsen, 2011). With this new classification the term developing countries has been used for the low and middle income countries. The World Bank notes that the term developing countries, *“does not imply either that all the economies belonging to the group are actually in the process of developing, nor that those not in the group have necessarily reached some preferred or final stage of development.”* (The World Bank, 2012)⁷.

IMF

The IMF has a Poverty Reduction and Growth Trust (PRGT) that hand out concessional assistance. In 2010 a new framework has been set up for deciding which country member may use the PRGT. This framework is based on criteria related to per capita income, market access and vulnerability and these PRGT-eligible countries are defined by the IMF as “low-income developing countries” (Nielsen, 2011). IMF members are required to provide financial and economic data to the IMF. Since 1948 some of these data are published in the International Financial Statistics (IFS). Nowadays there are 2 groups, which are the advanced countries and the emerging and developing countries (Figure 2). Where the category low-income developing countries (PRGT-eligible countries) is a subgroup of the latter (Nielsen, 2011).

UN

In 1990 the United Nations Development Programme (UNDP) started to use the Human Development Index (HDI) to classify countries and launched the Human Development Report (HDR) to analyze development. The HDI consist of 3 indices that measures health, education and income of a country. Health is measured by life expectancy at birth. Education is determined by combining the actual and expected years of schooling. For income the GNI per capita is used with local currency

⁶ <http://data.worldBank.org/about/country-classifications>, retrieved 13 June 2012

⁷ Ibid.

estimates converted into equivalent US dollars using PPP (UNDP, 2012)⁸. This measurement first undergoes a transformation before they are added together. The basic here for all the sub-indices is: $X = (X_{\text{actual}} - X_{\text{min}}) / (X_{\text{max}} - X_{\text{min}})$.

Maximum values are the actual observed values over the period 1980 - 2010. The minimum value for health is 20 years. The minimum value for education is 0. For income the minimum value is 163 US dollars (in 2008 the minimum observed income level). The HDI is the average of these 3 numbers between 0 and 1. In 2009 4 categories were used for categorizing countries. For the developed countries, a threshold value of 0.9 was used, and this was called the very high human development. While other countries below the threshold value of 0.9 were called developing countries. The HDR 2010 used this classification system, where absolute thresholds were replaced by relative thresholds. In this report the developed countries are the countries in the top quartile in the HDI distribution and the other countries in the last 3 quartiles, which are high human development, medium human development and low human development, are called developing countries (Nielsen, 2011).

To summarize Figure 2 shows the 3 organizations classification of developing countries. Differences are visible between the organizations' classification of countries, this because of the different perspective each organization has. Though the classification systems are a bit alike. All 3 organizations, World Bank, IMF and the UN present that characteristics of a developing country is an income threshold. In all 3 organizations 75-80% of countries are labeled developing countries and the category contents almost the same countries in all 3 organizations (Nielsen, 2011).

⁸ <http://hdr.undp.org/en/statistics/hdi/>, retrieved 20 June 2012.

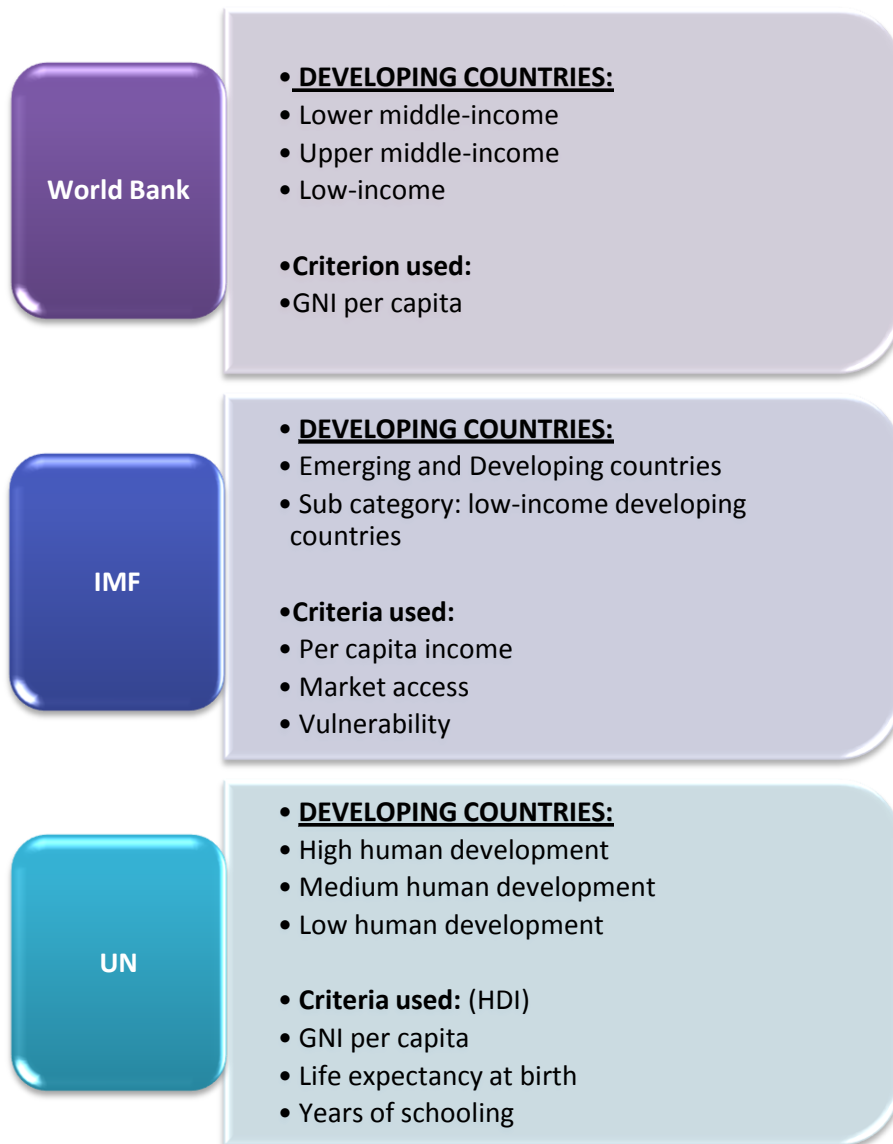


Figure 2: Classification of developing countries

2.2.2 Common problems of developing countries

Though the WorldBank, IMF and UN interpret developing countries mainly with an income threshold for their own different reasons. This part will elaborate the common problems that most developing countries face and hold them back from developing. This thesis will categorize the common problems, which are tended to correlate with each other, as follow:

1. Poverty
2. Poor health
3. Low educational attainment
4. Lack of infrastructure
5. Lack of an environmental sustainability plan
6. Corruption

Poverty

Different definitions are known for poverty. One used by Squire (1993, p. 377) is: *'the inability to attain a minimal standard of living'*. Another definition is: *'the inability of an individual or a family to command sufficient resources to satisfy basic needs'* (Fields 1994, p. 88). These two definitions show that there is a commonly shared idea that poverty is a state of deprivation (Purwantini & Widodo, 2012). The WorldBank, IMF and UN acknowledge that in developing country most inhabitants live in poverty. Estimations indicate that in 2015 about 1 billion people will be living on below the extreme poverty line of 1,25 US dollar a day. In sub- Saharan Africa and Southern Asia four out of every five people will be living in extreme poverty in 2015 (MDG, 2012). In 2012, worldwide 2.4 billion people had an income of less than the average poverty line of 2 US dollar a day⁹.

Poverty is more than insufficient income. Poverty is related to other problems as well that developing countries experience, like poor health, lack of education, Lack of infrastructure, environmental issues and corruption (Chetwynd et al. 2003). This will be elaborated later in this paragraph.

Poverty can be reduced with gains in labor productivity, which will show whenever a country can create employment opportunities with fair compensation. The research of Mendali (2013) shows for example that a gain in agriculture productivity can reduce poverty and also presents that education and more labor intensive sectors could reduce poverty in a country.

Poor health

A problem that affects health is access to basic sanitation and safe drinking water. In 2011, 15% (1.1 billion people) of the global population had no sanitation facilities and used open defecation. Despite progress only 56% in 2010 have access to sanitation facilities in developing countries. While 89% of the people worldwide had improved drinking water sources in 2011, still more than 40% of the people in Sub-Saharan Africa do not have improved drinking water. Rural areas are behind cities in water access. In 2010 96% of people in urban areas used improved drinking water sources compared to 81% of people in rural areas. (MDG, 2011).

⁹ <http://www.worldbank.org/en/topic/poverty/overview>, retrieved 27 May 2013

HIV infections in developing countries are also a threat to the health of people. Where 70 per cent of new HIV infections in 2010 were in Sub-Saharan Africa (MDG, 2011). Infections ratio is most severe in Southern Africa. The Caribbean has the second highest regional HIV incidence. In Asia this is substantially lower, because of the absolute size of the Asian population this means that the Asian population has the second largest number of people infected with HIV. Only 26% among young women and 35% among young men aged 15-24, in sub-Saharan Africa have truthful knowledge about HIV and AIDS, which is important to prevent infection. In this region condom use is low among men and women, this may be related with availability. Among young men HIV testing is low, this may be due the fact that, compared to the women maternal health care programs, there is no specific health program for men (MDG, 2011).

Low educational attainment

74 million women and 48 million men between the ages of 15- 24 years were unable to read or write (MDG, 2011). To escape poverty, education is an important factor. For the reasons that education can give opportunities to develop certain skills, what can be used later in life. There are different programs for education. Like the programs: lifelong Education for All (EFA), Education for Sustainable Development (ESD), and the United Nations Millennium Development Goals (MDGs). These programs tries to increase educated people worldwide (Maclean, 2013). According to UNESCO educated people in a country helps development and economic prosperity in the country (UNESCO, 2008¹⁰).

While in the developed countries 97% of children of primary school age were enrolled in primary or secondary schools in 2010. In developing countries this percentage was 90 in 2010, apart from in sub-Saharan Africa this percentage was only 76 in 2010. More than half of all out-of-school children are in sub-Saharan Africa. Of the total share of the out-of school children, 53% is female in 2010 (MDG, 2011). From an analysis of household survey data collected between 2005 and 2010 in 55 developing countries (MDG, 2011) shows that poverty influences the choice of attending secondary school. Children between the ages of 12-15 from the poorest households are three times as likely to be out of school as those from the richest households. Regardless of location or wealth of the household girls between 12-15 years are more likely to be out of school than boys.

¹⁰ UNESCO Medium Term Strategy 2008-2013 (Para. 32)

Lack of infrastructure

Developing countries tend to have poorer infrastructure. In these countries infrastructure services are recognized as important, though still of poor quality and short of supply. In rural areas coverage of the infrastructure services are much lower than in urban areas (Briceño-Garmendia & Estache, 2004).

Different studies show that infrastructure like roads, power and communication services can help reducing poverty (Fan et al., 2002; Jimenez, 1995). Hence the magnitude of the effect is still in discussion. Infrastructure might directly affect its final consumption, but also indirectly making market transaction possible and by making other economic inputs more productive. The impact on poor households is that infrastructure can improve income-earning opportunities (Sanchez Lopez, 2007), like easier market transactions, an increase in employment opportunities (Jimenez, 1995) and also declined income inequality (Calderon & Serven, 2004). This can cause long-run growth in a developing country (Esfahani & Ramirez, 2003).

Not only physical infrastructure, like roads, railways, power and ports are important for a country. Information and communication technologies are important as well for the development of the country. It removes infrastructure barriers, leads to technological progress in the country, allows people to collect information and drives consumer demands. In 2011 87% of the population worldwide used a mobile phone. In developing countries this percentage was 79%. Also the number of Internet users is growing fast. In 2011 almost 35% of the population worldwide was online. While in most developing countries Internet usage rose to 26% in 2011, in sub-Saharan Africa this percentage was below 15% (MDG, 2011). There are differences in speed, capacity and quality of the Internet connection between developed and developing countries. Slow speed of internet connection in developing countries can hinder the quality of applications and services that is used from the Internet. This can be overcome by technology that helps to increase coverage and mobility (MDG, 2011).

Lack of an environmental sustainability plan

The world is losing biodiversity, even though more areas might be protected. Different species are threatened by extinction. Losing biodiversity has challenges on the ecosystem of the world (Reich et al, 2012). Measurements taken from control of hunting certain species to setting up protected areas

are still not enough to protect the biodiversity. Which means more and/or new measurements must be taken to prevent extinction, preserve ecosystems and maintain the profits that people have from these sites (MDG, 2011).

Forests face pressure from increasing population and agriculture production. Existence of a forest helps livelihood and serves as an economic safety net in times of need. It provides timber, food, meat, medicinal plants prevent erosion and provide fresh air (Hasanimehr, 2013; MDG, 2011).

Forest management and conservation is therefore important (Hasanimehr, 2013) and employs around 10 million people worldwide. In the last 20 years the net forest loss has decreased to - 5.2 million hectares per year in the last decade. Improvement still is possible, this by less deforestation and afforestation programs (MDG, 2011).

Corruption

Corruption is the misuse of public power for private gain (Doig & Riley, 1998; World Bank, 2013¹¹). Corruption frequently takes place in societies that have weak, vulnerable and undeveloped civil society institutions and weak and undeveloped private sector (Doig & Riley, 1998; Grindle, 2004). It affects the poverty of a country, it reduces the potential income earnings of the poor inhabitants, it has damaging public and social consequences, undermines economic, political and social development of countries. Corruption increases the cost of public services and decreases the quality of public services. It holds back economic growth, by distorting markets, preventing foreign and domestic investments, hinders competition and often redistributes money from those in poverty to the office-holding rich, which increases income inequalities. Another form of corruption is that there are government officials that take bribes or selling their resources (Doig & Riley, 1998; Grindle, 2004; Purwantini & Widodo, 2012).

