Human Sciences Research Council

Development Policy Research Unit

Sociology of Work Unit

RESEARCH CONSORTIUM

TOURISM

Sector Studies
Research Project

MARCH 2008

RESEARCH COMMISSIONED BY DEPARTMENT OF LABOUR SOUTH AFRICA

DoL Sector Studies:

Tourism

Nicci Earle, HSRC

Table of Contents

Abbreviations and Acronyms

ACSA	Airports Company South Africa
APPETD	Association of Private Providers of Education, Training and Development
AsgiSA	Accelerated and Shared Growth Initiative for South Africa
B&B	Bed and Breakfast
BEE	Black Economic Empowerment
CHE	Council for Higher Education
Cosatu	Congress of South African Trade Unions
DEAT	The Department of Environmental Affairs and Tourism
DHA	Department of Home Affairs
DOE	Department of Education
DoL	Department of Labour
EMIS	Education Management Information System
FEDHASA	Federated Hospitality Association of Southern Africa
FET	Further Education and Training
FGASA	Field Guides Association of South Africa
FTE	Full-Time Equivalent
GDP	Gross Domestic Product
GEP	Gauteng Enterprise Propeller
GTA	Gauteng Tourism Authority
HET	Higher Education and Training
HSRC	Human Sciences Research Council
IDC	Industrial Development Corporation
INTAC	Integrated Nature-Based Tourism and Conservation Management project
JIPSA	Joint Initiative on Priority Skills in South Africa
JPC	Johannesburg Property Company
JTC	Johannesburg Tourism Company
KMIA	Kruger Mpumalanga International Airport
LFS	Labour Force Survey
MICE	Meetings, Incentives, Conferences and Exhibitions
MTPA	Mpumalanga Tourism and Parks Agency
NBI	National Business Institute
NQF	National Qualifications Framework
OHS	October Household Survey
ORT	OR Tambo International Airport
SATourism	South African Tourism
SAA	South African Airways
Sangoco	South African Non Governmental Organisation Coalition
SANParks	South African National Parks
SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
SARS	South African Revenue Services
SATI	South African Training Institute
SATSA	Southern Africa Tourism Services Association
SETA	Sector Education raining Authority
SMME	Small, Medium, Micro Enterprise
Sotoda	Soweto Tourism Development Association
StatsSA	Statistics South Africa
TBCSA	Tourism Business Council of South Africa
TEP	Tourism Enterprise Project
the dti	The Department of Trade and Industry
THETA	Tourism, Hospitality and Sport Education Training Authority
TSA	Tourism Satellite Account
VFR	Visiting Friends and Relatives
WTTC	World Travel and Tourism Council

KNP	Kruger National Park

CHAPTER ONE: INTRODUCTION

Tourism as a priority sector in South Africa

South Africa's long-term industrialisation process has exhibited a major weakness: The decline in the share of employment in the traditional tradable sectors (notably mining and agriculture) has not sufficiently been compensated for by increases in employment in the share of relatively labour-intensive non-traditional tradable goods and services (the dti, 2007a). The result of this is to be seen in the national unemployment figures of 25.5% in 2006 (official) which rises to 37.3% if discouraged work-seekers are included (StatsSA, 2007). Reducing national unemployment is critical to government's development goals. Thus the Department of Trade and Industry (the dti) argued within the National Industrial Policy Framework that the country's key industrial challenge is to grow and diversify manufacturing exports and tradable services (the dti, 2007a).

Tourism is an export oriented traded service sector characterised by export consumption within the host country. As such the sector is considered to have a number of features that contribute to government's objectives of job creation, economic growth and poverty relief[1]:

- It can be an important source of foreign exchange with positive impacts on the national balance of payments.
- Demand for tourism is continuous.
- The sector is labour intensive and characterised by low skill intensities.
- The sector has a relatively low ratio of investment to job-creation compared with sectors such as manufacturing, and can thus create jobs in a relatively short time.
- The relatively low use of imported inputs gives rise to extensive forward and backward linkages for both goods and services within the local economy, and thus to economic and employment multiplier effects.
- Certain sub-sectors have low barriers to entry and are therefore ideally placed for entry of emerging SMME operators and entrepreneurs.
- Tourism offers the opportunity of development in certain rural areas.
- It can allow for the sustainable use of natural resources and so contribute to environmental protection.
- The spread pattern of tourists (both domestic and international) mean that all nine provinces are potentially able to benefit from the sector
- Tourism can build cross-cultural relations through promoting awareness and understanding among different cultures, and thus forms a force for nation building, and national identity and branding.

In addition to potential benefits from the pro-poor features of the sector, tourism globally is a large, vibrant and growing sector, with South Africa only starting to share in this sector since the fall of Apartheid and the ending of international sanctions.

According to the World Travel and Tourism Council (WTTC), tourism is the world's largest sector, with annual revenues of almost \$500 billion. Globally tourism accounts for roughly 35% of services exports and over 8% of goods export. In the region of 340 million people are directly or indirectly employed in tourism around the world. International foreign tourist arrivals increased from roughly 25 million in 1950 to 842 million in 2006 and are expected to reach 1,56

[1] Sources for this list include: DEAT, 1996; Robertson & Skordis, 2004; the dti, 2006; Monitor, 2007; and Lowitt, 2006

billion by 2020 (the dti, 2006 & 2007a). The WTTC also anticipates solid growth in the South African tourism sector between 2005 and 2009 (Economist Intelligence Unit, 2006).

Factors such as economic globalisation and innovations in transport, information and communication technologies – which have made travel cheaper and more accessible – underlie this strong global growth. Other important driving factors, however, include increasing leisure time and disposable income in the leading tourist generating markets of Northern America, Western Europe and Japan (the dti, 2006). Globally, domestic tourism – considered critical for sector stability – is estimated to be in the region of four to five times that of foreign tourism (Monitor, 2007).

Internationally, South Africa is known for its scenic beauty, beaches, mountains, deserts, wildlife and cultural sites. Top tourist attractions include: Robben Island, Table Mountain, Kirstenbosch botanical gardens, the V&A Waterfront, Cape Point, Oudtshoorn ostrich farms, the Kimberly Big Hole, the Drakensburg mountain resorts, the Durban Beachfront, St Lucia Estuary, Sun City, the Kruger National Park, Gold Reef City and Soweto (Economist Intelligence Unit, 2006; BMI, 2005; Viljoen & Tlabela, 2007; Business Day, 2006).

Active government support of the tourism sector started in 1994. The Tourism White Paper (DEAT, 1996) argued that 'responsible tourism' development in South Africa was necessary to meet the sector's ideals of inclusive growth and employment. More recently, the sector has received focussed attention through government's Accelerated and Shared Growth Initiative for South Africa (AsgiSA) policy, which considers growth in the tourism sector critical for helping South Africa achieve a 6% annual growth rate within the economy (ASGISA, 2006).

Part of, and yet also parallel to, AsgiSA's focus on the sector, is the fact that South Africa won the bid to host the 2010 FIFA Soccer World Cup. All efforts to improve the performance of the South African tourism industry will have a direct positive impact on South Africa's ability to successfully host this event and thus on the longer-term tourism that this will generate. In this light the event serves as an opportunity to fast-track the development of a competitive and sustainable tourism sector in South Africa. Overall, the dti argues, 2010 must be seen as a milestone for South African tourism and not as an end goal, and all investments considered in light of their ability to continue to deliver and serve the development of the sector after this date (the dti, 2006).

Considering firstly, the potential impact of 2010; secondly, the fact that tourism is often called the 'new gold' due to the fact that its foreign exchange earnings are considerably higher than that of gold – approximately R66.3 billion in 2006 compared with R35,47 billion (SATourism, 2007b); and thirdly, that government targets are to increase foreign tourist arrivals from roughly 8 million in 2006 to 10 million per annum by 2014, thereby create an additional 400 000 direct and indirect jobs (the dti, 2007a), AsgiSA 'immediate priority' designation of the sector is unsurprising.

This same document however, cautions that despite past focus – particularly in the areas of international marketing – a number of constraints and challenges exist within the tourism sector, which if not addressed, will limit the sector's ability to deliver on its promises.

Scope of this study

Within the context of the national importance assigned to the development of the South African tourism sector as a contributor to overall national economic and employment growth, this sector study attempts to answer one key question for its client, the Department of Labour: *Are skills shortages constraining growth within the tourism industry?* Towards answering this question – the primary subject of the synthesis and recommendations chapter, the report presents a relatively comprehensive and cohesive picture of the tourism sector.

Studies of the tourism sector are made notoriously challenging due to the complex nature of the sector; the fact that multi-faceted and inter-connected issues need to be discussed in a linear fashion; and the critical lack of definitions, boundaries and hard data. In order to limit the scope of this study, only three tourism sub-sectors have been included at the levels of data and discussion: hospitality; travel and tourism services; and conservation and nature guiding. Each of these is a recognised sub-sector of THETA (the Tourism, Hospitality and Sport Education Training Authority), however they do not make up the whole of the THETA universe, which also includes sports and entertainment as well as gaming and lotteries sub-sectors.

In the second chapter of this report, the available information on the performance and profile of the South African tourism sector (used to refer to the group of three designated sub-sectors) is presented and discussed. Such information is however not without contestation and this forms the first issued that is discussed in Chapter Three, which outlines the range of sectoral constraints and challenges as these emerge from the literature. Other issues discussed in this chapter include airlift and access; the impact seasonality; crime; transformation; social and geographical distribution; product innovation; the lack of sectoral data and market information; the limitations of the regulatory framework and red tape; poor service levels; sectoral fragmentation and the lack of sectoral leadership.

Chapter Four presents the information available on the demand and supply of skills within the sector, before discussing the factors considered to be underlying the present gap between them. Such factors cover the lack of co-ordination among key stakeholders in skill supply; the lack of capacity at THETA; the wide range and quality of accredited training providers; the supply rather than demand driven nature of skills provision; the inadequacies in respect of learner foundational skills and selection into training; as well as the general challenges of skills development in SMMEs.

Chapter Five presents the findings from the primary qualitative work undertaken in two case study areas: Soweto in Gauteng and Hazyview in the Lowveld region of Mpumalanga. Demarcated through physical geography and focussing on very different forms of tourism, these case studies nevertheless provide strong support for the pervasiveness of the constraints and challenges facing the sector as raised by the literature.

Based on all various elements of the study – both primary and secondary, qualitative and quantitative – the final chapter of the report answers the primary research question by presenting a synthesis of the issues and challenges facing the tourism sector in South Africa. Various recommendations arising from this study are also discussed at this point.

Prior to commencing with the discussion of the sectoral performance and profile, however, the following section aims to provide an overview of important sectoral definitions, concepts and terminology, a basic understanding of which is critical to engaging with any discussion of the sector's statistics, driving factors and challenges.

Definitional issues

The United Nations World Tourism Organisation and its members (of which South Africa is one) define a **tourist**[2] as someone who travels away from her or her home for more than one day and less than one year, and who does not receive payment for work done in the place visited. For **foreign tourists** this involves visitors who stay at least one night and less than one year in collective or private accommodation in a country other than that in which they usually reside. In this group, students are included but workers and contract workers are excluded. A **domestic tourist** is a national resident who spends at least one night, but less than one year, away from his / her usual environment. This excludes day visitors and people who work in the places they visit.