11

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/0,,contentMDK:23272490~pagePK:51123644~piPK:329829~theSitePK:29708,00.html>, retrieved 3 August, 2013

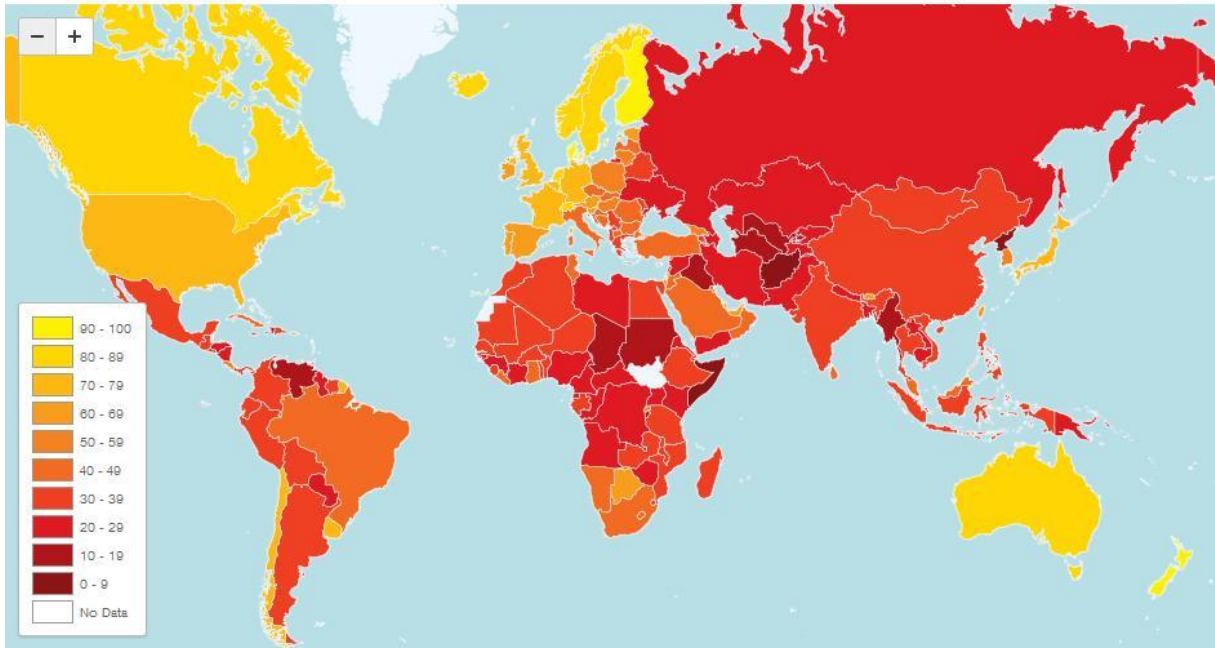


Figure 3: Corruption Perception Index (CPI), 2012 (source: transparency international¹²)

In Figure 3 shown is the corruption perception index of 2012. The index is an indicator of perceptions of public sector corruption. It is a composite index, data is drawn from a combination of surveys and assessments of corruption from different independent institution that are specialized in governance and business analysis. The index is on a scale of 0-100. Where 0 means that a country is perceived as highly corrupted and a 100 means that a country is perceived as relatively less corrupted. The countries with the lowest scores are countries that are perceived to have the greatest public sector corruption among the countries on the list.¹³ This figure shows that most countries with a low CPI are in the continents South America, Africa and Asia, where most developing countries reside.

Corruption differs in developing countries and therefore is hard to control or minimize. To see what kind of strategy can be used to approach corruption. It is necessary to examine the causes and consequences of the corruption in the country. In many country cases, observed is that there is a self-serving political leadership, and a state framework where individuals private interest have priority over the collective good (Doig & Riley, 1998).

¹² <http://cpi.transparency.org>, data retrieved 26 October 2013

¹³ http://cpi.transparency.org/cpi2012/in_detail/#myAnchor4, data retrieved 26 October 2013

2.2.3. Conclusion

The previous literature shows that most developing countries are facing the similar 6 problems: poverty, poor health, low educational attainment, lack of infrastructure, lack of an environmental sustainability plan and corruption.

It also shows that there is no general criterion for the term developing country. The most important classification of developed and developing countries is by an income threshold. Both the World Bank and IMF use this. Except an income threshold the HDI of the UN also considers health and education. Which are factors that are also important characteristics of a developing country.

Since a developing country contains more challenges except a low income threshold. This thesis will apply the UN definition for developing countries: *A developing country is a country that has a HDI below 0,9.*

2.3. Definition of tourism

Tourism is seen as 'the world biggest industry' by the World Travel and Tourism Council (WTTC) and the World Tourism Organization (WTO). According to the UNWTO (2010) 5% of the world's GDP is produced by the tourism sector and tourism represents 30 % of the global exports of services at over 1 trillion US dollars. Therefore conclusions can be made that tourism is one of the world's largest and fastest growing economic sectors. As well as one of the most complex sectors, for the reason that a great amount of actors and actions are involved (UNWTO, 2010)¹⁴. Tourism not only affects the economy of a country. It also has positive and negative influences on the environment and culture of a country. Tourism helps change the image of an area, this because tourism is a relatively 'clean' economic activity. With promoting tourism in overseas markets it creates a national identity and increases understanding for the different cultures, races and religion between people. Tourism may help economic and social development in the different urban and rural areas in the destination country. This might improve the quality of life of the inhabitants who are living in the country (Youell, 1996).

Defining tourism is a difficult task. For the reason that tourism includes so many different parties, actors and activities. The tourism industry is not a standard industry. Normally an industry is defined

¹⁴ UNWTO Annual Report A year of recovery, 2010

by what is produced. For tourism this is different the purchaser of tourism is the defining feature of tourism. This makes it for a supplier hard to determine whether their products or services are purchased by a tourist or a non-tourist. Not only this is a problem for defining tourism, in tourism there is no clear primarily product. Tourism is involved in different products and services, which will be bought by the tourists. Therefore it is hard to include all of them in one single industry.

Different organizations and researchers have tried to define the concept tourism. These different definitions can be put into 3 categories. The definitions can be demand-based, supply-based or an integrated definition of the demand-based and supply-based definition, which in this thesis will be called the system of tourism definition.

2.2.1. Demand-based definitions of tourism

The definition of tourism in the form of a demand-based definition are about tourism seen as a human activity and most of the time look at tourism as the same thing as travelling (Holden, 2008). To get a better understanding of demand-based tourism, clarification of the term tourist is necessary. *'A visitor of a place is someone that leaves its usual environment, for less than a year, for any main purpose other than be employed in the country or place it visits'* (UN, 2008, p. 7.). From this, UN mentions that a tourist is a visitor whose trip includes an overnight stay. Visitors that do not stay overnight at a place are called excursionist (UN, 1998). Figure 4 shows the differences in short of the 3 definitions.

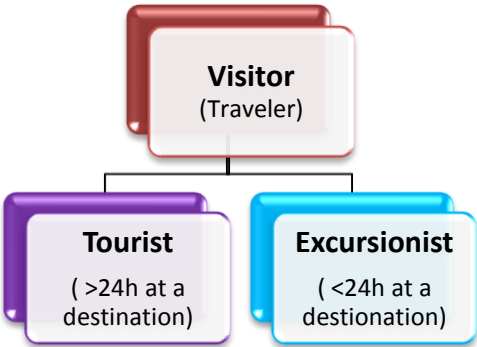


Figure 4: Definition of a tourist

Different segmentation has been done for distinguishing the different travelers. The most basic classification is as follow: holiday, business, visiting friends and other (Cooper & Wanhill, 1997). Another kind of segmentation for distinguishing the different travelers is done by the OECD (2008):

1. Domestic tourism: the activities of a resident visitor within the country of reference.
2. Inbound tourism: the activities of a non-resident visitor within the country of reference.
3. Outbound tourism: the activities of a resident visitor outside the country of reference.

Over time, the demand for holiday tourism has changed. Longer holiday breaks, the desire to travel and higher income has led that different demand has risen in developed countries (Cooper & Wanhill, 1997). Presented in Figure 5 is a short time line of the development of tourist demand. This time line starts with the grand tour (1500-1950), wealthy people with money were going to explore the world by foot, horse and carriage (Brodsky-Porges, 1981; Lamber, 1935; Towner, 1985). Later on in time, paid holidays by employees were introduced, with this change, tourism changed too. And so the period of mass tourism (1950-1985) broke through, people had long summer-break at a sunny resort, going to the same place every year for relaxation (Knowles & Curtis, 1999; Poon, 1994; Williams & Shaw, 1998). In the period of 1985-2010 a 'new tourism' period started, where people had a greater environmental awareness and were going on holiday breaks more than once a year with different goals, which could be relaxing, learning, spiritual, health and other goals (Cooper & Lockwood 1994; Poon, 1994). The latest development of demand tourism is polarization (2010 - present): in this period we can find 2 extremes. People either go for a cheap holiday break, to experience the authenticity of a place or either likes to spend their holiday break in luxurious resorts (Moutinho, 2011)



Figure 5: Time line development of demand tourism

These demand-based definitions are a limited view of tourism, they ignore the supply-side and industry-related aspects of tourism and mainly shows the different types of tourists, who have diverse reasons for travelling to a particular place and therefore have diverse demands for travelling.

2.2.2. Supply-based definitions of tourism

Next to demand-based definitions of tourism other kinds of definitions exist, one of these are supply-based definitions. These definitions highlight the facilities offered to tourists. By using the commodities provided as a focus for the definition, this type of definition is defining tourism kind of the same as other industries are defined. Supply-based definitions have their limitations, because like demand-based definitions it only focuses on one aspect of tourism.

The tourism industry is hard to measure, because it is difficult to determine what belongs in the tourism industry and what not. WTTC has distinguished the 'travel and tourism industry', this definition groups all the intermediate sectors that directly serve and supply goods to the travelers. Tourism has a range of interrelated sectors, which are industries themselves. Therefore it might be questionable if this could be included in the tourism industry (Youell, 1998). Tourist goods have complementary characteristics as well as network characteristics. Not only the attractions in the place are tourist goods, but also the other services are needed by tourists to visit the attractions (Russo, 2002). All these tourist goods together can be described as the tourism industry.

Jansen-Verbeke (1988) has divided these tourist goods. She identified a primary tourist product that can be seen as the reason why tourists visit the destination. This product is recreational, cultural or can be other facilities.

A secondary tourist product supports the primary product which is also necessary for tourism at the destination, though its existence depends on the primary product of the place. The demand of the secondary product is derived from the tourists drawn to the area by the primary product. The difference between these 2 products is that the primary product is unique, not reproducible and freely available. While the secondary product is produced and sold in a more or less competitive market (Cooper, 1993; Russo, 2002).

For tourism industry to work, next to the primary and secondary product at the destination, the destination needs to have other conditional elements, as well as being accessible for tourists. This means physical and market access to the destination are very important. Good infrastructure and super structure is critical for the destination areas, like transportation, utilities and other services (e.g. police and hospitals). Which are shared by residents and visitors. Infrastructure generally does not generate profits, therefore should be provided by the public sector. While superstructure, which includes buildings for accommodation, built attractions and retailing and others, is provided by the private-sector. A local tourist board destination should provide ancillary services. For promotion, coordination and control of development, information provision and advising and coordination of

local businesses. The organization should provide a framework which tourism operates at the destination.

For a destination it is important that each of the different elements is present. This mix of facilities and services should be good for an ultimate tourism experience (Cooper, 1993). Figure 6 shows the elements of a tourism industry, which are all discussed above.

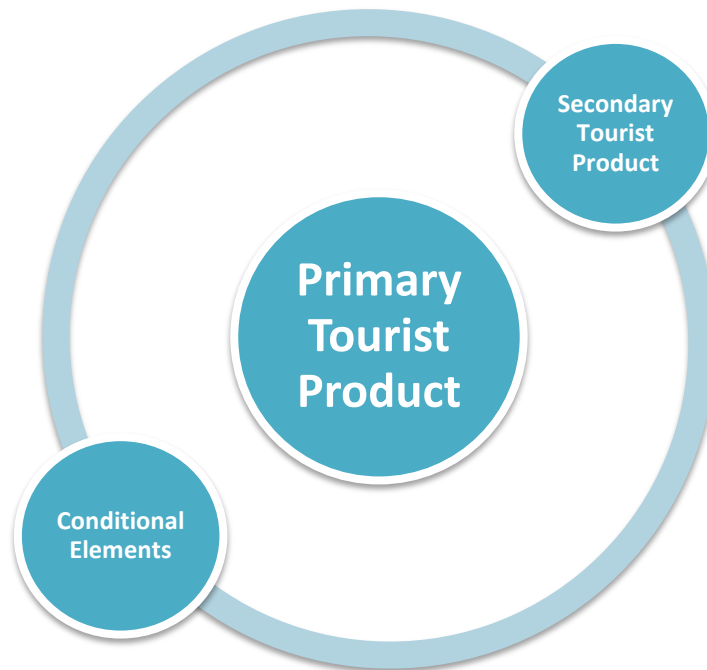


Figure 6: Elements of the tourism industry (source: Jansen-Verbeke, 1988)

2.2.3. The system of tourism definitions

Definitions about the system of tourism combine both demand-based and supply-based definitions of tourism. This definition is created because tourism has a demand and supply relationship. With the supply, like the primary tourist product, secondary tourist product etc. the destination is trying to satisfy the demand of the national and international tourist (Youell, 1998).

Two definitions of tourism as a system of tourism is from Jafari (1977) and Leiper's (1979) shown in Figure 7. These two definitions do differ. Both definitions shows that tourism is an interaction between the need of a traveler and this need affects the destinations host's socio-cultural, economic and physical environments.

2.2.4. Comparison of the 3 definitions of tourism

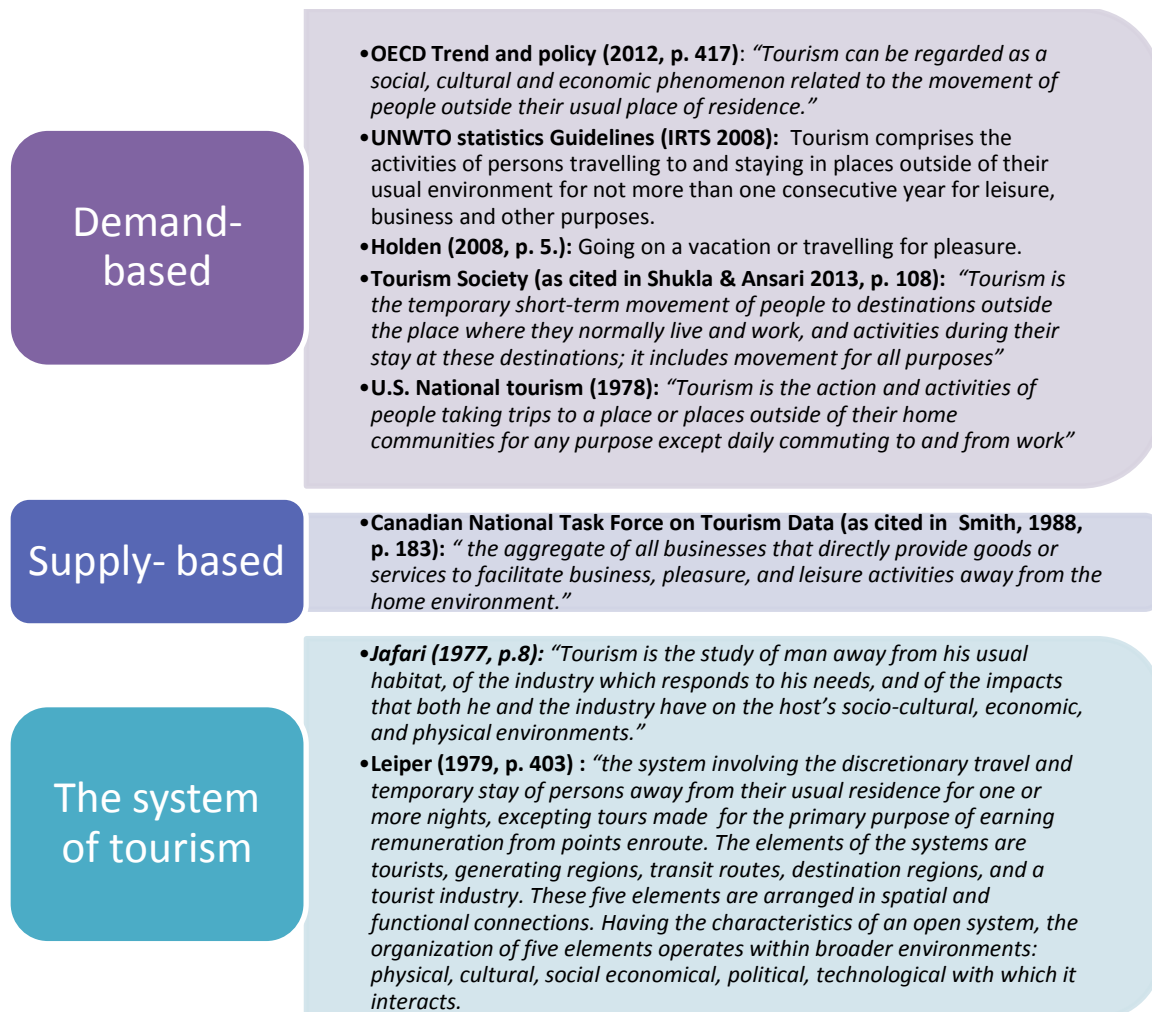


Figure 7: Three types of definition of tourism

Figure 7 presents a summary of the definitions used by different organizations and researchers. Demand-based definitions show that tourism is about travelling. Holden (2008) mentioned that tourism is about travelling for pleasure, though leaves out where to, for how long and the goal for holiday and pleasure is also not well defined. Tourism Society (as cited in Shukla & Ansari 2013) and U.S. national tourism (1978), UNWTO (2008) and OECD (2012) all show that tourism is an activity that leads people to move away from their normal surroundings, though not defining what the normal surroundings are. These definitions do not clearly show that these movements towards another place are for holiday goals, though also can be interpreted that people are away for business or other goals. The definitions of U.S. National tourism (1978) and the OECD (2012) do not say anything about

the duration of these movements. While The Tourism society (as cited in Shukla & Ansari 2013) and UNWTO (2008) definition mentioned that the visit is temporary and that people will go back home after a certain time. Limitations of these demand-based definitions are that it does not say anything about the impact that tourism has on the destination country and it does not make any references to the supply-side of tourism (Youell, 1998).

The definition of the Canadian national task force on tourism data (as cited in Smith, 1988) describes mainly the supply-side of tourism. It does mention that tourism is formed by different sectors. However it leaves open questions about, what are the businesses exactly, that directly provide goods and services to facilitate business, pleasure and leisure activities. Same as the demand-based definitions, missing in this definition is a definition for away from home. Another limitation of these supply-based definitions is that it only highlights one side of tourism.

Jafari's (1977) definition is a definition about the system of tourism and shows that tourism is a relationship about a person that travels for certain needs and his travelling has socio-cultural, economic and physical impacts at the destination that he is going. Though same critique here is that there is no clear definition for away from his usual habitat or how long this person is away and it does not really explain the interaction of the person's travelling and the supply-side of tourism.

Another system of tourism definition is Leiper's (1979) definition, which is the longest of all of the found definitions here in this thesis. His definition includes a person that travels and stay away for one or more night. He mentions 5 elements, though the definitions of these 5 elements are not clear. He does point out there is a relationship between these 5 elements and that these 5 elements have physical, cultural, social economical, political, technological impacts on the environment.

From the literature we can conclude that tourism contains many different scopes, defining it, is a hard job to accomplish. For this thesis used will be the supply-based definition of tourism. The supply side of tourism directly influences the inhabitants/tourism areas itself. Used will be the elements of tourism by Jansen-Verbeke (1988) to classify the different elements of tourism. While recognized that tourism is an interaction between the supply and demand side of tourism.

2.3. Tourism in developing countries

In the world, Africa's tourism industry is growing fastest with 9% annually, followed by Asia and the Middle East with both a growth rate of 8% (Farooq et al., 2012). These growth rates show that tourism is getting more important for developing countries. This following part will present the positive impacts of tourism and challenges from tourism in developing countries from other previous research done about this subject.

2.3.1. Positive impacts of tourism in developing countries

Studies shows that tourism is one of the biggest industries in the world for developed and developing countries and is a source for a country's foreign reserves (UNTWO, 2011; Farooq et al, 2012). Tourism is the most important source in the economic development of developing countries of Latin America. Presented is that tourism development has positive impact on jobs and cash flow in Namibia (Farooq et al, 2012).

Tourism is seen as one of the world's leading job creators. According to the UNWTO annual report of 2010 it creates millions of jobs, especially for young people and women. Tourism generated 25% employment in which women participation is more than men in the area of Hungary (Farooq et al., 2012). Entrepreneurial opportunities are also created by tourism (Briedenhann & Wickens, 2004). Shown in the study of Mitchell (2012) is that in middle-income countries wages paid to tourism industry workers are often a major source of profit.

The UNWTO annual report of 2010 presents that travelling towards developing countries is growing faster than in the developed world. International tourism can transfer funds from rich tourists to poor developing countries. In some destinations 25% of the spending of the tourist reaches the people in the developing country. This is generally the result of e.g. building of hotels, construction of infrastructure and other facilities and services for making it attractive for tourists to visit. Taxation of tourists could increase the country's government redistributive spending (Mitchell, 2012). This increases and supports economic and social life of people who are directly and indirectly involved. The direct effects are improved income of the people who directly participate in the tourism industry. Whereas the indirect effect is the increase in the purchase of commodities (Farooq et al., 2012; Guha & Ghosh, 2007). In Mexico, for attracting more tourists, the government has made efforts to improve the drinking water, health, and sewerage in the areas where tourist visit most. Schools are set up to educate personnel for the tourism industry to provide skilled and semi-skilled

workforces within the economy. Some public roads constructed and expansions in airport terminals and airline routes are especially for tourist use. Though, later on also used not only by tourists but also by others. In Puerto Rico, the expanding tourist trade has resulted competition among airlines to service and resulted in lower fares for not only tourists but also for inhabitants of the country (Jud & Krause, 1976). Consequently tourism could have significant effects on culture, environment, health and over all standards of living of the local people and provide economic incentives in developing countries (Farooq et al, 2012).

According to the UNWTO annual report 2010, tourism can use international earnings to protect the country's environment and giving economic value to cultural heritage. Tourism can be used as an instrument for raising public awareness of environmental problems and can be a sustainable tool for cultivating natural resources and preserving biodiversity. It helps bringing people together, learn about each other for mutual understanding and respect. The study of Tony and Etienne 2002 (as cited in Farooq et al., 2012) shows that tourism has not only positive impact on the development of South Africa, it increased economic growth, decreased poverty and also reduced discrimination and inequality among communities in South Africa.

From Leff (1964) and Huntington (1968) tourism can increase low-level corruption like bribes for government employees to avoid getting visas and permits delayed. This kind of corruption is in turn in favor of tourism. This way, with less hassle, the tourist can get into the country. With the growing tourism inflows this will have a positive impact on the developing country. It only goes for developing countries that have a historical and natural heritage (Yap & Saha, 2013). However, when corruption gets on a higher level, it will worsen the country's business image, which has consequences on the developing country (Méon & Sekkat, 2005) and will be elaborated in paragraph 2.3.2.

The above literature shows, that tourism may have positive impacts on the country. It may lead the developing country's economy to grow, which reduces unemployment, more people working in the country and households incomes goes up (Baumohl, 2008). This growth improves budget deficits and leads to better living conditions, health and education outcomes in a country (Suri et al., 2011). This also goes the other way around; better health and nutrition status have positive influences on economic growth (Baldacci et al., 2008). Lee & Hong (2012) state that countries with favorable economic policies and economic structure tend to have a higher steady-state level of income, and therefore faster growth at any given initial level of income. Economic and social growth in a country improves human development, this stimulates new technology and innovations which lead to a technology advanced and economic prosperous society. These effects on a country will lead that

developing countries do not have to rely on aid from outside the country anymore. Tourism and their positive effects on the country, will guide the developing country and their inhabitants to be more independent and self sufficient.

The positive impacts are also recapitulated in Figure 8. This figure presents the positive impacts on the six common problems developing countries have, that have been discussed in the previous chapter. Literature shows that tourism will reduce poverty, by increasing employment, increasing entrepreneurial opportunities, increasing the purchase of commodities, increases low-level corruption in already corrupt countries and by tourism becoming a source of country's foreign reserve. Tourism has positive impact on education by improving human development and stimulating innovation and technology. It also increases health by improved facilities, like water and sewerage and improved standards of living. Tourism improves infrastructure and increases competition among airlines. Tourism helps cultivating natural resources and preserving biodiversity, decreased corruption and reduces discrimination and inequality.

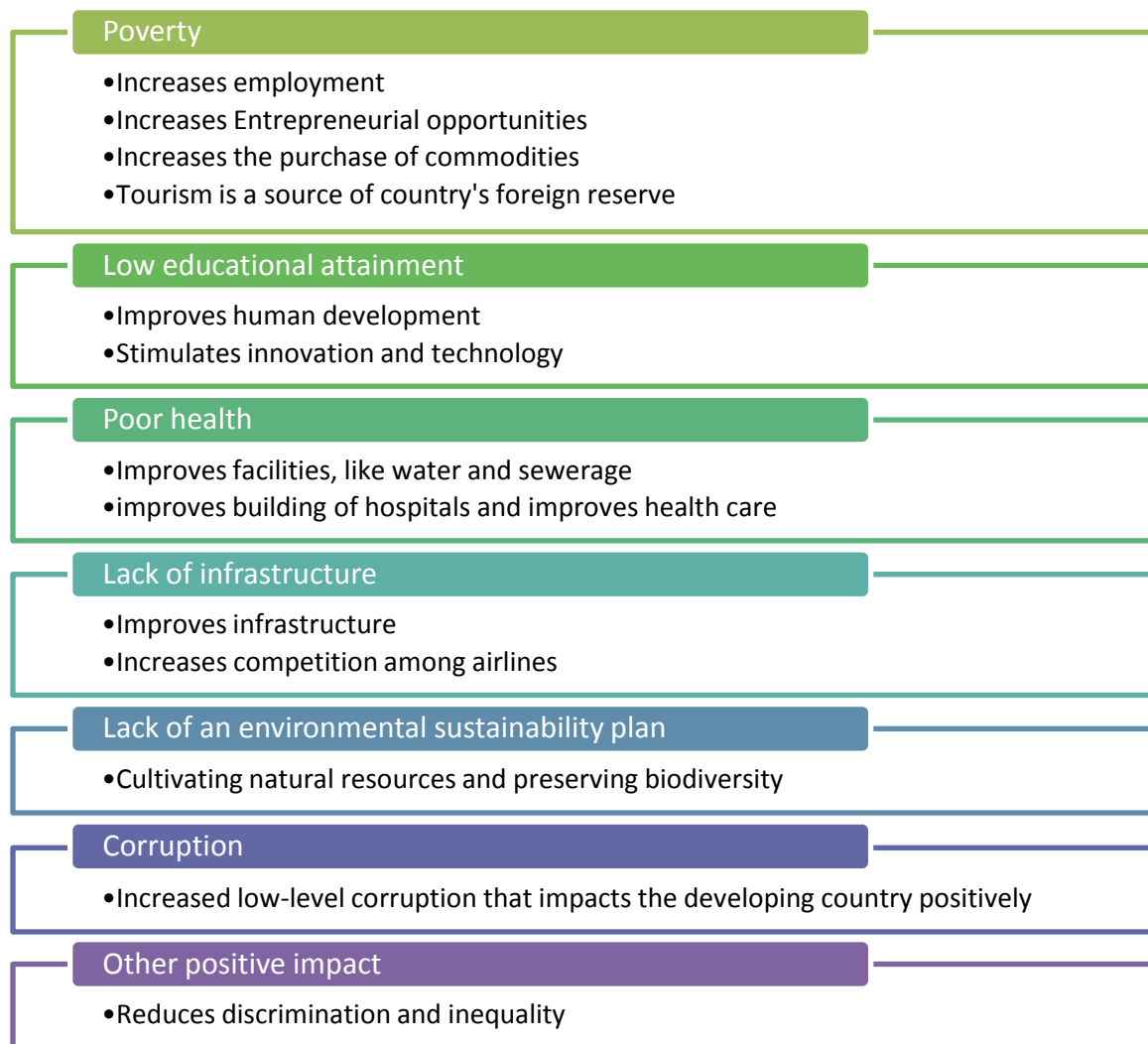


Figure 8: Overview of the positive impact of tourism in developing countries

2.3.2. Challenges from tourism and possible solutions for tourism in developing countries

Tourism is praised for producing new jobs, improve infrastructure and enhance economic conditions of a developing country. Besides possible opportunities tourism brings challenges for the country as well. Especially when a country's growth relies on tourism, it is eminent to implement tourism the right way, so the developing country can profit of tourism in the long run.

In the tourist sector there is a viewpoint that poverty reduction is not the responsibility of the private sector, since tourism activities are profiting the destination (developing country). Though said is that tourism can benefit the local population of a country it does not mean that this really happens. Local

population does not always benefit of tourism, because tourism jobs can be exploitative, seasonal and low-waged. Less than one-tenth of tourist in-country spending reaches the local poor community in Cambodia and Ghana. Most of the tourist sector is controlled by large firms and through tour operators, foreign-owned hotels, land-owners and land speculators. Benefits of tourism go back to the countries of origin (Mitchell, 2012). Instead of positive gains for the local population through tourism, the increasing tourism hurt the local population and small local farmers and undergoes economic loss (Jud & Kraus, 1976).