People travel for various reasons, and these reasons give rise to a range of tourism categories, each with distinct profiles, travel patterns and demands. **Leisure tourism** includes those travelling for a **holiday** or to 'Visit Friends and Relatives' (**VFR**). Within the category of leisure tourism, a number of niche-market categories have emerged. These include: **adventure tourism**, **eco-tourism**, **edu-tourism** and **cultural tourism**. **Business tourism** covers those people who travel to attend meetings, incentives, conferences or exhibitions (**MICE**) and whose schedules may or may not include pre- and/or post-conference tours. **Business travel** accounts for all other individual and company related trips. **Events tourism** includes tourism related to large events such the 2002 World Summit on Sustainable Development and the 2010 FIFA Soccer World Cup. Accessing larger, geographically concentrated, and specialised retail opportunities supports **shopping tourism**, while the concentration of specialised medical expertise in certain cities or countries gives rise to **medical tourism**. Thus while the term 'tourism' is generally associated with holiday tourism, this is in fact only a portion of a much larger sector.

Another way in which foreign tourists are classified is according to the distance they travelled to reach the country visited. **Short-haul** is used to describe those whose flight from their point of departure is less than 3 hours, while **long-haul** covers flights of longer than 7 hours. Medium haul describes flights of between 3 and 7 hours duration.

Tourism is a **consumption-defined sector**, rather than a traditional output-defined sector, which uses the goods and services produced by other sectors of the national economy. **Tourist spending** covers all the goods and services purchased by the tourist within the country, province or city visited.

The **tourism industry** includes the providers of goods and services whose principal production activity is a **tourism characteristic activity**. Such activities generate the production of **tourism characteristic products** – or products, which in most countries, would cease to exist in meaningful quantity, or those of which consumption would be significantly reduced in the absence of tourism. This includes transport, accommodation, catering, entertainment and recreation, and other travel related services. The total number of jobs within such enterprises is considered to be the **direct employment** contribution of the sector.

These enterprises within the **tourism sector**, however, source goods and services from a range of other sectors of the economy. For instance a hotel will purchase capital stock (e.g. white goods, furniture, linen etc.), consumables (food, cleaning agents, stationary, petrol etc.), utilities (water and electricity) and services (laundry, garden, security etc.) from other enterprises. This broader economic impact of the tourism industry is referred to as the **tourism economy**. The jobs created

[2] Definitions in this section come primarily from the following sources: SATourism (2007a), the dti (2006), and StatsSA (2005)

by such spending are considered to be the **indirect employment** contribution of the tourism sector. Similarly, tourism makes both a **direct** and **indirect economic contribution** to GDP – the direct being that of direct tourism spending, and the indirect being the impact of this spending on the national economy. Notably the indirect contribution of the sector to both employment and GDP is determined by the structure of the local economy and its forward and backward linkages, and is calculated by means of **multipliers** on the sector's direct contributions.

Enterprises who sell a particular service or experience to tourists are also known as **tourism product owners**. These '**products**' include those within the traditional hospitality sector (accommodation and restaurants) as well others such as nature, adventure and cultural activities and tours.

In terms of the global structure of the tourism sector, intermediaries, also known colloquially as '**the channel**' or 'the trade', play a critical role in connecting the consumer (or potential tourist) with the products that make up the travel experience within a particular destination. A **tourism destination** is generally linked to a geographical area (either a country, a province, a region, or a city), while the appeal of the destination is defined not only by the diversity of tourism products, but also by natural features (mountains, rivers, beaches, forests, wildlife etc), infrastructural factors (road quality, IT access etc), and social issues (crime, poverty etc).

Outside of marketing efforts of individual product owners, the majority of marketing for the tourism sector takes the form of collective **destination marketing**. In essence, destination marketing creates a **brand** of a particular destination, with the aim of appealing, and selling the destination, to particular tourist categories. While on the one hand individual product owners should benefit from destination marketing efforts through bringing the consumer to the destination, on the other hand, the type, scope and quality of the tourism products on offer are foundational to destination marketing efforts.

Travel agents and **tour operators** are key players within the tourism channel. **In-bound** tour operators put together **packages** of individual products (generally transportation, accommodation, food, site visits and other entertainment), also called **tours**, which can be sold particularly to international tourists as a single unit. **Out-bound** tour operators in **source markets** seek, market and sell these products to consumers. For destinations such as South Africa, which is less established and less well-known, little international travel planning and booking takes place outside this traditional tourism intermediary value chain. Players within the channel thus wield considerable power, with a large portion of the value within the tourism value chain accruing to this group.

Tourism **product innovation** involves the upgrading and modification of existing products, the development of new products, and the packaging of combinations of products in new ways. Forces driving product innovation thus occur at a number of levels: the individual product owners, out-bound tour operators in the destination country and in-bound tour operators in the major source markets. Product innovation is a critical aspect of continued destination appeal, as well as of diversification of tourism target markets.

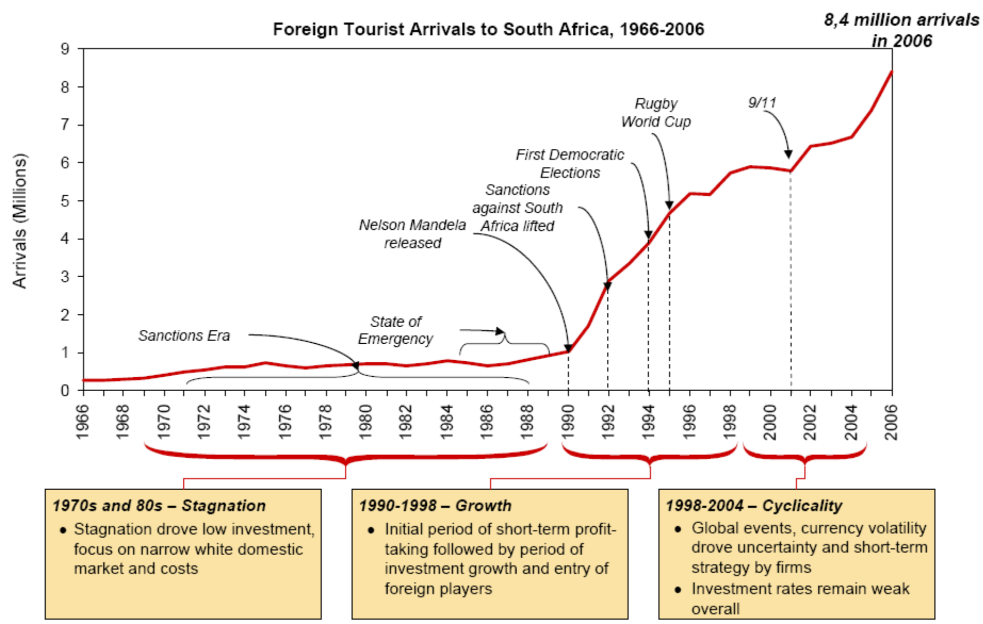
CHAPTER TWO: SECTORAL PERFORMANCE AND PROFILE

The first few sections of this chapter present the general statistics used to analyse performance of the tourism sector: visitor numbers, visitor length of stay and tourist spending. Sections presenting available data on the GDP and employment contributions of the sector follow this. Notably, hard data on the sector is very limited, with figures on sectoral economic performance generally the result of estimations and extrapolations of existing data using synthesised models. Thus these figures are not uncontested – the subject of the first section of the next chapter. Finally, chapter concludes with an overview of the sector profile and its key role-players.

Visitor number trends

Since the collapse of Apartheid and the lifting of international sanctions against South Africa, foreign visitor arrivals, a key indicator within the tourism sector, have grown eightfold (Figure 1). In real terms, this was an increase roughly one million foreign arrivals in 1990 to 8.4 million arrivals in 2006.

Figure 1: Foreign tourist arrivals to South Africa, 1966 - 2006



Source: SATourism, 2007b

The year on year increase between 2005 and 2006 was 13.9% (up from 7.4 million) (Table 1). Growth performance at this level was ahead of the world average of 4.5% as well as Africa's growth of 8.1% over the year.

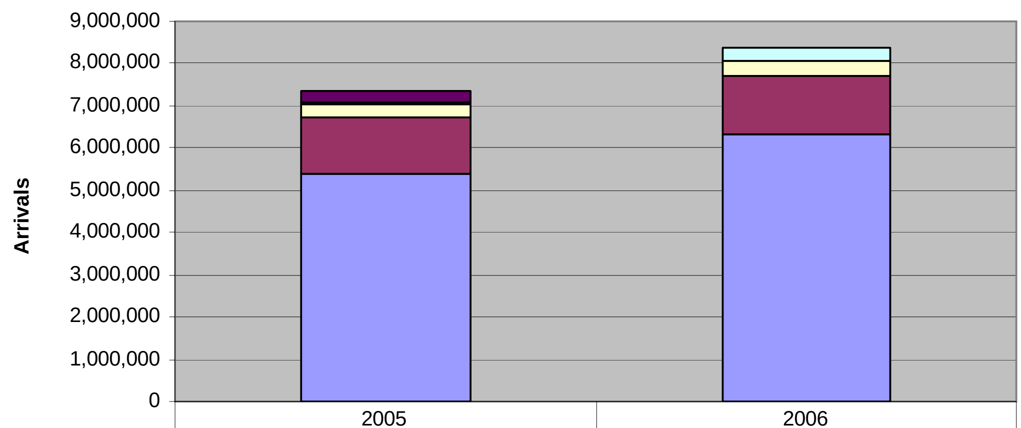
Table 1: Growth in foreign tourist arrivals (Millions) by global region, 2005 - 2006

	South Africa	Africa	Asia and the Pacific	Europe	Middle East	Americas	World
2005 (N)	7.4	37.3	155.4	441.0	39.2	133.5	806.4
2006 (N)	8.4	40.3	167.1	458.0	40.8	136.3	842.5
2005-2006 % change	13.9	8.1	7.6	3.9	3.9	2.1	4.5

Source: SATourism, 2007b

The largest portion of the growth in South African foreign tourist arrivals is the result of the increase in arrivals from the Africa & Middle East region (Figure 2). Arrivals from Europe, the Americas and Asia & Australasia, however, also showed positive growth.

Figure 2: Tourist arrivals to South Africa by region, 2005 - 2006

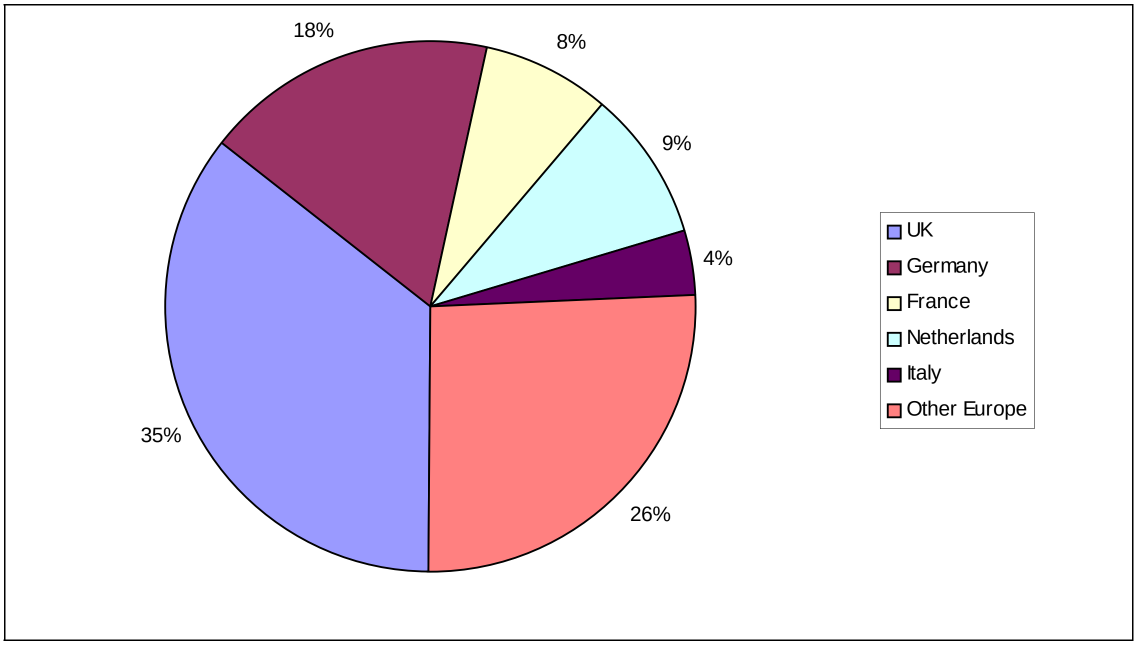


	2005	2006
Other	303,298	32,785
Asia & Australasia	27,493	302,003
Americas	322,099	358,096
Europe	1,308,634	1,381,881
Africa & Middle East	5,407,218	6,321,068