A second challenge for small and developing countries is finding financial assistance for the resources to develop tourism. Since funds are limited, this makes own tourism campaigns difficult and this responsibility falls in the hands of the public sector bodies in the destination country. According to the research of Briedenhann & Wickens (2004) in many South Africa's rural areas there are just a small number of formal tourism structures and these have only a small fund for promoting their products and services.

To overcome that the control of the tourism industry and its benefits, rest in the hands of only one side of the community and improve finding financial assistance. It is important that the public and private sectors work together. This can be done through an analysis of the economic value of tourism. The developing countries can acknowledge the importance and regulate and or standardized the sector (UNWTO, 2011). Coordinating between the different sectors is important to prevent conflicting interests and strategies between the different parties involved in the tourism industry (Russo, 2002). In the research of Briedenhann & Wickens (2004) found that South Africa can only develop right strategies when government, tourism agencies and private sector organizations know their role in South African tourism and diminish the rivalry between them. 'Afrikatourism' which is the brand that is used for the concept of tourism routes and projects might help coordinate the tourism industry and unify the different parties in tourism.

Another challenge that Briedenhann & Wickens (2004) points out is that in developing countries there is a lack of education. This means that in the country a large amount of people do not manage the basic literacy and/or numeracy. Problems occur that the training that is offered is not accessible or are not well-suited for the local population, which affect the tourism product. While lacking of education most developing countries do have inhabitants that are creative, hospital and have potential entrepreneurial skills. Support by the public sector here is important. It should create education institutions for short courses and mentoring programs that might be useful for the tourism sector. With the right facilities for tourism, educating people by transferring skills, mentor them and

learn them to use and or develop new technology can help the area create a unique tourism product (Briedenhann & Wickens, 2004).

Public health of local population is one more challenge for the developing country. Several research (Rodriguez-Garcia, 2001; Martens et al., 2010) shows that Tourism affects public health by the way that it spreads diseases through the travelling of tourists. Increased air travel increases the transmission of one region's microorganisms to anywhere in the world. Tourists are at risks for contracting infectious diseases and take them with them from one place to another and can threaten the places where to travel to.

A main challenge for developing countries is resource conservation, for inhabitants to profit over the long run, from their environment that attracts tourists to visit. Though poverty is largely present in developing countries it is difficult to make this a priority. Since people might have no choice to take immediate benefits at the expense of the long term sustainability of the area (Briedenhann & Wickens, 2004). Damages to the environment through tourism development also happened in Mexico and Puerto Rico, caused by new construction especially for tourist use like, hotels, high roads and other facilities might cost the destination the natural beauty of the place (Jud & Kraus, 1976).

Presented in the research of Haroon (2002) is that tourism activities in Pakistan are not sustainable at all, as the same in many regions worldwide, uncontrolled land utilization, deforestation, sudden growth of tourism, unplanned growth of accommodations and out migration of young people who do not see a future in the region, because of lack of job opportunities and lack of local ownership (Farooq et al., 2012). Where there is an unbalanced development of tourists' accommodation units areas can get polluted with noise and environmental pollution and also results in congestion. These characteristics can prevent tourist visit the place (Tchetchik et al, 2011). Furthermore traffic congestion caused by tourism is also detected and challenges the area where lots of tourist visits. Places can get overcrowded when there is no proper traffic management (Dickinson & Dickinson, 2006).

The term 'sustainability' is a commonly used term for successful long term tourism in developing countries. The definition for sustainability is according to The World Commission on Environment and Development (1987): *'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'*.¹⁵ To prevent overconsumption at the tourism destination, different strategies, like reducing consumption of natural resources has been executed

¹⁵ <http://www.worldbank.org/depweb/english/sd.html>, retrieved 20 August 2014

(Cooper & Wanhill, 1997). Different solutions have been given for sustainability of a tourism destination; in the research of Farooq et al. (2012) to prevent deforestation, a recommendation given is that natural gas should be provided in the rural adjacent areas. For preventing congestion, public transport network should be improved, so visitors and residents mobility are not compromised by the amount of tourists that visits the area (Albate & Bel, 2010).

Preserving the tourism destination is costly and according to Russo (2002) financing should come out of central transfers and grants. This might come from tourists pay tourism taxes or pay a certain fee to see the tourism product in the tourism destination. To support sustainable tourism strategies local communities should be given ownership in local businesses and should be involved in the decision-making of the area.

Tourism also might causes damages to the original culture. The interaction with tourists might threaten the customs and values of the local population (Jud & Kraus, 1976). Though this might be an outcome, mentioned before is that tourism also can provide more understanding for the destination's culture and reduces racism.

In the research of Jud & Kraus (1976) governments of Mexico and Puerto Rico have attempted to try to preserve local customs and traditions. In Mexico, the Department of Tourism provides special courses for guides. So these guides can better inform tourists about the culture, customs and traditions of Mexico. From the research of Briedenhann & Wickens (2004) we also see that it is important for the community to be heard. This gives them the opportunity to advice and inform about tourism development. This can protect the local nature, culture and social structure of the community.

Not only culture loss might be a problem, but also criminal activity and corruption might increase with a bigger tourism industry. A study of tourism and crime in Mexico reported a strong and significant relationship between the volume of foreign tourism in Mexico and the level of total crime (Jud & Kraus 1976). To prevent increased criminal activities it is important that the public sector step up and take care of issues of safety and security in the country. To ensure tourists safety to travel to and in the developing country (Briedenhann & Wickens, 2004).

In chapter 2.3.1 mentioned is that low-level corruption might help a developing countries kick start its economy. But when corruption increases after reaching a threshold point, tourism demand will start to decline because of corruption in the developing country (Saha & Yap, 2014). Tourism has

negative impact on tourism by building plans that are altered for building tourism buildings or facilities. An example is this happening can be found in Dubrovnik in Croatia. Where real estate corruption took place in favor of tourism. Instead of original investments of 80 million euro's this has been bought by developers of 1.2 billion to build hotels, villas and apartments on the place.¹⁶ Corruption also leads to files in offices that are slowly processed and long queues at the passport offices (Anatusi & Nnabuko, 2013) and will cause administrative delays with the goal to get more bribes (Saha & Yap, 2014). Countries that are corrupt, leads to less tourism inflows and less foreign investments (Anatusi & Nnabuko, 2013). Corrupted government that demands bribes force tourism operators to increase the price of their tourist product (Saha & Yap, 2014). Furthermore, a tourism market, with only monopolies, which are supported by corrupted politicians, limits entry for other small-business owners (Torres, 2004) and eventually consumers have to pay a high price for the tourist product.

Figure 9 presents the challenges that tourism has on a developing country and shows that tourism might increase the six problems that exists in developing countries.

¹⁶ <http://www.nationmultimedia.com/travel/Drowning-in-tourists-and-corruption-30209039.html> ,
retrieved 12 August 2014

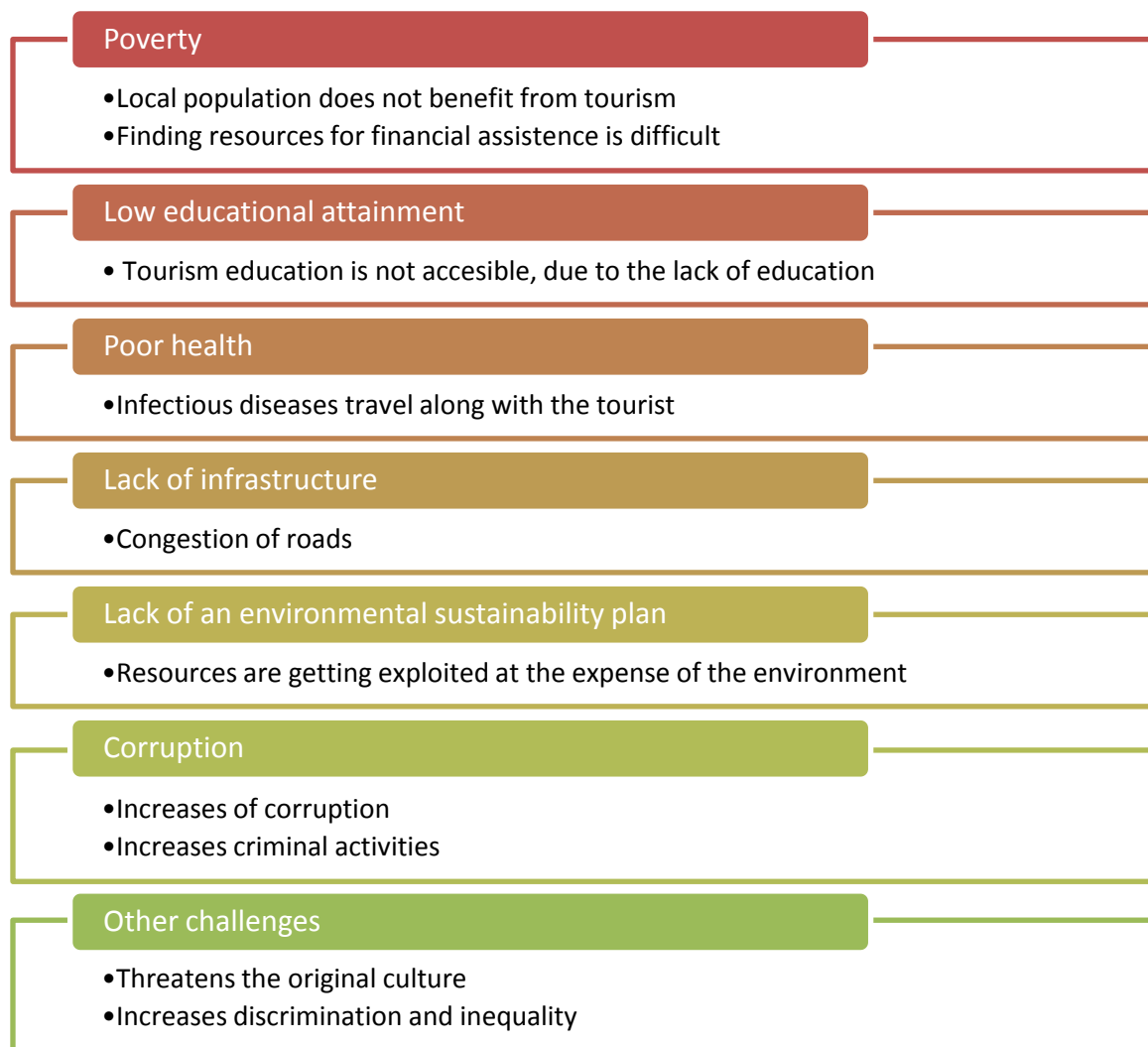


Figure 9: Overview of the challenges from tourism

From the above literature about challenges from tourism in developing countries, one of the most indicated solutions for the different challenges caused by tourism is a partnership between public and private sector and the communities in the tourism destination. In this situation every sector has their own responsibility to lead tourism in the developing country to flourish and be maintained in the long run. Partnerships between public and private sectors and local communities are important to create and maintain a healthy tourism industry in the country.

Support by the public sector is important too, the public sector can upgrade and develop infrastructure which are necessary for tourism. The public sector should take care of issues of safety and security in the country. To ensure tourists safety to travel to and in the developing country and provide education (Briedenhann & Wickens, 2004).

To improve service for tourism not only facilities like hotels, recreational facilities should be build, but also proper marketing of the festivals should be used to attract more tourists, telecommunication facilities should be placed, clean drinking water should be arranged for a better health of the people in the area and capacity as in education should enhance literacy among local people besides improving hospitality of locals to tourist. As well as improving the economic conditions for locals (Farooq et al., 2012).

2.4. Conclusion literature review and research framework

The literature review presents that the most important classification for developing and developed countries is an income threshold, which is recognized by the WB, IMF and the UN. Except the income threshold, the IMF and the UN uses other criteria as well to define developing countries which are elaborated in paragraph 2.1.1. The 3 organizations use different factors to determine a country being developed or developing. In all 3 organizations the category developing country contains 75-80% of countries and has almost the same countries in this category. Because a developing country contains more challenges except a low income threshold. Hence this thesis will apply the UN definition for developing countries: *A developing country is a country that has a HDI below 0, 9.*

Recognized in the literature review is that developing countries have at least 6 common problems, which holds them back from developing. These problems are: poverty, poor health, low educational attainment, lack of infrastructure, lack of an environmental sustainability plan and corruption.

In paragraph 2.2 shown is that tourism involves different products and services, which is purchased by the tourist. Therefore it is hard to include all of them in one single industry. Three kinds of categories are used for the definition tourism: a demand-based, a supply-based and an integrated definition of the demand-based and the supply-based definition. All three of the definitions have their limitations. Because the supply side of tourism directly influences the local community and local tourism areas itself, used for this thesis will be a supply-based definition of tourism. The elements of Jansen-Verbeke (1988) will be used to classify the different elements of tourism, which are shown in paragraph 2.2.2., Figure 6.

Shown in the literature is that tourism is one of the world's largest and fastest growing economic sectors and shows a lot of potential for economic and social development in countries. Which makes

linking tourism to developing countries is interesting. In this thesis we will link tourism with the 6 problems in developing countries that are recognized previously in paragraph 2.1.2.

Figure 10 shows the research framework. The middle part of the framework presents tourism, used for the definition of tourism are the elements of Jansen-Verbeke (1988), though from the literature review recognized is that tourism is an interaction between the supply and demand sides of tourism.

With the arrows to each problem shown is that tourism has different positive impact on a developing country and challenges a developing country as well. The literature review presents that tourism's increases employment, increases entrepreneurial opportunities and other economical impact that has positive influences to decrease poverty.

On the other hand literature review shows that tourism also challenges the decrease of poverty, this by implementing tourism in a developing country, while very limited economical benefits are present for the local population. When local population wants to get involved in tourism it is hard to find financial assistance.

The second problem that is found in developing countries is low educational attainment. With tourism implemented in a developing country, the tourism industry needs local personnel, where local population can be educated in tourism courses, which improves human development, innovation and technology in developing countries. Where too many people are analphabetic in a developing country makes it difficult for the tourism industry to educate local inhabitants for the specific tourism branche.

A third problem that is found in developing countries is poor health. With tourism implemented in the developing country, the government might find it necessary to improve facilities like hospitals, improvements in health care and improvements of other facilities that can decrease poor health. A challenge here is that through increased traveling by the tourist, the tourist can bring infectious diseases with them, what will affect the public health of a developing country.

A fourth problem that is found in literature review is the lack of infrastructure in a developing country. To attract tourist to a developing country it is essential that tourist are able to visit the developing country. Infrastructure in the country is getting improved for tourist to travel around the country. A challenge for tourism on infrastructure in a developing country is with many tourists visiting the country roads are getting congested.

Problem 5 of developing countries is the lack of an environmental sustainability plan. To keep tourists visiting the developing country, it influences the idea of sustaining the environment. To keep

the environment just the way it is, it is important to have an environmental sustainability plan. Tourism can positively influence this on the one hand. On the other hand with too many tourists visiting a developing country, it will burden the area where the environment will lose its authenticity which challenges the area and local population.

The last problem developing countries often deal with is corruption. From the literature review tourism increases corruption, this can, until a certain level, be a kick start for a developing country's economy, but when corruption increases over this level, it will bring problems within the developing country. Tourism also brings local criminality within a country, because the gap between rich and poor is getting bigger. Recognized is that the 6 problems in developing countries might have different impact on each other, which will not be included in this research.

This thesis will use this framework (Figure 10) for further research, to see how tourism influences these six common problems of developing countries in South Africa.

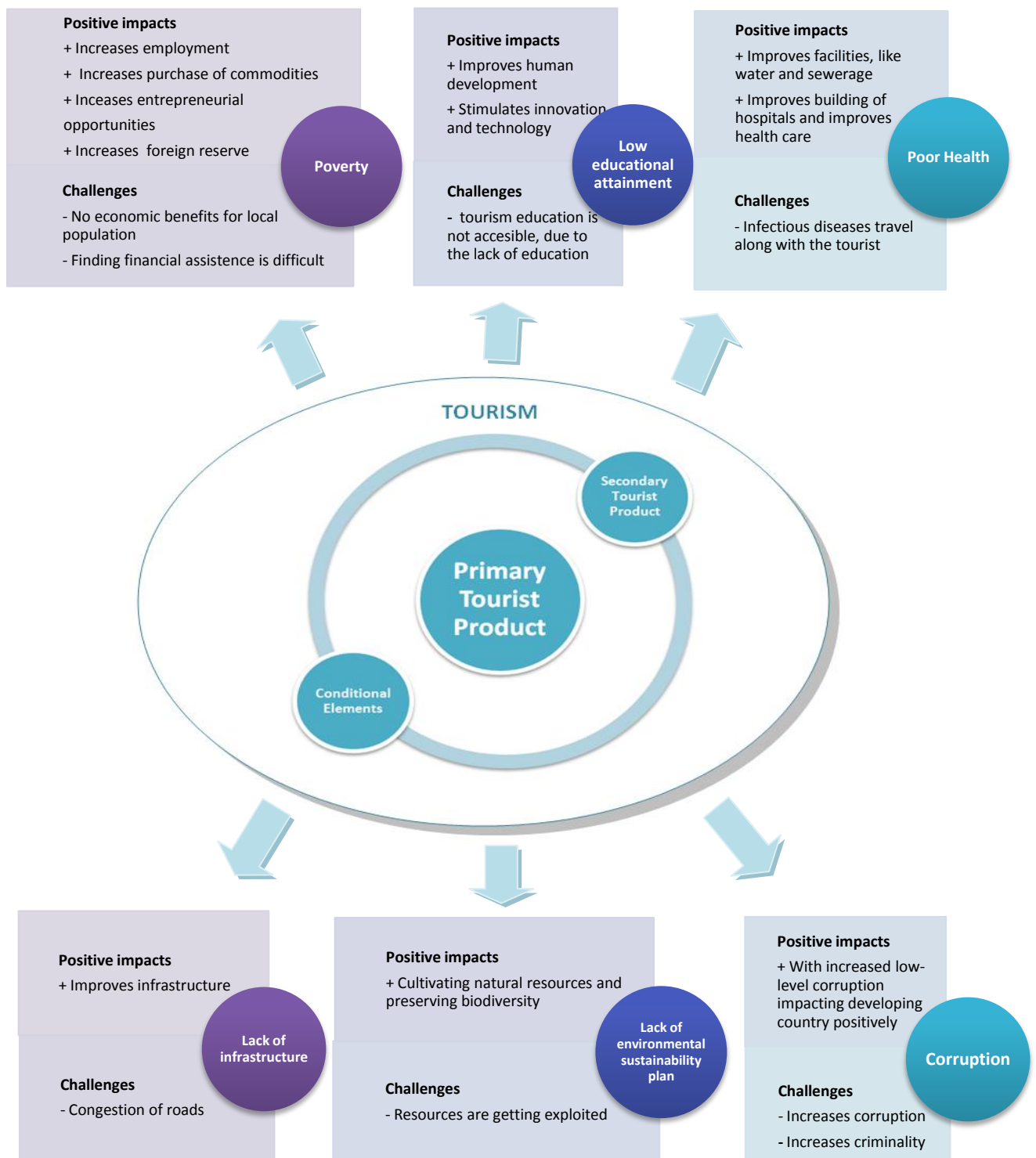


Figure 10: The research framework

Chapter 3 - Research Method

3.1. Research method

For this thesis chosen is a qualitative research method. According to Strauss & Corbin (1990) qualitative research means *“any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification”*. Analysis of the data of qualitative research is subjective and mostly deals with a small sample size. With qualitative research found will be understanding, and extrapolation to comparable situations. While quantitative research is looking for prediction, causal determination and generalization of results (Hoepfl, 1997). Qualitative research takes into considerations human perceptions and experiences and can be used for better understanding about events which little is known about. These qualitative methods can be used to achieve new perspectives about subjects, where not much is known about. It also can be used to gain more in-depth information that cannot be achieved with quantitative methods (Strauss & Corbin, 1990).

The research framework (Figure 10) will be used to structure the single case study about the tourism of South Africa. Case study research is a type of qualitative research where the researchers explores a actual, contemporary bounded system over time, through detailed, in-depth data collection involving multiple sources of information (Creswell, 2013; Hoepfl, 1997). Advantages of a case study is that researchers study current, actual cases that are in progress so gathering accurate information that is not lost by time. Because of the different sources of data an in-depth understanding about the researched question is possible (Creswell, 2013).

8 interviews are held with experts in different fields of expertise like tourism, development of tourism, South Africa and developing countries. The names and the expertise of the experts who are interviewed can be found in Table 1.

A list of questions about the six problems developing countries faces, following the research framework, has been made available (see appendix A). As a result, the same information will be obtained from each respondent. Open-ended questions are used, which make it possible to discover new information about the subject (Lofland & Lofland, 1984) and also makes it possible for the respondent to give complex responses from its own perspective, which will results in rich, in-depth data, that also captures the restrictions of daily life (Denzin & Lincoln, 2000). This not possible when using quantitative research methods (Yeung, 1995). Notes will be made during the interview and also

after permission of the respondent the interview will be recorded too, for capturing more information than hurried writing notes and also makes it easier to focus on the interview (Hoepfl, 1997).

Name:	Expertise:
Diederik de Boer	Coordinator the Round Table Africa Program at Maastricht School of Management
Jan van den Borg	Associate Professor of Economics of Tourism at Erasmus University of Rotterdam
Meine Pieter van Dijk	Urban Management in Emerging Economies
Rene van der Duim	Sociologist with special interest in actor-network theory. Research focuses on tourism, conservation and development in sub-Saharan Africa
Jan Franssen	Urban Development Specialist with a focus on poverty alleviation and local economic development
Kalixte Kabera	Rector Rwanda tourism University. PHD-Research tourism in Africa
Jeroen Klijs	Researcher Tourism & Regional impact studies
Harry Wels	Associate Professor African Study Centre Leiden. Research focuses mainly on structures of organizational cooperation in nature conservation in South and southern Africa

Table 1: list of interviewed experts

Next to the interviews an analysis of relevant secondary data about the six problems in South-Africa will be collected from different databases of the World Bank, United Nations, World of Tourism Organization, tourism boards etc. which will supplement the gained data through the interviews.

After collecting and analyzing the primary data and secondary data of tourism in South Africa. The last step will be linking the results with the literature review of chapter 2. The research outcome and conclusions will be made in the last chapter 5.

3.2. The case study

Chosen for this thesis is a single case study: tourism in South Africa. It will use the term developing country as described by the United Nations. The term developing countries includes all countries with a high, medium, and low HDI.

While most continents in the world have at least one country with a very high HDI, the map of the continent of Africa (Figure 11) presents that Africa has none. Therefore this continent is very interesting to see whether tourism can give positive impacts in a country.

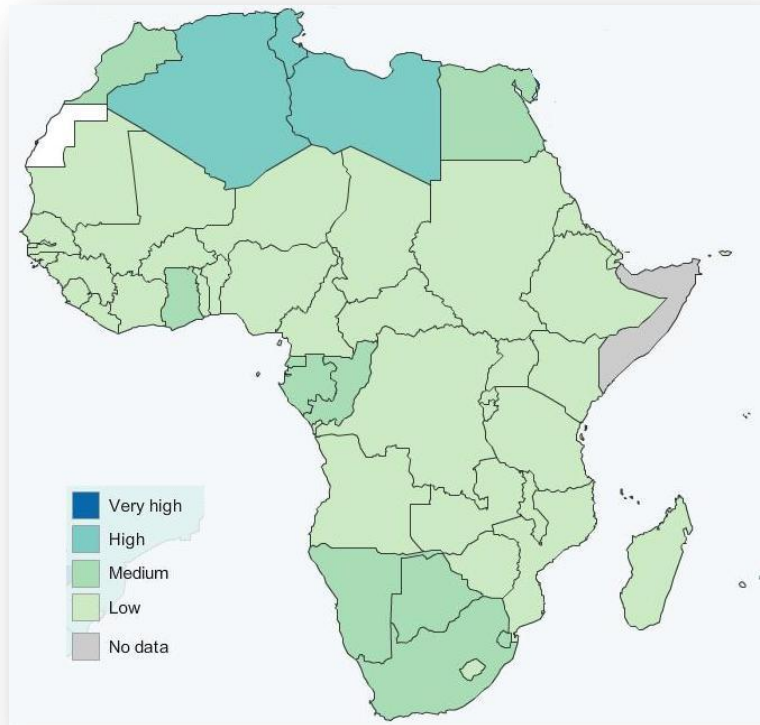


Figure 11: HDI 2011, Africa (source: UNDP, 2012)

In comparison of the rest of the African countries, shown from statistics and the interview is that half the revenues from tourism in Africa is from the tourism of South Africa in 2011 this was 29 million US dollar, which makes it an interesting case for study.

In the past years South Africa was not in a continuous war with other countries and economic and social statistics over the past years are available. South Africa is a success story when using tourism to attain positive impacts for the country. Taking a look at the statistics of South Africa. South Africa has the highest GDP (PPP) in 2010 compared to other African countries, which is shown in Figure 12. The country has a medium HDI in 2011 as shown in Figure 11. It is in the top 3 of receiving tourists and tourist expenditures in 2010 of the continent of Africa (Figure 13 & Figure 14), which makes it an interesting case to study. To discover how this country has become this successful and is it possible for other African countries with low tourism flows can learn from the successes of the use of tourism in South Africa for positive impacts and also prevent making the same mistakes when using tourism to attain positive impacts for the developing country.

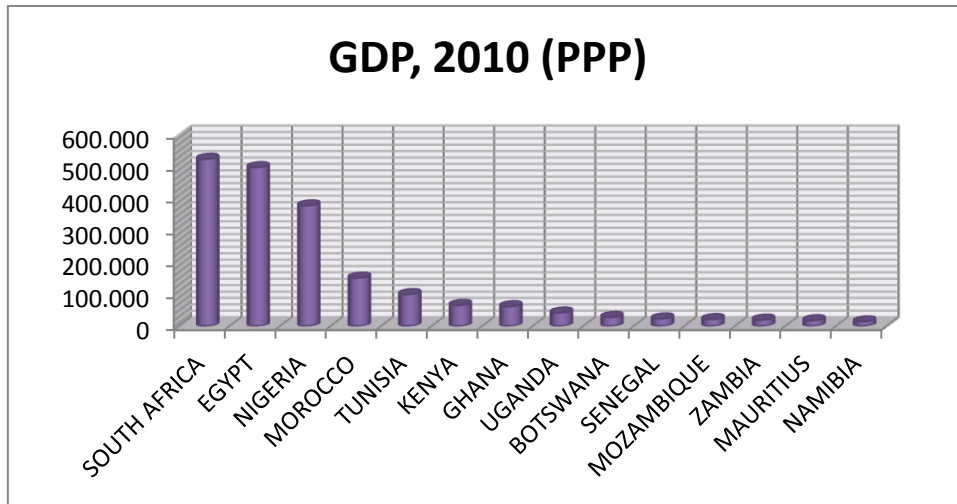


Figure 12: GDP (PPP) 2010 of selected African countries (source: IMF)

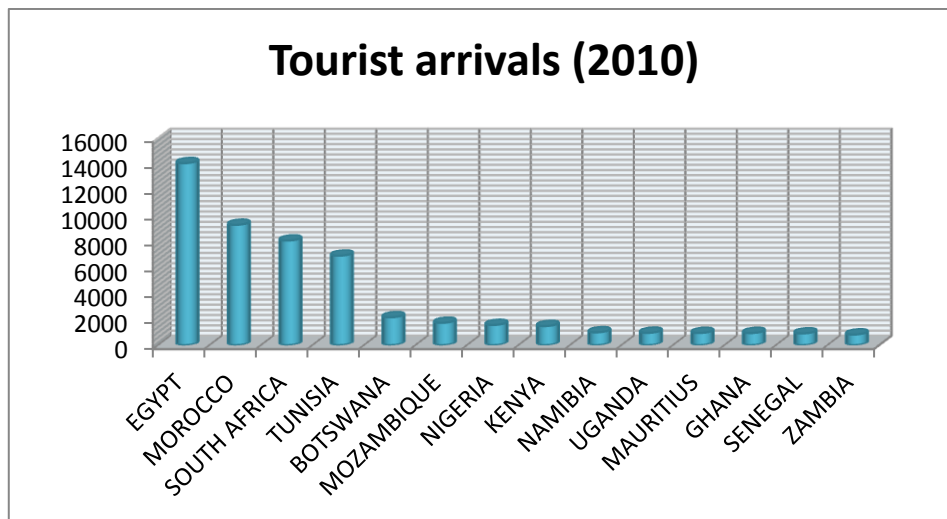


Figure 13: Tourist arrivals in Africa, 2010 (Source: WTO)

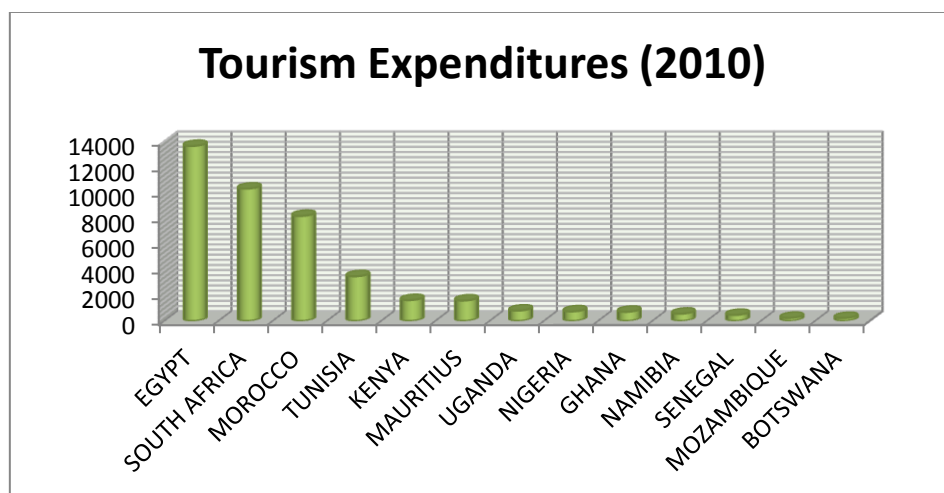


Figure 14: Tourist expenditures, 2010 (Source: WTO)

Figure 15 presents that the GDP of South Africa has grown rapidly through the years. It also shows that GDP growth has been almost going twice as fast in the period of 2000 – 2008 in comparison with the years before. South Africa is seen as an upcoming market in the world economy. In 2010 South Africa has joined the BRICS, which is an association for emerging national economies, Brazil, Russia, India, China and South Africa. Shown in Figure 16, key industries in South Africa that contribute to the GDP are finance, government services, wholesale, manufacturing and mining.