Source: SATourism, 2007b

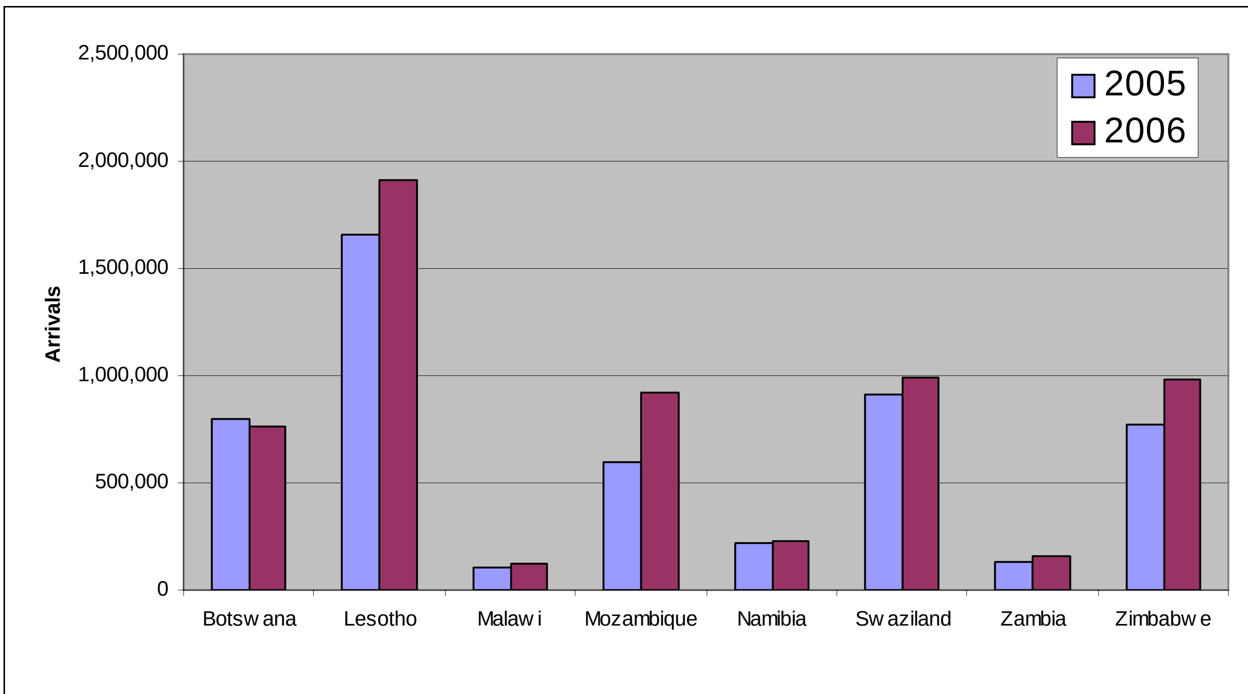
South Africa's largest source region, outside of Africa & Middle East, is Europe. The key source markets within this region in 2006 (Figure 3) were the UK (35%), Germany (18%), the Netherlands (9%), France (8%) and Italy (4%). South Africa's top three long-haul source markets in 2006 were the UK (488 032 arrivals), the USA (254 757 arrivals) and Germany (258 517 arrivals). In this respect the South African tourism industry competes directly for leisure tourism customers with other long-haul destinations such as Kenya, Australia, Thailand and Brazil (Monitor, 2007).

Figure 3: Tourist arrivals to South Africa from Europe, 2006



Source: SATourism, 2007b

Figure 4: Tourist arrivals to South Africa from African Land Markets, 2005 - 2006



	Botswana	Lesotho	Malawi	Mozambique	Namibia	Swaziland	Zambia	Zimbabwe
2005	794,706	1,657,119	106,674	596,462	219,303	909,966	127,255	773,991
2006	762,530	1,914,061	124,260	917,308	224,128	991,418	159,792	980,571
Difference	-32,176	256,942	17,586	320,846	4,825	81,452	32,537	206,580
05-06 % change	-4.0	15.5	16.5	53.8	2.2	9.0	25.6	26.7

Source: SATourism, 2007b

The figures for the Africa & Middle East region were dominated by land arrivals from neighbouring states. Increases in arrivals from Lesotho, Mozambique, Swaziland and Zimbabwe are the largest contributors to South Africa's overall increase in foreign tourists between 2005 to 2006 (Figure 4).

The largest proportion of foreign arrivals to South Africa are for the purpose of leisure travel (general holiday, VFR and personal shopping). This category however, revealed the smallest year-on-year growth, thus dropping from 66.2% of the total in 2005 to 61.9% in 2006. In contrast, while still representing only a minority portion of overall arrivals, business travel and business tourism showed steady growth (Table 2).

Table 2: Growth in foreign arrivals to SA by purpose of travel, 2005 – 2006

	Leisure*	Business Travel	Business Tourism	Other	All arrivals
2005 (N – millions)	4.9	1.5	0.4	0.6	7.4
2005 % of total	66.2	20.3	5.4	8.1	100.0
2006 (N – millions)	5.2	1.9	0.5	0.9	8.4
2006 % of total	61.9	22.6	6.0	10.7	100.0
05-06% change	6.2	26.9	19.2	40.4	13.9

Source: SATourism, 2007b

* 'Leisure' includes General Holiday, VFR and Personal Shopping; 'Business Travel' includes Business Travel and Business Shopping; 'Other' includes Health purposes, education, sporting events, music festivals etc

In terms of domestic tourism, roughly 37 million trips were undertaken during 2006. These trips were undertaken by 42% of the adult population of South Africa, with an average of 37.1 trips per traveller. Of this total number of trips, 29.1 million were VFR trips, 2.8 million were for holiday, 2.9 million for religious reasons, 1.9 million for business, and 0.4 million for medical reasons (SATourism, 2007b).

Provincially, Gauteng and KZN account for the largest number of domestic trips, however while Gauteng residents undertake mainly inter-provincial travel, KZN residents generally remain within the province. Overall, seven of the nine provinces receive a net inflow of domestic tourists, while KZN is only slightly more often a destination than it is a source of domestic tourism. The major source market for domestic tourism is Gauteng, with a net outflow of approximately 3.2 million domestic trips in 2006 (SATourism, 2007b).

Seasonality is the monthly variability in domestic and foreign travel. Domestic travel patterns are dominated by school, religious and traditional holidays, with strong peaks over December/January and Easter. The seasonality of foreign arrivals varies by source region according to market specific and traditional holiday patterns. Major source countries in the northern hemisphere tend to undertake their 'big-trip' long-haul holiday in their winter months, resulting in high visitor numbers to South Africa from these destinations between October and February, with lowest visitor numbers generally falling in June of each year (SATourism, 2007a).

Visitor length of stay

The overall length of stay for foreign visitors to South Africa dropped from 8.4 nights in 2005 to 8.2 nights in 2006 (Table 3). This was mostly the result of reduced lengths of stay among business travellers and tourists within the 'other' category. Notably, while the average length of stay for leisure tourists remained relatively consistent between 2005 (8.9 nights) and 2006 (9.0 nights), the most frequent length of stay for foreign air arrivals dropped from 14 nights in 2005 to only 6 nights in 2006 (Table 4).

Table 3: Average length of stay (Nights) for foreign tourists to SA by purpose of travel, 2005 - 2006

	Leisure	Business Travel	Business Tourism	Other	All arrivals
2005	8.9	5.6	5.3	14.0	8.4
2006	9.0	5.2	5.3	11.9	8.2

Source: SATourism, 2007b

* 'Leisure' includes General Holiday, VFR and Personal Shopping; 'Business Travel' includes Business Travel and Business Shopping; 'Other' includes Health purposes, education, sporting events, music festivals etc

Table 4: Most frequent length of stay (Nights) for foreign tourists, 2002 - 2006

Arrivals by:	2002	2003	2004	2005	2006
Air	7	14	14	14	6
Land	2	2	2	2	2

Source: SATourism, 2007b

Tourist spending

Excluding spending on capital, the total direct spending of foreign arrivals to South Africa in 2006 was R29.8 billion. This was down from a figure of R 65.4 billion in 2005. The reason for this decline in tourism foreign earnings despite rising foreign tourist arrivals is twofold. Firstly, it is the result of the decline in the length of stay, and particularly for the high-value air arrival category discussed above. Secondly, and more importantly, it as a result of a decline in tourists' average per-day spending (excluding capital expenditure) (SATourism, 2007b).

Foreign tourism spending for all categories[3] declined between 2005 and 2006. The largest drop is evident for the category 'shopping'. This is however due to the substantial expansion of South African owned retailers into neighbouring states, reducing the need for large-scale personal shopping within South African boarders.

Domestic tourism is estimated to have generated R16.5 billion in 2006. While this figure was down some R5 billion from 2005, the fact that domestic tourism data has only been captured for these two years, makes it impossible to determine trends. For both 2005 and 2006, spending from VFR trips contributed the largest proportion to the total (Table 5). The average holiday trip in 2006 was, however, almost three times as valuable as the average VFR trip (R 1 093 compared with R 301), while in the same year, the average per-day spending was highest for business travel at R190, compared with R 143 for holiday and only R 94 for VFR (SATourism, 2007b).

[3] Categories include: accommodation, food, transportation, leisure, medical, shopping and other

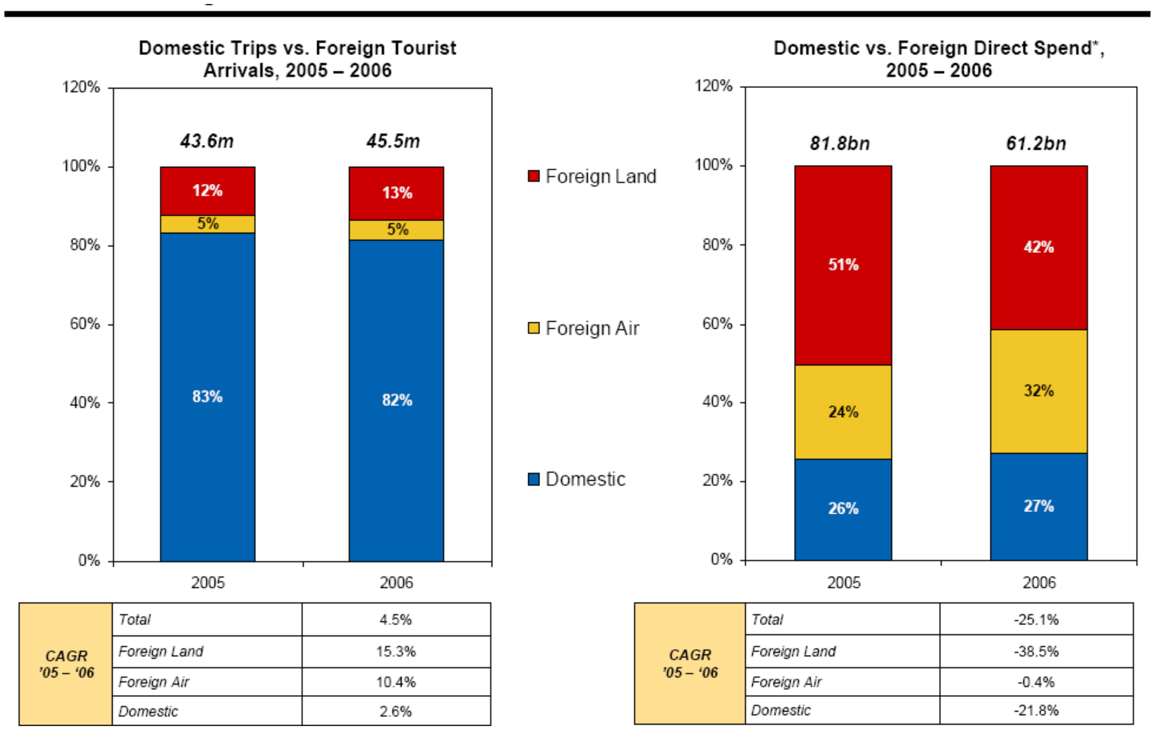
Table 5: Spending on domestic trips by trip purpose, 2005 – 2006 (in Rand Billion)

	VFR	Holiday	Business	Religious	Medical	Total
2005	8.5	6.8	2.5	2.0	1.4	21.1
2006	10.9	3.0	1.5	0.9	0.2	16.5

Source: SATourism, 2007b

Overall, while domestic travel accounted for more than 80% of tourist volume in 2006, foreign travellers contributed the bulk of tourism value (Figure 5).