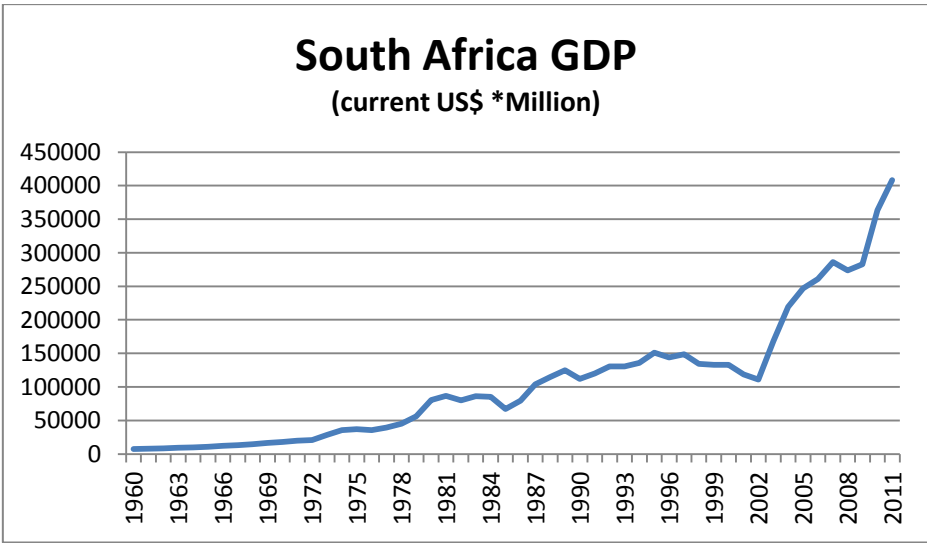


Figure 15: GDP South Africa (current US\$) (source: World Bank)

South Africa is an important gold producer in the world, but not only gold, also diamonds, coal, copper and other valuable raw materials are being produced in South Africa. Therefore mining and manufacturing are 2 important industries in this country. The main export products are cars, machines, gold, diamonds, metals and minerals¹⁷. Shown in Figure 16 is that other important industries are finance 20%, government services and personal services 16%, whole sale 15%.

In 2012 the tourism sector’s direct contribution to the country’s economy was about 12.18 billion US dollars, which is 3.1% of South Africa’s GDP (ADB). In 2012 tourism total contributions on GDP in South Africa was 9.7% (ADB). However in comparison with other industries this share seems small. The South African cabinet sees tourism as one of the key sector in South Africa, after 1994, eliminating ‘apartheid’ tourism has grown ever since and is one of the fastest growing sectors in South Africa (SA Census 2011) and has potential for further growth, next to the automotive industry, mining and mineral and the ICT and electronics industry.

¹⁷ <http://www.bbc.co.uk/news/world-africa-14094760>, retrieved 9 June 2014

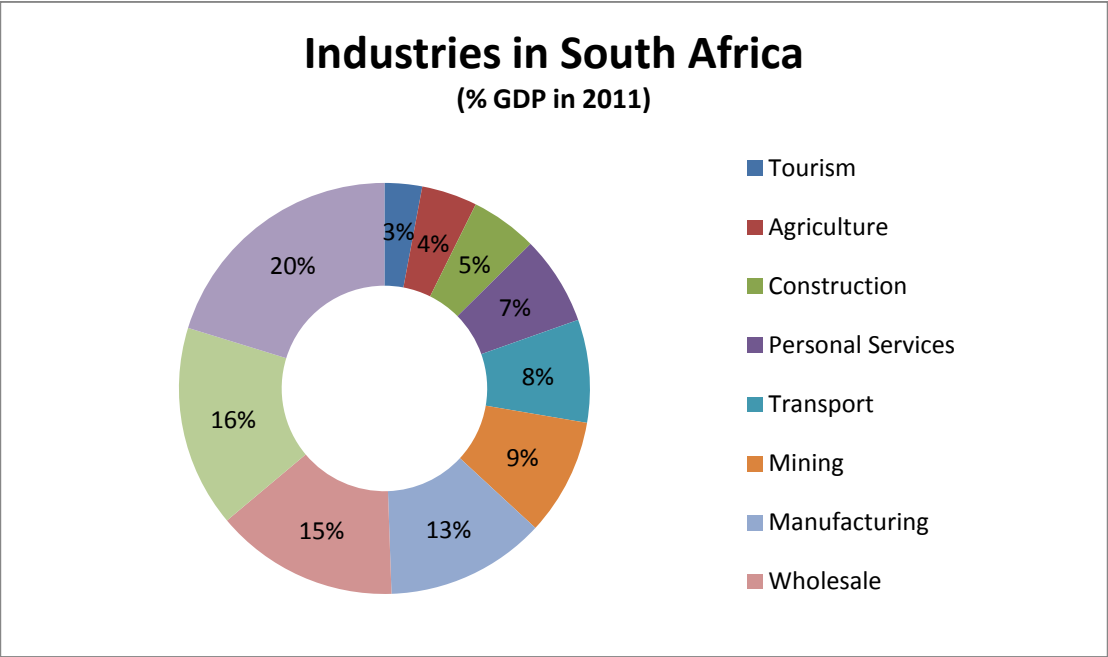


Figure 16: Industries in South Africa (% GDP) (source: SA census, 2011)

Chapter 4 - Case study: Tourism in South Africa

4.1. Introduction

In this chapter the case study will be treated. In paragraph 4.2 tourism in South Africa will be elaborated. With help of the elements of tourism from Jansen-verbeke (1988) tourism in South Africa will be defined with the data from the interviews about tourism in South Africa. Paragraph 4.3 will describes the positive impact of tourism on South Africa and challenges of tourism on the country South Africa, with the data collected from the interviews.

4.2. Tourism in South Africa

Presenting in chapter 3.2 tourism's direct contribution is 3% of GDP in 2012 (ADBG) in South Africa. Total contribution on GDP of tourism is 9.7% in 2012 (ADBG). It is one of the fastest growing industries in South Africa. Therefore the South African government sees tourism as one of the key sectors in South Africa. The South African government's Industrial Policy Action Plan (2011) sees the tourism sector as one of the areas to contribute to the culture industries and the development of rural areas, this achieved by the growing economy and creation of jobs.¹⁸ This plan also shows that tourism brings local consumer spending, foreign earnings and foreign investments.

Using the figure of Janssen-Verbeke (1988) the thesis will divide the tourism sector of South Africa between the primary tourist product, the secondary tourist product and other conditional elements mentioned in chapter 2.2.2.

Primary tourist product

From the interviews and the South African tourist board shows that South Africa has a diverse tourist climate, nature, beaches, culture. Which creates a very wide variety of tourism, and attracts a lot of different sorts of tourists to the country. Promoted by the South African tourism board is tourism as: business tourism, eco- and cultural tourism, adventure, sport and paleo-tourism.

By targeting business tourism South Africa is trying to get the richer tourist to visit the country. For business tourism, South Africa offers over 1000 conference and exhibition venues that next to business activities offer all kinds of leisure tours and events for all kinds of interests from walking

¹⁸ http://www.southafrica.info/business/economy/sectors/tourism-overview.htm#.U_3LFMV_uSo, retrieved 7 January 2013

with elephant to shopping. With the set up of the National Conventions Bureau the country is trying to get more conferences to South Africa.

Next to business tourism different Unesco World Heritage cultural sites can be found in South Africa: Robben Island, the Cradle of Humankind, the Mapungubwe Cultural Landscape, the Richtersveld Cultural and Botanical Landscape, and the Ukhahlamba Drakensberg Park. South Africa has diverse cultures with their own traditions, rituals and habits. South Africa's history makes the country an interesting place, with growing cultural villages, community and townships tours. Which also attract tourist that are socially involved and want to know more about the culture of Africa? An interviewee also mentioned that Nelson Mandela helped marketing South Africa as an attractive tourist place, The Mandela house in Soweto is often visited by tourists who are interested in the history and legacy of Nelson Mandela.

An important tourism product that was mentioned in all interviews is wild life tourism in South Africa. South Africa has a very diverse climate from tropical to deserts. There are 19 national parks, which are protected areas with a large variety of wildlife. From several interviews also mentioned are the big 5. The big 5 refers to the 5 most dangerous animals in South Africa: the lion, elephant, buffalo, rhinoceros and leopard.

Rich tourists from Europe and US visit South Africa for hunting games. A guide and a group of tourists' hunts down animals in South Africa and take them home as trophies. Hunting tourism is a kind of tourism that is not promoted by the South African ministry of tourism. While it does exist and according from the interviews held and the Professional Hunter's Associations South Africa (PHASA), South Africa has the largest hunting industry in Africa. It contributed R811m to the economy of South Africa in 2012 (PHASA)¹⁹ and uses large parts of rural areas.²⁰

Secondary tourist products

By far the largest sector in South Africa in the tourism industry, is the hospitality industry it includes accommodation; like hotels, bed & breakfasts, caravan parks, camping sites, inns, game lodges and time sharing of apartments at resorts and the food and beverage sector; which contains restaurants, coffee shops, tearooms, fast food outlets and other catering services. In 2012, 67% of the tourism industry in South Africa contains the hospitality industry followed by travel with 16%. With 16 444 registered employers at 40430 enterprises in 2009 the hospitality sector is by far the largest in the

¹⁹ <http://www.moneyweb.co.za/moneyweb-south-africa/hunting-tourists-contributed-r811m-to-economy>, retrieved 22 June 2014

²⁰ <http://www.wildlifeextra.com/go/news/big-game-hunting.html#cr>, retrieved 22 June 2014

industry. 90% of the hospitality sector is small, micro and medium sized companies. The hospitality sector is one of the fastest growing sectors in the economy. In South Africa the industry generated R179 billion of economic activity and 45.000 jobs from direct employment and a total of 1.011.000 jobs in 2009. According to Theto the CEO of the Tourism Business Council of South Africa this represented 7.6% of total employment in South Africa (Taal, 2012).

Other conditional elements

According to the interviews good infrastructure is present in South Africa. This mostly has to do with the past of 'apartheid'. Where infrastructure was build for the white living in South Africa. Also places tourist visit often like Soweto where the Mandela house stands, has a good infrastructure that was build originally for convenience of the tourist. But also improved the living conditions of local inhabitants. In Johannesburg same can be observed. Tourist places' infrastructure is developed at the places where tourist come the most. Soweto is a good example where infrastructure has been improved partly because of tourism to this township and will be discussed in chapter 4.3.4.

From the interviews shown is that South Africa has a ministry of tourism in the country, which creates jobs and make certain that profits from tourism are divided better between the different parties involved in the tourism industry, especially in rural areas. In comparison of other African countries South Africa has a larger budget for tourism. South Africa tourism is very present online and can be found easily. Various websites presents South Africa to attract business to South Africa and also tourist. Like www.southafrica.info, www.tbcsa.travel, www.southafrica.net and other websites shows the tourism and business possibilities in South Africa. This makes a part of the positive marketing of South African tourism.

Also a tourism business council is present. The goal for this council is to engage tourism business with government for a healthy environment for tourism development. It is made up of members of the key travel and tourism associations, corporate companies, leading tourism businesses of South Africa and general economy. And is the official umbrella organization for the travel and tourism private sector in South Africa. It tries to influences government policies and decisions in the interest of the travel and tourism sector. The tourism business council has partnerships with all relevant government departments, NGO's and international tourism institutions.²¹

To conclude the tourism industry is seen as important in South Africa. South Africa is rich of different primary tourism products and therefore can attract different kind of tourist segments. The hospitality

²¹ <http://www.tbcsa.travel/index.php?nav=about>, retrieved 29 June 2014

industry in South Africa is one of the fastest growing industries and generates a lot of employment. There is a ministry of tourism that tries to influence the tourism industry so profits can be divided equally. South African tourism is also very present online and can be found easily. The country has a good infrastructure that partly exists because of the past of 'apartheid' and is still developing to meet the needs of the country. All in all makes it possible for tourists to visit South Africa and South Africans profit from tourism.

4.3. Problems in South Africa and the impact of tourism on these problems

4.3.1. Poverty

The General Housing survey by the statistics of South Africa shows self-reported hunger in South Africa has dropped from about 30% in 2002 to 13% in 2011. According to the poverty trends in South Africa (2014), a report of the statistics of South Africa, is that compared with the world poverty levels dropped in South Africa between 2006 and 2011, reaching a low of 20.2% for extreme poverty, who are people that are living in conditions that they have to sacrifice food for non-food items. 45.5% are living in moderate poverty, which are people who can buy both adequate food and non-food items. From the report the decrease of poverty is because of a growing social safety net, income growth and other factors. South Africa has provided different ways for the safety net, like free primary health care, free schooling, social grants, subsidized housing and basic services like water, electricity and sanitation.

Though poverty is decreasing, from the interviews presented and also stated in the poverty trends report of South Africa (Statistics SA, 2014) is that inequality is a serious problem in South Africa. This report shows that the Gini coefficient²² of South Africa is 0.65 based on expenditure data and 0.69 based on income data in 2011. In 2011 the richest in South Africa accounts for over 61% of the consumption, while the bottom 20% only accounts for 4.5% of the consumption in 2011.²³ In the interviews mentioned is that it is important in South Africa that black inhabitants also need to get opportunities to get involved in the job market, this because poverty amongst this group is highest.

²² Gini coefficient is a number between 0 and 1, where 0 indicates total equality and 1 indicates total inequality.

²³ http://www.southafrica.info/about/social/poverty-040414.htm#U6XTR5R_uSo, retrieved 21 June 2014

With the white paper for tourism (1996), a policy to prevent that only the elite in South Africa profits from tourism, but also considers the poor and black people in South Africa.

Another concerning problem what has been mentioned in the interviews is the unemployment rate in South Africa. Results from the interviews show that tourism can help decrease unemployment in South Africa. The interviews states that tourism is labor intensive which makes this an attractive industry to implement for countries with low technology and with a high count people in the ages for employment. Because the tourism industry is more a labor-based and less a technology-based industry.

Not only the elite profits from tourism. Though they are the ones that own the hotels and other facilities for tourist. Job opportunities in these places are also available for the women and unskilled workers. These jobs are more based in the hospitality industry, like cleaning hotel rooms, waiting in restaurants, craft works, guiding tourist in the area etc. South Africa tourism is one of the largest sources of employment in the country and uses a high number of unskilled labor. The 2011 Tourism annual report shows that in 2011 around 4,3% of total employment, were working directly in the tourism industry.

The South African Government is involved in job generation in South Africa and through the National Tourism Sector Strategy (2011), South Africa tries to give directions to create 225.000 more extra jobs by the year 2020 and will try to increase the direct and indirect tourism contribution to the economy from R189,4 billion (7,9%) in 2009, to R318,16 billion in 2015 and R499 billion in 2020. As well as improving social inclusion, services exports, fostering a better understanding between people and culture and green transformation (SA National Tourism Sector Strategy, 2011).

In South Africa different kind of tourist products are available. Not only middle-income tourists know their way to South Africa, also the richer tourists are coming to South Africa. For these tourists quality of service of tourism is very important. This means employment requirements are high, like knowing English, looking representable, knowing how to correctly service this group of tourist. Higher education for this group is necessary and might exclude low educated employees. A solution for this is to make it able for all South African to join the education system and get a degree. In South Africa basic education is free for all South Africans, which will be mentioned in chapter 4.3.3.

Where several interviews mention that tourism decreases poverty and inequality. Other interviews states that inequality will increase with tourism. People are getting exploited by the elite in the

tourism industry. Most of the revenues come mainly from hotels and tourism companies and are received by the elite. Therefore for the other classes in society it is important to get higher education, establish unions and demand more salary to lessen the poverty gap and inequality in the country. A challenge here might occur is that the tourism sector will become less flexible, because of the less free market process.

To conclude, in the interviews shows that it is important for South African black inhabitants to get opportunities, like proper education and involvement in the job market. Unemployment rates are high in South Africa. South African government believes that the tourism industry can reduce the unemployment rates and uses National Tourism Sector Strategy (2011) to give directions to create more jobs in the tourism sector, because believed is that the tourism industry In South Africa is a labor intensive industry that can employ a high number of unskilled labor.

One of the challenges found in South Africa from the interviews is that a growing tourism industry makes employment requirements change and are getting higher. With consequences that education becomes an important hiring standard. Another challenge of tourism is that instead of decreasing inequality between the poor and the rich groups of South Africans. Inequality will increase with tourism, because people are getting exploited by the elite in the tourism industry.

4.3.2. Poor health

Inequality between rich and poor in South Africa plays a role in poor health. Stated firstly in the interviews is that some hospitals in South Africa are divided in different departments. A visible example is a hospital with a private wing for the very rich with all the medical necessities available. While in the same building, at a different part of the hospital only the most elementary medical equipment is available for people that are not wealthy.

Secondly all interviews states that tourism has indirect influences on health in South Africa. For the reason that poor health is not only the ability of visiting a hospital, but also has a huge part to do with poverty, health education, ability of providing enough and healthy food.

Thirdly, the interviews show that tourism can help poor health indirectly. This by taxes that are paid by tourist to the government. With this money the government can use it for general health care.

Not only by taxes but also the job opportunities that are created by tourism can help local people to have health care insurance via the employer.

The fourth statement made in different interviewees is that South Africa is a country that has a medical tourism flow from other Africa countries. In 2010 85% of South Africa's medical tourists are from other African countries. Africa's elites and middle-classes are visiting South Africa because the quality of private care for treatments as plastic surgery, heart surgery and cancer treatment are experienced better in South Africa. This kind of development can encourage health care facilities to improve and indirectly develop and provide better health care not only for the tourist that visit these facilities, but also enlarge the knowledge of health care where inhabitants of South Africa can profit of.

Fifth, tourism can help poor health indirectly by infrastructure, facilities, water sewerages that were originally built for tourists to get to the hospital when getting sick during their holiday. This infrastructure, facilities and hospitals that are especially built for tourist can be used for locals of South Africa too.

In conclusion, this paragraph shows that tourism mainly has positive indirect impact on health in South Africa, this in terms of more hospital buildings and more facilities like water sewerages etc. improved health care, tax money that is used for health care for inhabitants and tourism creates jobs that have health care benefits for employees and their families. Positive direct impact is difficult to pin point with the fact that poor health is not only the ability of visiting a hospital, but also has to do with other factors.

4.3.3. Low educational attainment

From the findings of the poverty trends (SA statistics, 2014) in South Africa, is that education can help people out of poverty. The poverty trends presents that there are significant differences in levels of poverty amongst individual aged 18 years and older against the level of education they had attained. It shows that the higher the education the lower the number of people that live in poverty in South Africa.

The first discovery from the interviews is that in South Africa apartheid has played a role in low educational attainment. Especially black locals that have grown up while apartheid was ongoing are

low educated. Post apartheid the government has introduced an education system that provides basic education for all South Africans. This gives all South Africans the chance to get an education and learn for a profession for their future.

All interviewees states that tourism has impact on education on South Africa. Tourism creates job opportunities, which can be a motivator for people to work and to get tourism education. While this might be true, by implementing tourism, it is also possible that tourism can attract people away from other industries. People will want to work in industries where the salaries are highest.

An organization that tries to attract young people towards the tourism industry is the global travel and tourism partnership that is established in 1996, it works together with government education and the tourism ministries to help and stimulates the interest of school students for travel and tourism careers on all levels and it helps students to develop tourism and travel industries work experiences. One of the impacts is that with money earned in tourism, people can send their children to school and keep them there to get a proper education.

The right education can help innovation in a country. What can help a developing country to a higher economic level. In South Africa there are several courses to follow for the tourism industry. There are courses for tourism management, tourism hospitality etc. Several interviewees state that education about tourism gives people the right tools for tourism entrepreneurship. With courses about tourism people will be able to create entrepreneurial opportunities for themselves and have the knowledge to innovate tourism in the area. This with the goal to serve the tourists to their satisfaction and keep the tourist coming back to the area.

In conclusion, post-apartheid, the government plays an important role in education in South Africa. All South Africans have to right to get basic education, with this basic education South Africans get a chance for higher education. From the interviews tourism has mostly positive impact for education in South Africa. Tourism creates jobs that motivate people to get educated in tourism and find a job in the tourism industry. Money earned in the tourism industry can be used to send children of the employees to schools. The right tourism education gives people tools for tourism entrepreneurship and innovation in the tourism industry, these people will get more self-sufficient and increases in the economy of the developing country will be visible.

4.3.4. Lack of infrastructure

To attract and maintain tourism it is important that tourists can travel towards and in the area. Infrastructure in South Africa is good compared to other Africa countries. This is due historical reasons of apartheid, where infrastructure was built for convenience of the rich white class.

Tourism has direct influences on infrastructure. Traveling airports and cruises have been created to South Africa, to serve tourists overseas. Examples given in the interviews are in South Africa the infrastructure around Johannesburg, Capetown and Pretoria are build around the tourism spots. Where not the poor but the richer people in town profit of.

An example that tourism improved infrastructure in South Africa is the soccer world cup in 2010 that was held the country. Transportation like the bus system, taxi systems was enhanced. Railroad, ports and pipelines were revitalized and new infrastructure was built at the different places were the soccer tourists would visit to see the game. Also flight infrastructure got improved, new terminals were built and upgrades were done at the airports to make them ready for handling most passengers' airplanes flying to South Africa from abroad. Though these infrastructures where built in the first place to serve tourist. Many years after the infrastructure was built, locals still can profit of these improvements of the infrastructure.

In South Africa where tourists are interested in visiting township. Infrastructure is also implemented around townships, which has influences the lives of locals living in townships. A good example here is Soweto, the hometown of Nelson Mandela. Soweto has a rich history and got on the internationally map by the mass protests in 1976 against a government policy to use Afrikaans instead of English in their education system. Post apartheid, in Soweto different kinds of infrastructure was built, like electrical, sanitation infrastructure and roads have been improved. More green has been planted and houses have been upgraded. Heritages sites and museums have been created in memory of the past and for tourist who are interested in Soweto, its history and inhabitants. Restaurants, hotels and other facilities have been built to serve these tourists. These changes definitely have positive impact on the inhabitants of Soweto.

To conclude South African infrastructure was due to history already presents. Though this is true, stated in the interviews is that examples of the World Cup 2010 and tourists that are interested in visiting townships have improved infrastructure in South Africa in a positive way for not only tourist, but also the inhabitants of South Africa.

4.3.5. Lack of environmental sustainability plan

All interviewees mention that tourism helps sustaining environment and strongly depends on the demand of the tourists. While South Africa has so many different primary tourist products, already mentioned in chapter 4.2. Therefore environmental sustainability varies in the different primary tourist products.

Tourism that helps sustaining the environment is done in diverse forms. In South Africa nowadays there are 1200 private nature reserves, while a few years back the count was 20 -30 nature reserves. Hunting and safari tourism are the most important income for sustaining nature and environment.

South Africa is best known for their national parks, like Kruger National Park. Everything here is designed to cater tourists. In this situation agriculture areas diminishes and ecosystems can be compromised, for camping sites, vacation homes, restaurants, travel roads of tourist to get to the park etc. A consequence here is that authentic local culture disappears, because inhabitants of the area have to make room for tourist facilities. Although this might be true, attracting tourists to the area might lead to job opportunities. To help environmental preservation every visitor that enters Kruger National Park has to pay a conservation fee for every day the visitor spends in the park.

Another example in South Africa of tourism that sustains the environment is the hunting industry that finances the local nature and environment sustainability without any support of the government or donors and plays an important role in sustaining the environment at the areas, where their business is done. The motive for the hunting industry for sustaining the environment is financial and not environmental. By maintaining the area, tourists that are attracted to the hunting game will come back to experience the hunt in the same natural environment at a later time. However the reasons for maintaining the environment might be financial benefits for the hunting industry, it does conserves species and has positive impact for the environment.

Another opinion shared by the interviewees is that South Africa still can grow in tourist arrivals and enough areas are rough and untouched. Therefore expansion of infrastructure for tourism should not necessarily be a challenge for the environment in the country. While inhabitants of the area might think differently about this.

All interviewees are positive about tourism and sustainability of the environment. In South Africa shown is that tourism has mostly brought positive impact on environmental sustainability. Important here is that should be taken in consideration the fact that several interviews mention that positive impact on environmental sustainability in the country depends on the demand of the tourist, when demand over seize the availability of the primary tourist product like the natural parks or hunting, which will have negative consequences for the environment.

To summarize, most interviewees agree that tourism has a positive impact on the South African environment. In South Africa hunting tourism and tourism for the national parks are the largest tourism industries. For these two industries it is important to keep the environment as attractive as possible for the tourist. Therefore sustaining the environment is important in these two industries, this can be done by charging visitors fees or just done by the industry themselves like the hunting industry does. However their motives are financial, it still has positive impact on the South African environment where the hunting industry operates. Taken in consideration is that demand should not over seize the availability of the primary tourist product, when this happens. This might challenges the environment and other kinds of sustainability plans should be created to maintain the environment.

4.3.6. Corruption

All interviews stated that corruption is not only a South African challenge, but a challenge of other developing countries as well and can be found on all different levels.

Firstly, tourism increases corruption, in the interviews given example of corruption in South Africa on a low level are police officers that give fines for driving too fast, but are getting bribed by the person they want to fine. Another example is a hotel chain that needs permits fast to build their hotel to attract tourists, might bribe a building officer to gain the permits.

Corruption in the hunting sector in South Africa is present. The South African hunting sector is the biggest in Africa and good governance is absent. Those who have control over the system of the hunting sector are only concerned in their own interest, not that of the government, local community or environment.

Secondly, interviewees mention that implementing tourism can enlarge local criminality and corruption. Local criminality for example, tourist that are getting mugged and robbed in the country. South Africa has an unsafe image, though most of the violent criminal activities in South Africa are present in townships and are not at the places where most tourists visit. However township tourism is present, most of these townships where tourists do visit are turned into safe places where tourists can travel to.

Interviews mention that to prevent corruption and local criminality, it is necessary to reduce the poverty gap between the rich and poor in South Africa. Policies from the government in favor for people that live and work in the tourism industries are necessary, like the white paper, mentioned in chapter 4.3.1. for tourism in South Africa. This to prevent a too big of a poverty gap between rich tourists and tourism-workers. Also safety policies from the government are necessary to decrease criminal activities. To prevent corruption good leadership and good government policies preventing corruption are necessary, like a zero tolerance policy where South Africa wants to head to in 2030.

In conclusion, all interviews presents tourism increases corruption and local criminality, which can challenges tourism at a later state. Therefore it is important for South African government to prevent corruption and local criminality with safety policies and policies to prevent a too big of a poverty gap.