Figure 5: Domestic versus foreign tourism value contribution, 2005 - 2006



Source: SATourism, 2007b

GDP and employment contribution

While the importance of the tourism sector to the national economy both in terms of GDP and employment are well acknowledged, very little is known about the sector compared with other national sectors. The main reason for this is that tourism as a sector is not defined within the Standard Industrial Classification system, on which all sectoral economic activity is collected both locally and internationally, and is thus not explicitly captured in the System of National Accounts (Lowitt, 2006).

The System of National Accounts is based on sectors as producers of specific goods and services. Tourism, however, is a consumption based services industry – thus using the goods and services produced by the other industries classified within the National Accounts (Pan-African, 2006). Furthermore, tourists consume both 'tourism characteristic' (i.e. accommodation, travel services, cable cars etc) as well as 'non tourism characteristic' (i.e. retail trade) goods and services (StatsSA, 2005).

Tourism Satellite Accounts[4] (TSAs) are intended to quantify both the direct and indirect effects of tourism on a national economy. Such information is necessary to provide the public, policy-makers and other stakeholders with accurate information relating to the tourism sector (StatsSA, 2005).

The preparation of a TSA for South Africa was initiated in 2002 through collaborative effort of Statistics South Africa (StatsSA), the Department of Environmental Affairs and Tourism (DEAT), the Department of Home Affairs (DHA), the South African Reserve Bank (SARB), the South African Revenue Services (SARS) and South African Tourism (StatsSA, 2005). The TSA is made up of ten tables, some are which are more difficult to compile than others. The first publications from the TSA will only be available in 2008 and, until such time, all available data on sectoral GDP and employment contributions need to be regarded as estimations (Lowitt, 2006).

The WTTC, using various simulated models for its calculations, estimates that the total direct and indirect contribution of the tourism sector to the South African GDP in 2006 was 8.30% (Table 6). This was up by 16% from an estimate of 7.96% in 2005 (SATourism, 2007b).

Table 6: Tourism's contribution to the South African GDP, 2005 – 2006 (in Rand Billion)

<table>
<tr><td>Contribution to GDP</td><td>2005</td><td>2006 Estimate</td><td>2005 – 2006 Increase</td></tr>
<tr><td>Direct</td><td>50.04</td><td>57.30</td><td>15%</td></tr>
<tr><td rowspan="2">Direct and indirect</td><td>122.49</td><td>141,86</td><td rowspan="2">16%</td></tr>
<tr><td>7.96%</td><td>8.30%</td></tr>
</table>

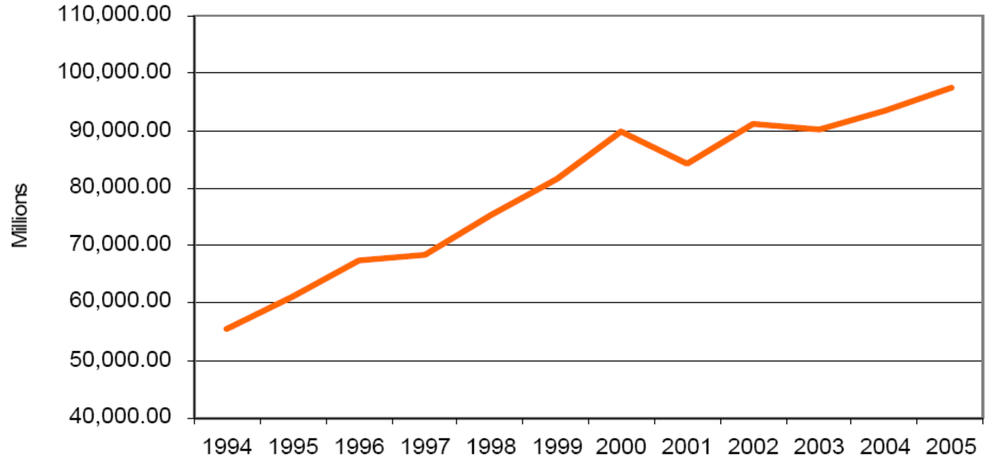
Source: WTTC in SATourism, 2007b

While waiting the outcome of the TSA, Pan-African Investment and Research Services, were commissioned by DEAT to estimate the contribution of the sector to the national economy. Their estimates are based on indicators such as the number of foreign arrivals, the number of domestic trips undertaken, and the amounts spent by both foreign and domestic tourists. Their analysis reveals that tourism expenditure, whether by local or by foreign tourists, has a positive impact on both fixed capital formation and on employment: where foreign tourism expenditure rises by 1%, fixed capital formation, on average, increases by 0.07% and employment increases by about 0.02% (Pan-African, 2006).

The sectors' monetary contribution to national GDP has increased roughly threefold since 1994 (Figure 6), with the estimated Rand value of tourism's contribution to the national GDP in 2005 being R97 billion (in 2000 prices) (Pan-African, 2006).

[4] The recommendations for structuring a TSA are based on a common conceptual framework developed by the World Tourism Organisation (WTO), the United Nations Statistics Division (UNSTAT), the Organisation for Economic Cooperation and Development (OECD) and the Statistical Office for the European Communities (Eurostat) (StatsSA, 2005).

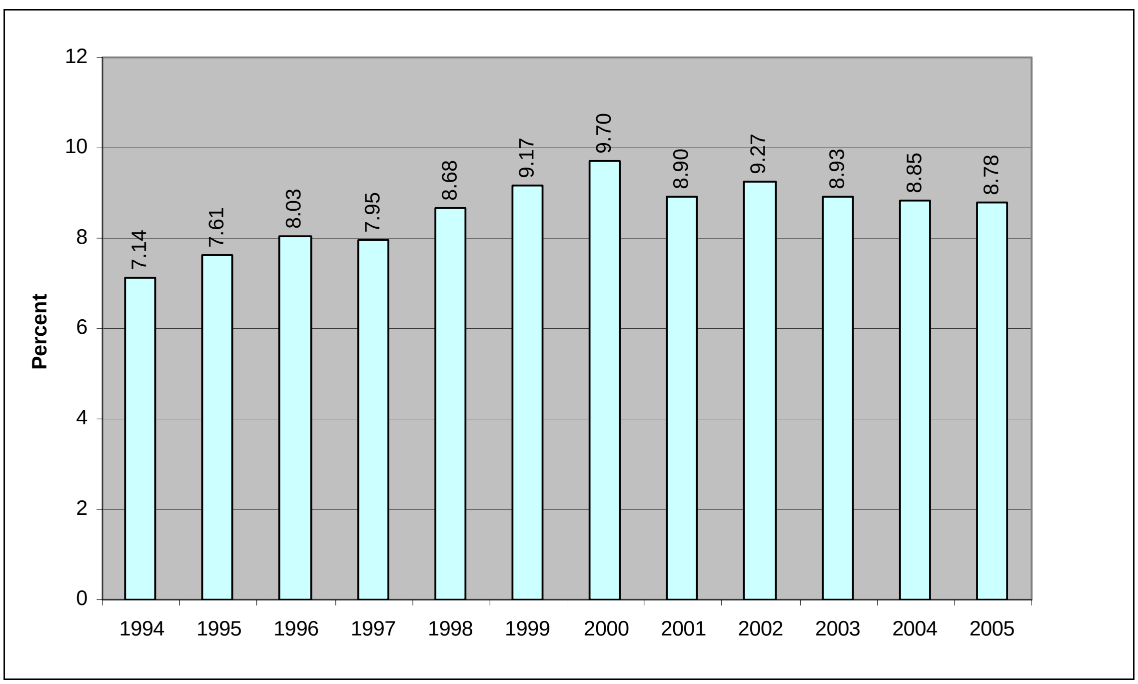
Figure 6: Value added in Rand of total tourism expenditure to GDP (2000 prices)



Source: Pan-African

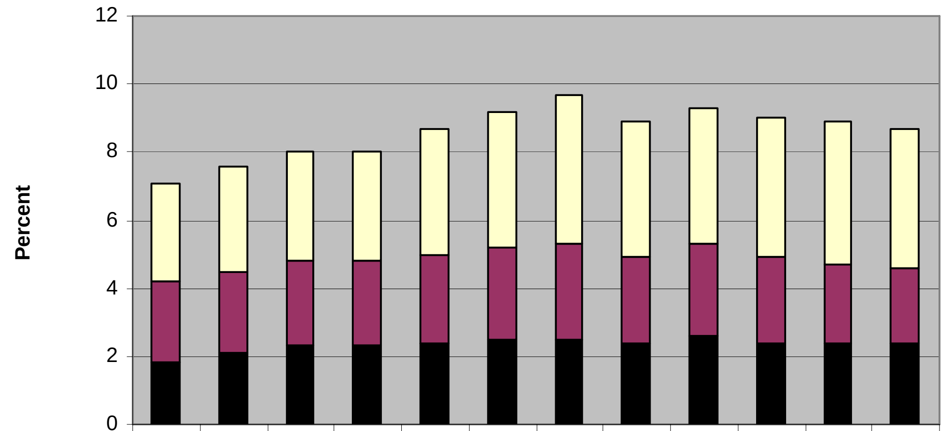
While overall monetary contributions have continued to grow, the sector's share of national GDP has however dropped from an estimated high of 9.70% in 2000 to a figure of 8.78% in 2005 (Figure 7). This proportional decline is thus the result of even faster growth in other national sectors over the same time. Furthermore, the value of domestic tourism to the overall GDP contribution of the sector is highlighted (Figure 8) (Pan African, 2006).