Chapter 5 - Discussion and Conclusion

Tourism is seen as one of the world’s largest and fastest growing economic sectors. Traveling towards foreign countries is increasing. This also counts for traveling toward developing countries. With this in mind, growing tourism might be a chance for developing countries to escape the problems a developing country faces. A question that rises is: how does tourism brings positive impact to a country? This question is answered in this thesis by a literature review, a research framework (Figure 10: The research frameworkFigure 10) of tourism and its impact on a developing country is set up. Within this research framework 6 common problems of developing countries has been generated and positive impact and challenges for each problems have been established. With a case study about tourism in South Africa this research framework is tested.

Tourism is a complex industry. This for the reason that the supply of tourism does not contain one primary tourist product, but is related and depended of the secondary tourist products and other conditional elements as well. From the literature review found is that tourism helps economic, environmental and social development in the different urban and rural areas in the destination country. This improves the quality of life of the inhabitants in the developing country.

Legend
✓: case study and literature review have the same outcome
✗: case study and literature review do not have the same outcome

Figure 17 presents the research framework, within this figure shown is the case study outcomes compared to the literature review. The case study reveals that tourism in South Africa mostly positively impacts the 6 problems that developing countries face. Tourism helps reducing poverty, improves education attainment, and has positive impact on health, infrastructure and the environment and challenges corruption in a developing country. Not taken into account are the interactions between the problems with each other.

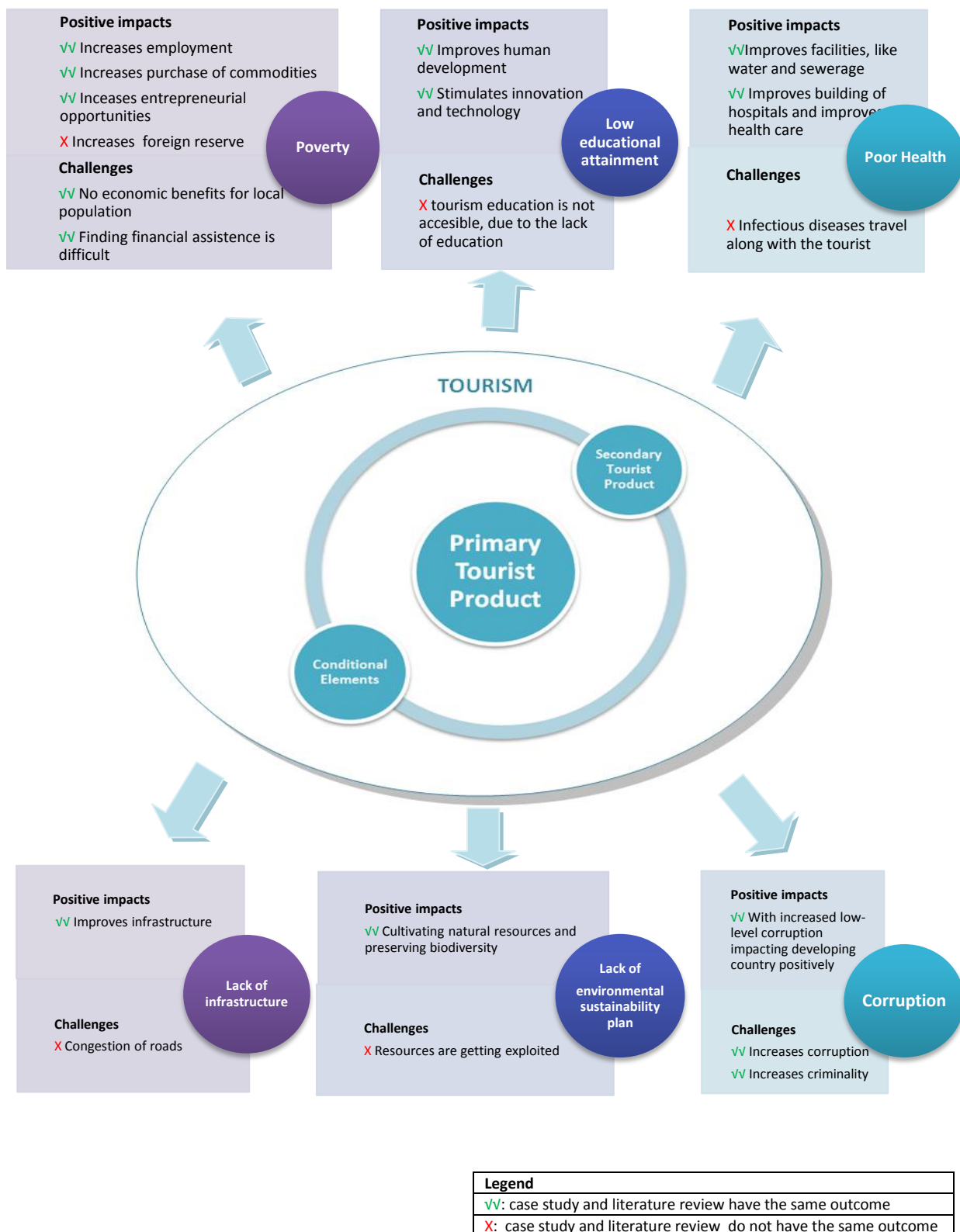


Figure 17: Research framework (literature review compared to the case study)

Poverty

Most important for reducing poverty found in literature and the case study is increasing employment in a country is necessary. This can be achieved, by implementing tourism, a labor intensive industry for all layers of the population. Found in both literature review and the case study is that tourism increases job opportunities and increases purchase of commodities. Different from other countries is that South Africa has a history of apartheid where the black inhabitants were unequally treated and also because of this a poverty gap present is present in South Africa. To prevent that only the elite will profit from tourism, it is important that the government plays a role in the tourism industry, like South Africa does with their NTTS giving directions to create more jobs in the tourism industry that will allow direct and indirect tourism contribution to grow. Not found from the case study is that tourism increases foreign reserves, though this does not mean that tourism does not have any effect on foreign reserves.

Low educational attainment

Both the literature review and the case study show that tourism can improve education in a country. For the reason that tourism is a job creator and can be a motivator for people to get educated and find a job in tourism. In South Africa this is partly done by a global travel and tourism partnership. This organization works together with government education and the tourism ministries to attract and help school students towards a travel and tourism career.

South Africa has different primary tourism products due to the diverse climate and landscapes through the county. Therefore it can attract lots of different kind of tourism. When serving a richer class tourist education is important. This means that higher education is important by hiring in the tourism industry and can widen the gap of inequality in developing countries.

To prevent this from happening, it is important that the population get educated. Apartheid here also has played a role in the lack of education within the black community in South Africa and the wide poverty gap in South Africa. Post apartheid the government has a task to fulfill to motivate the population to get educated. In South Africa basic education is available for all South Africans. What helps inhabitants have the basics for speaking, writing and reading and prepare them for higher education. This can avoid them from getting exploited by the elite that runs the hotels and tourism companies.

With higher education innovation in a developing country can be improved and make inhabitants ready for tourism entrepreneurship and helps them innovate and attract tourists to their area and helps decreasing the poverty gap in a developing country.

Poor health

The literature review shows that tourism has influences on health in a developing country by improved facilities, hospitals and improved health care. The case study presents that inequality between rich and poor in South Africa plays a role in poor health. Tourism has indirect influences on poor health in South Africa.

South Africa has a flow from medical tourists from surrounding countries, because South African health care is seen as better than the health care in their own countries. Medical tourism from other countries can be a motivation of health care facilities to improve and attract even more medical tourists. This knowledge not only can be used on foreign medical tourists, but can be used for sick inhabitants in South Africa as well.

Another indirect impact of tourism are the water facilities, sewages and other facilities that improve health care, that are firstly built with the goal to serve tourists in the country and now also can be used by the inhabitants of the developing country.

Direct impact of tourism on poor health in a developing country is difficult to measure, this because poor health is influenced by other factors as well.

Not found in the case study in South Africa is the challenges for poor health, that infectious disease travel along with tourists. From the literature review and the case study it shows that it has less effect than the positive impact of tourism on poor health. Although looking at the current Ebola virus disease spreading, infectious diseases that tourists can take with them is something developing countries should be cautious about.

Lack of infrastructure

The literature review and the case study show that tourism has direct influences on infrastructure. Good examples are visible in South Africa like the soccer world cup in 2010 in South Africa,

transportation systems, like flight- and bus- systems and other got improved, new infrastructure was built at different places. While these infrastructures were built in the first place to serve tourists. Many years after building this infrastructure, locals still can profit of these improvements of the infrastructure. Township tourism in Soweto for example also has improved the infrastructure in Soweto where locals can profit of.

Lack environmental sustainability plan

While in the literature review states that tourism can help or destroys the environment of an area. Mostly positive impact for the environment has been found in South Africa. To enter Kruger park fees for conservation of the place needs to be paid by the tourist. And also in the hunting industry of South Africa environmental sustainability is present, though this is more self-interest of the hunting industry the environment does profit of it. From the case study shown is that tourism has positive impact on environment sustainability.

Taken into account here is that tourism will become a challenge when the demand of the tourist over seizes the availability of the primary tourist product. When this happen this will have negative consequences for the environment. Here it is important to have a well-thought through plan for environmental sustainability.

Corruption

Both the literature review and the case study show that tourism increases corruption and local criminality. Literature review shows that whenever corruption increases on a low level, like an officer that takes bribes to fasten the visa procedure. This might be a kick starter for the economy of a country. Whenever high level corruption is present, for example hotels that pays bribes for building permits or in countries where local criminality takes place. These kinds of activities are damaging for a countries reputation and discourage tourists to visit the developing country.

These findings also can be found in the case study of South Africa. Safety policies and policies against corruption from the government are necessary to decrease criminal activities. Also policies from the government in favor for people that live and work in the tourism industries are necessary, like the white paper can decrease the poverty gap in South Africa.

The main findings of the thesis is that tourism helps reducing poverty, improves education attainment, has positive impact on health, infrastructure and the environment and challenges corruption in a developing country. Tourism overall will have positive impact in a developing country, when tourism is implemented with care.

Policy recommendations for developing countries

From the literature review and the case study, the following policy recommendation can be made. First of all it is important that the developing country knows what kind of primary tourist products the developing country has and what kind of tourists it can attract without depleting the environment. Then the area should know what kind of secondary products this segment of tourists finds important and see whether the developing country already have these facilities or whether needs to be built without compromising the environment. Another requirement it should meet is that the developing country can be found by the tourist segment the country wants to attract, marketing the developing country should be done in the right way. And the tourist should be able to reach the area. Infrastructure towards the developing country should be considered and infrastructure within the developing country should be analyzed, improved and/or build. Inhabitants of the developing country should be educated properly with the goal to properly serve the tourists attracted to the developing country.

In the above process, a non-corrupt government is an important guidance party in tourism implementation and the case study shows that collaboration between government, tourism industry and the inhabitants of the developing country are very important to diminish the 6 problems in a developing country. Cooperation between the tourism industry, local inhabitants and government is important. The interest of all the parties can be taken into consideration. Agreements can be made between the different parties, like training local people to work in the industry and using local services and products in the hotels or resorts to prevent an increase of inequality due to implementing tourism in the area. With good policy implementation, joint ventures, tax controls, monitoring and control of the policy implementation and other measures. All parties, the tourism industry, local inhabitants and the government can profit equally of the tourism industry and policies can be tailor-made per area of a developing country.

Although the findings of the case study seems mostly to fit the previous literature that was found for this thesis and tells that tourism impacts a developing country mainly positively and probably should

be implemented in developing countries for positive impacts. With the worldwide recession that have been going, research about whether the tourism industry has been hurt by the recession and if this has impact on a developing country or not might be very interesting for the question: Should a developing country implement tourism for positive impact?

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Appendix A – Interview Questions

Challenges

1. What do you think are the biggest challenges in South-Africa? That are discouraging economic and social growth in South Africa?
2. What kind of solutions do you see for these kinds of problems?

Primary tourist product

3. What sort of tourism does South Africa have and which one s is the biggest according your opinion?

Poverty

4. Do you think tourism can increase employment and improvements in the living situations of people in the country? Do you have any examples of South Africa?
5. And the largest disadvantage of tourism in employment and living situations? Do you have any examples?
6. Can you think of any solution for this? Do you have any examples of this?
Sub question: How can a country avoid large tourism organization take profits away from locals?
Sub question: small companies in South Africa have trouble finding Financial means do you see any solutions for this? Do you have any examples?
7. Do you think tourism have more positive or more negative influences on poverty in South Africa.

Low Educational attainment

8. Do you think tourism can help lift education attainment in South Africa? Do you have any examples of this? (positive and negative influences)
9. Do you think tourism can help innovation in South Africa? If so, do you have any examples of this?
10. A challenges I have found in literature is that when people are analphabetic, will make it difficult for them to learn. Is this also the case in South Africa? Do you know any examples? Does the tourism sector invest in education?
Sub question: do you think tourism is limited because of this?
11. Do you think tourism have more positive or more negative influences on education in South Africa.

Health

12. Poor health is a problem in developing countries. Do you think tourism in a country influences health (care) in South Africa? In what way (negative or positive) do you have any examples of this?
13. Do you think tourism have more positive or more negative influences on health in South Africa.

Corruption

14. Do you think corruption is an issue in South Africa? Do you have any examples or data about this?
15. Will tourism enlarge or decrease corruption? Why do you think that? Do you have any examples?

Infrastructure/superstructure

16. Does tourism increase infrastructure and other facilities the positive way? Do you have any examples?
17. Do you think tourism have more positive or more negative influences on the infrastructure in South Africa.

Environmental sustainability

18. A thing that is mentioned in literature is that too much tourism can destroy the authenticity of a place. Do you agree with this and if so how can South Africa avoid this
Sub question: Or do you think that tourism help sustaining the place.
19. Do you think tourism have more positive or more negative influences on environmental sustainability in South Africa.

Parties involved

20. How many parties are involved in creating a tourism industry in South Africa? And what is their roll?
21. How do you think their relationship should be to create a successful tourism industry in South Africa?
Sub question: Who is responsible for letting the locals profit from tourism?

Policy

22. What challenges do you think that South Africa has for creating a successful tourism industry in South Africa?
23. What kind of conditions should be satisfied for a healthy tourism industry, where locals and the country can profit fully.
24. What do you think is the most import component for a successful tourism industry?
25. Do you think other developing countries can learn from the tourism policy of South Africa? And how?

Concluding questions

26. Do you have any data or other literature about tourism, tourism in South Africa that I could use for my thesis? Or do you know places where I could find more data and literature?
27. Do you know other persons that I can interview about this subject?
28. What is the best way to describe your job/role?