Figure 7: Contribution of total tourism expenditure to GDP



Source: Pan-African, 2006

Figure 8: Contribution to GDP per tourist category



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Domestic	2.9	3.1	3.2	3.2	3.7	4	4.4	4	4	4.1	4.2	4.1
Foreign (excl Africa)	2.4	2.4	2.5	2.5	2.6	2.7	2.8	2.5	2.7	2.5	2.3	2.2
Africa	1.8	2.1	2.3	2.3	2.4	2.5	2.5	2.4	2.6	2.4	2.4	2.4

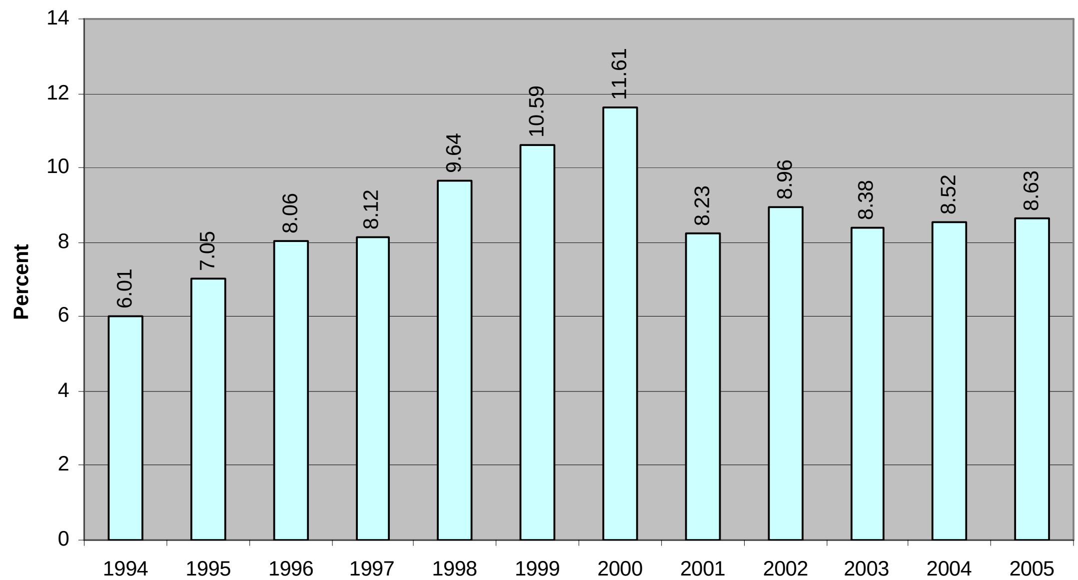
Source: Pan-African, 2006

References to the sector's contribution to total employment are equally inconsistent. The WTTC (referred to in SATourism, 2007b) estimates that in 2005 direct employment in the tourism sector in South Africa was 393 650 increasing by 8.2% to 425 930 in 2006. The indirect employment contribution of the sector was even larger than these direct contribution figures, bringing the overall employment contribution in 2005 to 864 460 increasing by an estimated 9.6% to 947 530 in 2006.

The Department of Trade and Industry (the dti, 2006) refers to estimates of 539 017 direct jobs in the tourism sector and an additional 699 683 indirect jobs created by the sector, with the overall contribution to employment thus being 1 238 700. Furthermore, they argue that this figure excludes casual workers in the sector, who are estimated to add a sizable number to the total tourism workforce.

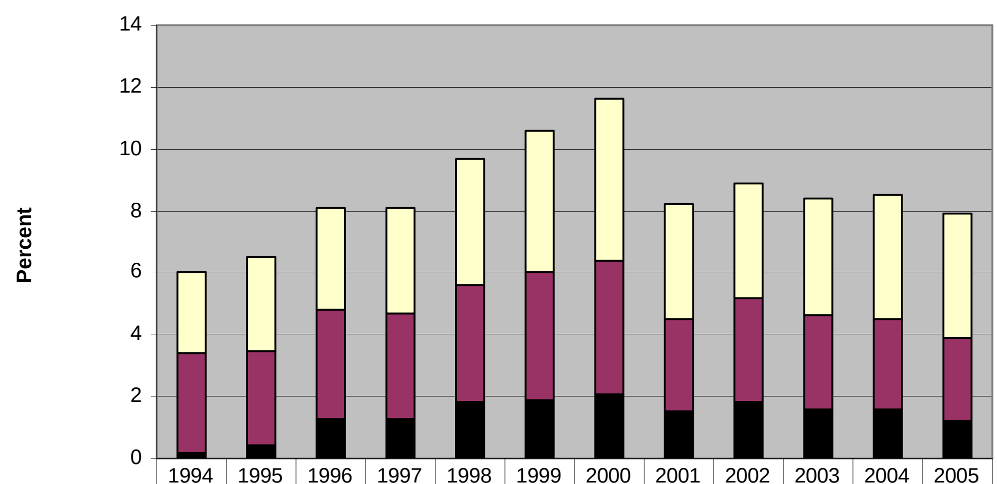
Pan African (2006) estimates suggest that tourism's share of total employment has been increasing since 1994, reaching a peak of 11.6% in 2001 and declining to approximately 8.6% in 2005 (Figure 9). Although tourism's contribution to employment has decreased since 2002, this is not because of negative employment growth in the industry, but rather because other sectors have been adding more jobs to the economy. Their analyses also suggests that the contribution made by domestic tourism to overall employment remained the most stable over the decade 1994 to 2005 (Figure 10). Overall, the combined direct and indirect contribution of the tourism sector to employment in South Africa, is estimated to have increased from 467 453 in 1994 to 1 061 169 in 2005 (Figure 11). Thus Pan African figures fall between the WTTC figures quoted by SATourism (2007b) and those of unknown source referred to by the dti (2006).

Figure 9: Tourism employment as a percentage of total employment



Source: Pan-African, 2006

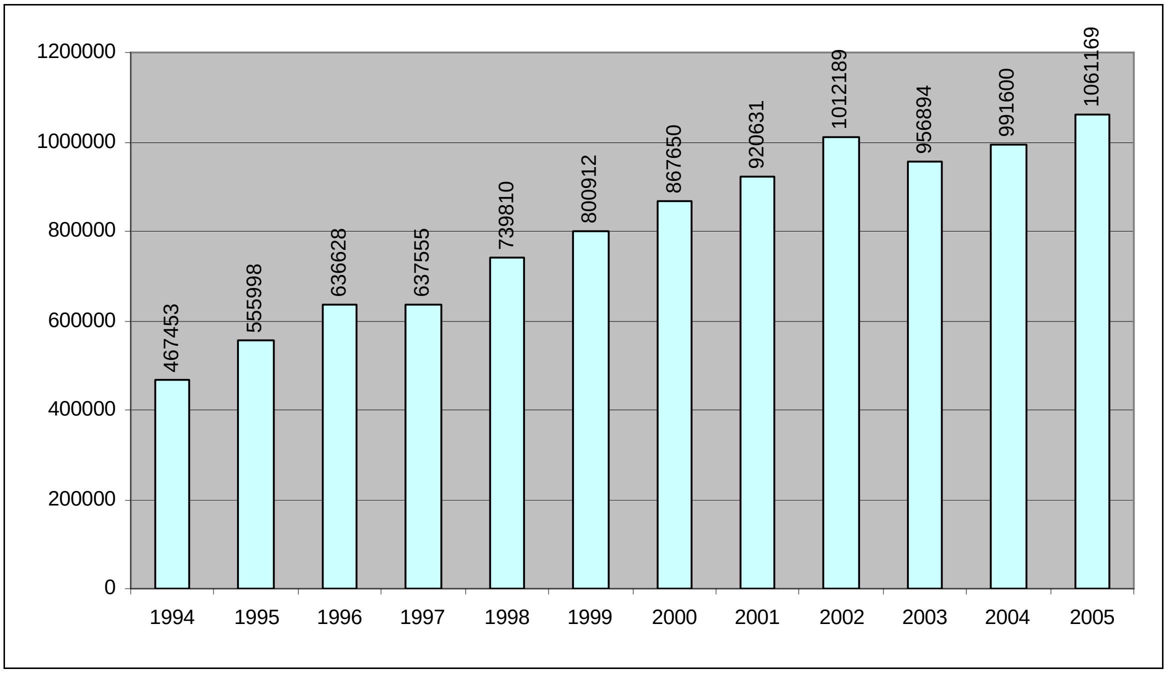
Figure 10: Contribution to total employment per tourist category



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Domestic	2.6	3	3.3	3.4	4.1	4.6	5.2	3.7	3.7	3.8	4	4
Foreign (excl Africa)	3.2	3.1	3.5	3.4	3.8	4.1	4.3	3	3.4	3	2.9	2.7
Africa	0.2	0.4	1.3	1.3	1.8	1.9	2.1	1.5	1.8	1.6	1.6	1.19

Source: Pan-African, 2006

Figure 11: Estimated number of jobs due to tourism expenditure



Source: Pan-African, 2006

Sector profile

As outlined above, tourism is a consumption driven sector – with tourists consuming the goods and services produced by a range of other sectors within the national economy. Based on the range of typical tourist consumption, a number of tourism sub-sectors can be identified (the dti, 2006):

- Airlift, or flights into and around South Africa
- Ground transportation, covering busses, coaches, taxis, rail and car hire
- Accommodation, ranging from camp-sites and self-catering to five star hotels and game lodges
- Food and beverage facilities and services, ranging from informal street vendors to five-star restaurants
- Recreation and entertainment
- Activities and attractions
- Tour guides, site guides and nature guides

Within the airlift sub-sector, major players include: Airports Company South Africa (ACSA), South African Airways (SAA), British Airways-Comair, Nationwide, South African Airlink, South African Express as well as low-cost airlines Kulula, 1 Time and Mango. OR Tambo International Airport (ORT) in Johannesburg is the largest of South Africa's international airports and processes in excess of 11 million passengers each year (BMI, 2005). Many of the country's airports, particularly those that serve as national and regional gateways, are currently undergoing upgrades to increase capacity and passenger handling efficiency in anticipation of the 2010 FIFA Soccer World Cup (Tourism: The Road to 2010, Cape Town and Western Cape, September 2007).

In terms of ground transportation, the majority of domestic tourists and African land arrivals make use of commuter taxis and busses or of private vehicles (SATourism 2007b). Foreign air arrivals generally make use of the transportation arranged or owned by tour operators (the larger players including companies such as TourVest and Thompsons Africa), or rent vehicles from companies such as Avis Southern Africa or Budget Rent-A-Car (BMI, 2005)

Within the hospitality sub sector, the tourism industry supports around 700 hotels, 2 800 guesthouses and B&B establishments, and 10 000 restaurants. Accommodation ranges from inexpensive backpacker lodging to five-star luxury hotels and game lodges (Economist Intelligence Unit, 2006). Within the accommodation sub-sector, international hotels chains include the Holiday Inn, Southern Sun Hotels, InterContinental, Hotel Formula 1, Sheraton, Radisson, Park Inn, Hilton, Hyatt and Halicon Hotels. A number of smaller independently owned Boutique Hotels are also to be found in urban areas that attract large numbers of tourists. Within the game lodge group, major players include SANParks, and Madikwe, Sabi Sands, Sabi-Sabi, Manyeleti, Timbavati and Mkuzi Game Reserves (BMI, 2005).

In respect of entertainment, the casino industry has developed rapidly, with Sun International being a key player in this market, although a number of the 40 national casino licences have not yet been allocated (Economist Intelligence Unit, 2006).

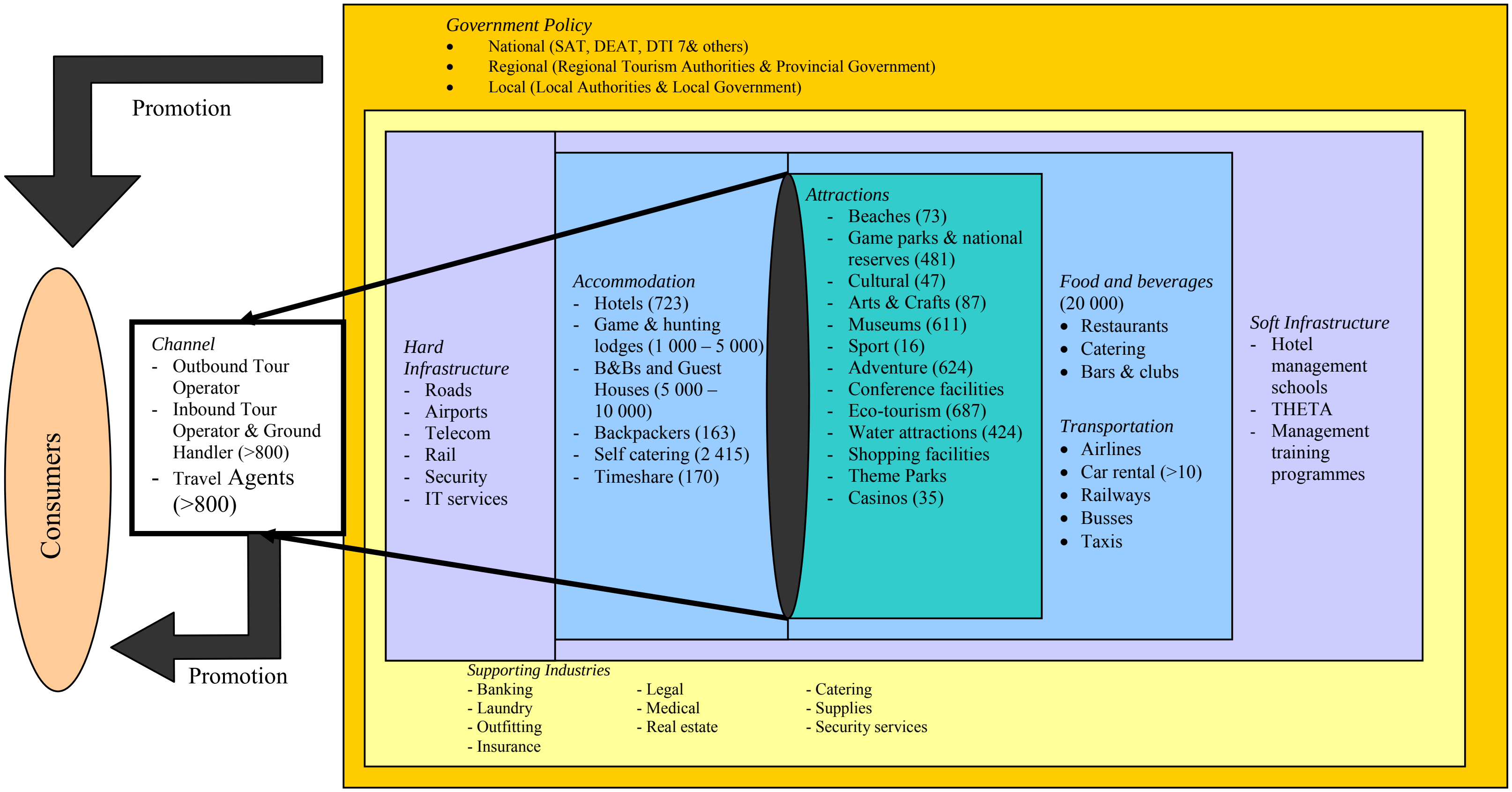
Monitor Group, who compiled the Global Competitiveness Project report on the South African tourism industry (Monitor, 2004), represent the shape and size of the industry as per Figure 12. The core of the industry is its key attractions, and the owners of either tourism products related to these attractions or the owners of the attractions themselves. In order for visitors to enjoy a range of these attractions over a number of days, additional facilities are required, notably in the areas of accommodation, food and beverage services and transport. For most foreign air arrivals to South Africa, arrangements for these activities and services falls largely to players within the channel.

However, tourists experience a destination in its entirety, and this experience should meet or exceed their expectations (the dti, 2006). Part of the tourism experience is thus to be found in the related ‘hard’ and ‘soft’ infrastructure. Hard infrastructure refers to the quality, efficiency and costs related to the use of airports, roads, railways, and telecommunication and information technology. Soft infrastructure here refers to the availability and systems of generating suitable technical, service and management skills for the sector (Monitor, 2004).

Having the most advanced infrastructure in Southern Africa gives South Africa a distinct advantage as the diplomatic hub of the region, if not the continent. Thus other than international leisure tourism, a key market focus for South Africa is the development of the MICE and business tourism sector. In support of this, a number of world-class international convention centres have been established in Durban, Cape Town and Sandton (Economist Intelligence Unit, 2006).

More general tourism specific infrastructure also forms part of this category. This form of infrastructure includes public facilities such as toilets and public phones, tourist information centres as well as adequate road signage to tourism destinations (Monitor, 2004).

Figure 12: Overview of the Structure and Size of the South African Tourism Industry



Source: Monitor, 2004

Exact data on the number of firms operating within the sector is not available. The reason for this is that the largest proportion of the sector is very small or informal and is thus not registered with data generating agencies such as THETA or SARS. The various estimations for each of the sub-sectors hospitality, tourism and travel services, and conservation and guiding, are presented in Table 7. The most recent estimates by Prodigy-Grant Thornton (2007) suggest a total of 28 000 hospitality enterprises, 6 200 travel and tourism services enterprises, and 3 500 conservation and tourist guiding enterprises. Thus the tourism industry is dominated by the hospitality sub-sector.

Table 7: Comparisons of estimates of total enterprises by tourism sub-sector

Hospitality Sector				
		Quantification		
Year	Source	Employers	Employees	Comment
2000	Grant Thornton	35 830	477 800	Estimate includes both formal and informal enterprises
2004	Monitor	34 471		+/- 14 471 accommodation establishments and +/- 20 000 food and beverage establishments
2005	DoL	35 830	477 800	Based on Grant Thornton figures of 2000
2005	HSRC	6 704		Limited to enterprises listed on at least one national database i.e. excluding the largely informal or very small enterprises
2006	THETA SMS	14 828		Limited to those registered with THETA
2006	Qubelisa	9 781		
2007	Prodigy-Grant Thornton	28 000	290 000	
Tourism and Travel Services				
		Quantification		
Year	Source	Employers	Employees	Comment
2000	Grant Thornton	2 870	36 000	Estimate includes both formal and informal enterprises
2004	Monitor	> 800		Excludes all transportation providers
2005	HSRC	1 464		Limited to enterprises listed on at least one national database i.e. excluding the largely informal or very small enterprises
2006	THETA SMS	1 800		Limited to those registered with THETA
2006	Qubelisa	3 942		
2007	Prodigy-Grant Thornton	6 200	28 000	
Conservation and Tourist Guiding				
		Quantification		
Year	Source	Employers	Employees	Comment
2000	Grant Thornton	900	30 300	Estimate includes both formal and informal enterprises
2005	HSRC	966	2 246	Limited to enterprises listed on at least one national database i.e. excluding the largely informal or very small enterprises
2006	THETA SMS	1 579		Limited to those registered with THETA
2006	Qubelisa	3 459		
2007	Government Gazette	900	30 300	Based on Grant Thornton, 2000 contained in THETA SSPs
2007	Prodigy-Grant Thornton	3 500	30 000	+/- 8 000 registered tourist guides and +/-22 000 other employees

Source: Prodigy-Grant Thornton, 2007; Monitor, 2004; HSRC, 2005

Despite variations in estimates of enterprise numbers, studies consistently suggest that the proportion of firms with less than 50 employees is 97% or higher for all sub-sectors. Similarities in terms of size aside, the group of SMMEs within the tourism sector is the diverse and heterogeneous in nature: It ranges from established players, which are largely although not wholly white owned and operated, to new entrepreneurs, many of whom are black owned. It ranges from those based in urban areas (which provides some advantages in respect of access to infrastructure, information and other forms of business support) to those in rural areas (with little access to these forms of support) (Rivett-Carnac, 2007).

Critically, tourism SMME's also range in respect of their business intentions. Those motivated by 'lifestyle' do not generally seek to expand their businesses. 'Entrepreneurial' SMME's are motivated primarily by maximising returns and taking business risks. Many who seek growth are however trapped within 'survivalist' mode – business levels are so low that expansion is not an option and breaking even a primary goal. Among this last group, there is a lot of 'churn' as many business are started but fail due to bankruptcy or inadequate viability (Rivett-Carnac, 2007)

The Tourism White Paper states that although tourism is to be private sector driven, it is to be government-led (DEAT, 1996). Thus besides for the private sector firms that make up the tourism sector, a number of government departments and agencies form part of the sector's profile.

The policy and regulatory framework for the tourism sector is extremely complex and at national levels involves a number of government departments (SBP, 2006):

- **Department of Environmental Affairs and Tourism** (DEAT) is the line department responsible for sector growth and development, with increasing employment and entrepreneurial activity a particular focus.
- The **Department of Trade and Industry** (the dti) offers incentive schemes for businesses in the sector including support for small businesses; conducts research on the sector; and develops strategies to improve sectoral investment, competitiveness and growth. It also governs the distribution of liquor.
- The **Department of Home Affairs** (DHA) is responsible for visitor visa regulations
- The **Department of Transport** develops and implements policy regarding aviation, taxis and tour operations, and transport for tourists in general.
- The **Department of Arts and Culture** is responsible for regulations pertaining to cultural and heritage issues, including the development and management of museums
- The **Department of Land Affairs** is responsible for land management policy.
- The national **Department of Health** sets the overall standards for the handling of foodstuffs in the hospitality sector.
- The **Department of Labour** and the **Department of Education** have the mandate of generating sufficient skills for the national economy, including the tourism sector, across both the FET and HET bands.
- The **Department of Safety and Security**, while not having a direct mandate in terms of the sector, is nevertheless responsible for general safety and security issues nationally, which have a substantial impact on the tourism sector.

A number of statutory bodies and other agencies focussing on the tourism sector are linked to or supported by national government departments:

- **South African Tourism** (SATourism) is tasked with marketing and promotion of the sector.
- The **Tourism Grading Council** of South Africa is responsible for grading accommodation and other hospitality establishments according to the international five 'star' system.
- The Tourism, Hospitality and Sport Education Training Authority (**THETA**) has the mandate of co-ordinating the development and implementation of workplace-based training. THETA also accredits all tour guides.

- The Tourism Enterprise Programme (**TEP**) was launched in 2004 under the umbrella of the Business Trust, although currently also receiving funds from DEAT and the dti. This programme supports tourism SMMEs towards conducting commercially viable transactions.

Responsibility for the development and promotion of travel and tourism is however also shared across all three tiers of government (SBP, 2006):

- At **national government** level, the focus is on planning and policy-making; facilitation, implementation and co-ordination; regulation and monitoring; and development promotion.
- **Provincial government** has a similar function to national government, however focus is more on the implementation of national policies and objectives as appropriate to regional conditions; on facilitating the development of specific tourism products; and on promoting their destinations through provincial marketing organisations.
- **Local government** functions mirror provincial government with additional functions such as local policy implementation; and the monitoring of regulation compliance, environmental planning and land use, product development, marketing and promotions. Local governments develop by-laws such as health and safety and fire-prevention laws that affect tourism sub-sectors. Local government bodies also include licensing departments such as those for driver's licences, liquor licenses, health and safety certificates, and fire certificates.

The strength of the tourism economy is thus dependent on all sub-sectors, government departments and support agencies, which are mutually dependent, working together effectively to provide an integrated 'destination' experience (the dti, 2006).

Summary

Foreign visitor numbers to South Africa have demonstrated fairly consistent growth since 1990, increasing from roughly one million foreign arrivals to 8.4 million arrivals by 2006. Africa & Middle East is the largest source region while from outside of the continent Europe dominates arrivals. Domestically Gauteng is the major source province. The co-incidence of seasonality patterns in domestic and foreign tourism result in annual sectoral activity being highest between October and February, with June being the slowest month.

Tourism's contribution to GDP has increased threefold since 1994, with the estimated Rand value in 2005 being R97 billion (in 2000 prices). Share of national GDP has however dropped from an estimated high of 9.70% in 2000 to 8.78% in 2005. The combined direct and indirect employment contribution of the sector, is estimated to have increased from 467 453 jobs in 1994 to 1 061 169 jobs in 2005. Share of total employment however reached a peak of 11.6% in 2001 and declined to approximately 8.6% in 2005. Both dropping shares of GDP and employment are the result of even faster growth in other sectors.

The most recent estimates suggest a total of 28 000 hospitality enterprises, 6 200 travel and tourism services enterprises, and 3 500 conservation and tourist guiding enterprises. All three sub-sectors are dominated by SMMEs, with many having no desire or little ability to grow.

And although private sector driven, tourism is to be government-lead, with this demanding the challenging co-operation of the myriad government departments (across all three levels) and support agencies that make up the sector's regulatory framework.

CHAPTER THREE: SECTORAL CONSTRAINTS AND CHALLENGES

Government's vision for the South African tourism sector is that growth of this sector will not only result in increased employment among particularly the large national pool of unskilled and semi-skilled labourers, but also that the potential benefits of the sector will be developed in such a way that equity in economic participation will be improved both socially and geographically. Critically, sectoral growth targets are closely aligned to increased foreign tourist arrivals, with targets set for 10 million. Anticipated from this growth is the highly publicized increase of around 400 000 jobs.

A number of studies and sector strategies identify the factors within the industry that present constraints or challenges to meeting the anticipated growth targets. Important among these are:

- The White Paper for the Development and Promotion of Tourism in South Africa (DEAT, 1996)
- The Global Competitiveness Project for the Tourism Industry in South Africa (Monitor, 2004 & 2007)
- Counting the cost of red tape for tourism in South Africa (SBP, 2006)
- The Tourism Growth Strategy, 2008 – 2010 (SATourism, 2007a)
- The Customised Sector Programme: Tourism Sector Strategy (the dti 2006)

Major sectoral stakeholders (DEAT, the dti and SATourism) are thus not unaware of the challenges facing the sector, with most of these same documents making proposals for appropriate intervention. Important stakeholders outside of this core group, including the Department of Labour, who is responsible for skills development in the sector, however, appear to be less informed.

Thus this chapter seeks primarily to summarise the wide range of issues that are currently acting in various ways to constrain growth within the tourism sector. In terms of limiting tourism growth, challenges include constraints in airlift capacity, seasonality and crime. In terms of tourism value extraction, challenges include limited sector transformation, the unequal social and geographical distribution of tourism activity, limited product and process innovation, lack of sectoral data and market information, a complex regulatory frame work and high levels of red-tape, poor service levels, and high levels of fragmentation, all of which are compounded by a lack of skilled and visionary leadership. The subsumed challenge of lack of adequate human resources capacity within the sector is the subject of the following chapter.

Before discussing these challenges to realising sectoral growth, discussion of another issue is however foundational – that of whether the basic assumption that sectoral growth can be linked directly to either foreign arrivals or to sectoral employment is sound.

Linking increased employment to increased foreign arrivals

Lowitt, in her paper 'Translating sectoral growth into job creation: a view of South Africa's Tourism Industry (Lowitt, 2006) sets out to undertake a 'reality check' of policy makers' expectations regarding growth and employment in sectors assigned priority status. As a starting point she warns that due to the complexity of the sector and in the absence of a TSA, tourism data collection in South Africa has been characterised by: low levels of rigorous economic research; a focus on market research and promotional activities; and a heavy dependence on the simulated data developed by the World Travel and Tourism Council (WTTC). In respect of this final trend she feels it necessary to caution that: 'The accuracy and credibility of this data is a matter of debate not only because of the lack of transparency of the model and its underlying assumption, but also because of the lobbying nature of the Council itself' (p2).

With no consensus as to the expectations from the tourism sector, either in terms of growth or employment (Table 8) and no transparency regarding the calculations and assumptions in arriving at these expectations, she proposes the following as the most likely route to these figures: 2.5 million additional tourists (the difference between the 2005 figure of roughly 7.5 million and the target of 10 million), divided by 12 (the Monitor, 2004 report states that for every 12 additional tourists to South Africa one additional job will be created), multiplied by 2.5 (the suggested WTTC employment multiplier for South Africa), results in a figure of 468 000 new jobs (Lowitt, 2006).

Table 8: Tourism Expectations Matrix:

ORGANISATION	ECONOMIC GROWTH	EMPLOYMENT GROWTH
WTTC, 2006	Tourism industry to grow from 3.3% of GDP to 3.8% of GDP by 2016	Tourism employment to grow from 484 000 in 2006 to 665 000 in 2016
WTTC, 2006	Tourism economy to grow from 8.2% of GDP to 9.3% of GDP by 2016	Tourism economy employment to grow from 1 083 000 to 1 500 000 in 2016
DTI, 2006 (Customised Sector Programme)	By 2014 SA will attract 10 million foreign tourists and 80 million domestic tourists	
DEAT, 2006 (Budget Speech)	R 100 billion contribution within 5 years and 8.5 million foreign arrivals	500 000 new jobs
ASGISA, 2006 (Launch by deputy president)	Will increase its contribution to GDP from 8% to 12%	Will increase employment by up to 400 000 people

Source: Lowitt, 2006 and ASGISA, 2006

The challenges raised to this calculation are multi-fold:

In respect of the 'golden 12:1' ratio of foreign tourists to job creation, she points out that the calculations are not in the public domain. Thus it is uncertain firstly, if the ratio is applicable only to the direct tourism industry, and secondly, if it has been taken into account that the largest portion of South African arrivals are from neighbouring states for the purposes of shopping and VFR, with low levels of spending on tourism characteristic products as it is such spending rather than the number of arrivals that drives employment decisions on the ground (Lowitt, 2006).

Her own analysis shows the variability of tourism sector employment figures between 1995 and 2003, as derived from a range of sources (OHS/LFS, WTTC, THETA research, QUANTEC and SATRU) – not only in respect of actual figures, which for 2003 range from a high 512 000 off WTTC data to a low 168 00 off QUANTEC data, but also on the contradictory trends between these sources (see Appendix 1 for more detail). Furthermore, comparisons between annual foreign arrivals and employment figures (for the same year as well as lagged to allow for market response) from these various existing data sources fail to show any direct and consistent relationship between these factors. Thus she suggests that a ratio of 15:1 is more realistic for South Africa, and even this may be optimistic (Lowitt's, 2006).

In respect of the employment multiplier of 2.5, she argues that while for most countries these multipliers are based on set definitions of inclusion and exclusion as well as on hard data on the sector, data constraints in South Africa mean that there is very little real understanding of this phenomenon here. Arguing that South Africa's multiplier is likely to be lower than that of Australia (0.7) but higher than that of Thailand (0.2) due to the fact that the industry shows similarities to both countries, however imports more goods and services than Australia but less than Thailand, she proposes that a more realistic employment multiplier for South Africa is in the region of 0.5 (Lowitt, 2006).

Overall, using a revised ratio of 15:1 and an employment multiplier of 0.5, Lowitt (2006) suggests that a more realistic expectation of direct employment creation for the sector will be 167 000 and indirect employment creation 117 000, resulting in an overall 284 000 new job opportunities.

A number of additional factors, however, need to be considered in terms of the value of foreign arrivals. As mentioned above, spending on tourism characteristic products and services is what drives employment decisions on the ground. Foreign tourist spending on such products is a function of numerous aspects: the purpose of the visit, the length of stay, and the average spend per day. These are in turn influenced by other factors that include: the ability of South Africa as a destination to appeal to a range of market categories; the performance of economies in major source markets and the impact of this on potential consumer income; the exchange rate; and unplanned global events discouraging travel such as 9/11, the Asian economic crisis and the SARS virus, the Tsunami of December 2004 and the ongoing wars in the Middle East (Lowitt, 2006; Pan African, 2006; the dti, 2006).

What is interesting to note is that despite the sector's fixation with foreign tourists (and particularly foreign air arrivals), Pan African's (2006) study of the contribution of tourism to the national economy determined that a 1% increase in domestic tourism had a considerably greater impact on both fixed capital formation and on employment than did a 1% increase in foreign tourism expenditure (Table 9)

Table 9: Elasticities with respect to Tourism Expenditure

	Fixed capital formation	Labour
Foreign tourism expenditure	0.04	0.02
Domestic tourism expenditure	0.23	0.09

Source: Pan-African, 2006

Koch et al (1998) and Saayman et al (2001) also highlight the underemphasized value of domestic tourism. They argue that while domestic tourism may not have the benefit of impacting on the national balance of payments per se, it is considerably more robust and has the advantage of distributing domestic spending more evenly through bringing disposable income out of the wealthier regions of South Africa (such as urban areas and Gauteng in particular) and moving this to poor provinces and rural areas that are not included in the average international tourist itinerary.

The challenge that SATourism thus faces, as the major sector marketing agent, is not only to increase foreign arrivals, but also to increase the average length of stay and the average spend per day. Furthermore, development of domestic tourism should not be ignored, for not only should the employment creation expectations of foreign arrivals be treated with caution, but there are also suggestions that domestic tourism's contribution to employment creation has not been fully appreciated. Finally, regardless of the source of the tourist, there are indications that South Africa is under-performing in terms of converting tourist numbers into job opportunities and that potential for improvement exists (SATourism, 2007a).

Airlift

Sufficient airlift capacity is necessary to support South Africa's strategy to grow foreign tourist arrivals, particularly those from beyond the Southern African region. Key in this regard is thus the capacity constraint of airlift from major source countries during peak seasons. Evidence suggests that routes between South Africa and Hong Kong, London and Paris have become increasingly constrained since 2001. Such constraints push up the prices of airlift to and from South Africa, particularly for direct flights. Compounding these challenges around international airlift are issues related to the availability and pricing of domestic and inter-connecting flights. Thus not only are overall visitor numbers currently being restricted, but the cost of shuttle per visitor is high, presenting a substantial psychological barrier to potential travellers and reducing South Africa's appeal as a value for money destination (Monitor, 2007).

While indirect routes do provide additional options for access from major source markets, and may be cheaper than direct routes during peak seasons and thus appeal to tourists seeking more affordable travel, the viability of such alternatives are low for certain high-value market segments such as business, senior and family travellers (Monitor, 2007).

Improving access to South Africa during periods of peak demand is however no simple matter. Firstly, the ability of airlines to manage capacity on a flexible basis is constrained by the availability of equipment. Secondly, there are numerous challenges related to changing schedules in the short run due to congestion and slot availability at peak periods in the major hubs. Finally, the Yamoussoukro Declaration, which would see the opening of the skies between African states, has not been implemented – thus essentially capping the volumes of potential tourists from within Africa – due mainly to concerns by other African states of the emerging dominance of SAA on the continent (Monitor, 2007).

While efforts are being made to increase capacity in advance of 2010 – Emirates has been granted rights to increased frequencies to Johannesburg, Cape Town and Durban effective as of mid 2008 – it is unclear what effect this will have on the viability of the national carrier, SAA, and whether this increased capacity will be temporary or permanent in nature (TNW, 2007).

Seasonality

The issue of seasonality has a substantial impact on the overall value extracted from the tourism sector. Outside of the negative impact of ceilings on foreign visitor numbers created by airlift capacity constraints in peak season, constraints are also evident in respect of accommodation during these periods in primary tourism destinations. While current domestic travel, particularly in the Easter, winter and spring school holiday periods, does provide some balance against the more concentrated demand of foreign tourists, investment by product owners in additional bed-capacity needs to generate a positive return over the full year and not only during peak seasons. This requirement for profitability thus acts as a disincentive for the investment required to increase bed capacity to meet peak season demands (SATourism, 2007a).

On another level, and impacting on all segments of the sector, is the negative impact of seasonality on the sector's ability to create permanent, quality employment opportunities. Increasing uncertainty resulting from the global trends of later and more self-bookings, is reflected in jobs within the sector being increasingly of a seasonal and temporary nature (SATourism, 2007a).

Part of SATourism's marketing strategy aims to assist in overcoming the negative impact of seasonality on tourism volumes and therefore on tourism value extraction, both for businesses and their employees. This includes the general promotion of domestic tourism; the identification of new foreign market segments who are not bound by tradition seasonal travel patterns; and the placement and marketing of South Africa as a destination to these segments (SATourism, 2007a).

Crime

After value for money, safety and security are the most important purchase criterion for consumers in South Africa's priority source and target markets. Most tourism consumers globally have low levels of travel awareness about South Africa and generally regard the country as unsafe and politically unstable, despite 13 years of democratic government. The 2005 SATourism Brand Tracking survey revealed that in eight core markets, 33.8% of people mentioned fears of safety as one reasons for not having visited South Africa in the past 5 years. Thus the reality, as well as the perception, of crime in South Africa, is one of the key constraints to growing tourism volumes particularly among high-value overseas leisure tourists (SATourism, 2007a).

While strategic branding of South Africa and the marketing efforts of SATourism and individual provinces are critical to increasing awareness of the country and its tourism potential, the most powerful means of advertising remains word of mouth, with all tourists' bad experiences having a potentially negative impact on future tourism volumes. Thus it is concerning that 9.6% of air arrivals and 9.0% of land arrivals reported such bad experiences in relation to personal and general safety and security (SATourism, 2007b).

Notable for the frequency of mention in industry media (e.g. Dowinton, 2007; Tourism Update, 2007a), is the issue of safety and security at OR Tambo International Airport. This ranges from harassment of tourists by loiterers and unlicensed porters, taxi operators and guides, to petty theft on site, to incidents of tourist being followed to their destination from the airport and robbed at gunpoint of their baggage.

Other than its direct and indirect impact on visitor volumes, safety and security concerns also act to reduce the value of tourism to the country. Firstly, visitor movements may be restricted to areas that are perceived as 'safe' despite an interest to sample tourism products outside these areas. Secondly, fear of crime at night, combined with hotels' advise to guests not to venture out, limits tourists' involvement in night activities such as dining and entertainment (SATourism, 2007a). In this way the high crime levels in South Africa (whether perpetuated against tourists or not) act as a barrier between willing consumers and the tourism products they may wish to buy.

Transformation

Despite the passing of 13 years since the advent of democracy in South Africa, tourism is still predominantly white-owned and white managed. Hard data on transformation across the industry is however scarce:

- A baseline study of ten pilot sites across South Africa identified for potential nature-based tourism development through the INTAC project, indicated that 90.6% of the 628 product owners were white (Erasmus, 2002).
- The same study revealed that in respect of occupational levels, whites were in the majority among senior officials, managers and clerks, that proportions were roughly even for professionals and technicians, while Africans were in the majority among all the lower level occupations (Erasmus, 2002).
- In 2003, among 30 leading enterprises surveyed by the Tourism Business Council of South Africa (TBCSA) as part of the BEE charter process, less than 30% had black ownership of more than 25%.
- The most recent information obtained by Prodigy-Grant Thornton (2007) (Table 10) suggests that some progress has been made at senior levels since the earlier studies, however senior management and official positions remain dominated by whites.

Table 10: Race profile of the tourism sector

Sub-Sector	% Black Employees	% Black Senior Managers/Officials
Hospitality	72%	40%
Travel and Tourism Services	58%	45%
Conservation and Tourist Guiding	74%	20%

Source: Prodigy-Grant Thornton, 2007

The Tourism Sector Charter and Scorecard for Black Economic Empowerment was launched in May 2005. This applies to private and public sector, including small businesses. It is aimed at making the sector more accessible, relevant and beneficial to black South Africans; contributing to the sector's growth and sustainability in rural and urban areas; promoting innovation in the sector through new players who will attract new markets (both international and domestic), and increasing black ownership and management (SBP, 2006).

Yet despite this charter and the benefits that it promises, it is yet not a certainty that BEE is a priority for most firms within the industry. There are additionally a number of very real obstacles in the way of transformation in the tourism sector:

- The vast majority of this large sector are owner managed SMMEs (Monitor, 2007). Of these, roughly one quarter are 'lifestyle' business with no desire to expand (SBP, 2006). Thus the majority of the sector in reality has limited capacity to invest in and understand the relatively complex domain of transformation (Monitor, 2007).
- Larger firms wishing to make affirmative action appointments as senior levels face the severe lack of black management skills, available and willing, to work in this sector, which is less competitive than others in respect of senior level remuneration (the dti, 2006).
- Emerging entrepreneurs entering the sector often fail due to lack of sector knowledge, market information, marketing networks and channels, product differentiation and small business management skills (Monitor, 2007; HSRC, 2006a).
- These challenges are compounded by high levels of competition as the sector is currently characterised by rapid entry particularly for accommodation and tour

operators, with established players thus very reluctant to provide entrepreneurs with any form of support (SBP, 2006).

- Most informal tourism enterprises are marginal to, but simultaneously dependent on, the dominant or larger tourism enterprises. Furthermore, for most of these informal tourism enterprises the prospects of graduating to more established small enterprises are extremely limited (Kirsten & Rogerson, 2002).
- In certain sub-sectors, and particularly in those that create decent self-employment opportunities, the ratio of capital required for per job created is not negligible and amounts to considerably more than 'some seed money' (Oldham et al, 2000; HSRC, 2006a).
- The return on investment, even in large tourism enterprises, is considerably lower than for enterprises in other sectors (Oldham et al, 2000). This undoubtedly acts as a disincentive for black owners of capital to invest in such enterprises.

The benefits of the sector in terms of the upstream and downstream linkages it creates in the local economy are also often linked to opportunities for the involvement of previously disadvantaged people. And while trends towards outsourcing in the sector are in line with global best business practices of focussing on core competencies, outsourcing and other similar trends do not automatically encourage transformation or improve the status of those employed within the sector. This is because in most cases outsourcing relates to activities such as laundry, security etc and thus creates opportunities within the 'wider travel and tourism economy' rather than in the direct tourism sector. Furthermore, outsourcing arrangements do not represent the creation of new employment opportunities, but rather the displacement of existing employment out of relatively stable and established tourism enterprises and often into smaller enterprises within the services sector where wages are lower, employment is seasonal, and capacity to train even more limited. Finally, outsourcing will often result in relationships with established (rather than emerging) SMMEs who are able to guarantee service at lower cost and generally with greater efficiency (Kirsten & Rogerson, 2002).

Additional to the efforts of the BEE charter, success in transformation is considered to be crucially linked to strong relationships between emerging enterprises and established enterprises with committed leaders and transformation champions. As such Kirsten & Rogerson (2002:53) argue that immediate efforts 'should focus on supporting emerging black-owned SMMEs that are suppliers or contractors to white-owned tourism enterprises' with efforts to change the profile of the direct tourism industry a long-term focus. Monitor's (2007) Global Competitiveness Project report additionally highlights that the lack of sector data and adequate information to support firms in their transformation efforts; the weak levels of partnership between government and the private sector; the intra- and inter-institutional weaknesses within the tourism support framework; as well as the lack of incentives for private companies to transform, all need to be addressed if transformation in the industry is to be facilitated.

Distribution

Geographically, the distribution of tourism across a country is determined by an interplay of natural, cultural and man-made factors, which together create both the appeal of a destination as well as its convenience of accessibility. At present, three provinces are capturing the majority of long-haul tourism value as measured in nights spent in province – the Western Cape, KZN and Gauteng (SATourism, 2007b). Within these provinces, supply and demand for accommodation – a proxy variable for more general tourism demand –is furthermore highest in the metropolitan areas. Thus not only does the geographical distribution of the tourism industry have a provincial bias, but also an urban bias (Viljoen & Tlabela, 2007).

A number of factors underscore this unequal distribution pattern. While the current provincial distribution is the result of natural geographical attributes combined with past social and special development patterns (Viljoen & Tlabela, 2007), urban location means access to larger markets and better infrastructure and services, thus not only facilitating business and improving accessibility, but also smoothing seasonal demands (THETA, 2007a). A number of factors serve to perpetuate this pattern: SATourism's focus on using current major tourism draw cards as the means of marketing South Africa to international tourists does not contribute to developing lesser known areas (Viljoen & Tlabela, 2007); the national public transport system does not support the growth of the tourism sector, particularly among the untapped domestic and foreign land arrival markets, as it fails to connect visitors to products and attractions efficiently and effectively (Monitor, 2007); and the current system of licensing allocation to charter and tourism transport services is time consuming to organise and does not allow for flexible schedules and itineraries, or quick turnaround tour booking cycles (Monitor, 2007).

And while it is unrealistic to assume that all regions of a country, all parts of a region and all areas of a city, can benefit from the tourism industry (Mafunzwaini & Hugo, 2005), improving the geographical spread of tourism beyond its traditional routes and nodes is nevertheless critical if the benefits of the sector in terms of employment and economic growth are to be more equitably distributed. This is especially considering the fact that the largest portion of South Africa's poor live in rural areas (Viljoen & Tlabela, 2007).

Forms of tourism that are suited to development in rural areas include nature-based and eco-tourism, adventure tourism, community-based and cultural tourism, guest farms and agri-tourism, and backpacking. Furthermore, product gaps have been identified in many of these areas (Viljoen & Tlabela, 2007).

Establishment of these product types – particularly where they are combined with efforts to empower local people through skills training, equity share relationships and the development and use of local SMME suppliers – are often referred to as 'pro-poor tourism' developments (Ashley, 2005; HSRC, 2006b). In reality, however, and for a number of reasons, such forms of tourism often fail to deliver on this promise:

- Tourism related employment is highly seasonal and clashes with the agricultural season (Erasmus, 2002).
- The majority of jobs created by tourism are menial, low paid and offer little chance of advancement (Erasmus, 2002).
- Legal issues, such as legal representation of the community and land ownership are also often problematic (Viljoen & Tlabela, 2007).
- Community involvement is a long and time-consuming process, with many difficulties and pitfalls related to defining the community, and within this, dealing with heterogeneous entities with many vested interests and affiliations. Involving more than one community increases the challenges and tensions (Viljoen & Tlabela, 2007).
- Community-tourism developments can put rural communities in competition with one another (Mafunzwaini & Hugo, 2005).
- There is a long turnaround time between the initial investment and the production of tangible benefit in these forms of tourism. This may lead to frustration and social unrest within a local community that can jeopardise the viability of the project (Erasmus, 2002).

- Management processes are challenging as misinterpretation of information and souring of relationships between stakeholders may lead to failure of essentially sound initiatives (Viljoen & Tlabela, 2007).
- Rural communities who are local to such projects generally have low levels of education, thus negatively affecting their ability to successfully undertake training, acquire useful skills, and gain meaningful employment either directly or indirectly from the projects (Erasmus, 2002; Kaplan, 2004).
- Developments may fail due to lack of market demand and/or marketing and/or physical accessibility (HSRC, 2006b; Mafunzwaini & Hugo, 2005).
- While the authenticity and sophistication of cultural products is often a concern, there is however also some evidence that tourists themselves ‘lack empathy’ with the cultural offering (Viljoen & Tlabela, 2007).
- Tourism development may adversely affect prices of facilities, food and services to the extent that the local community cannot afford to buy them (Erasmus, 2002).
- The remote areas that such forms of tourism seek out and open up (under the banner of sustainable development) are often the areas that have particularly delicately balanced socio-cultural and physical regimes with the overall impact of such development thus negative rather than positive (Koch et al, 1998).

Yet despite these challenges, for some rural areas tourism presents one of the only viable options for economic development (Mafunzwaini & Hugo, 2005) and ‘pro-poor’ tourism developments are indeed possible. Success, however, will be dependent on the employment of special methods to ensure that local multiplier effects are maximised, and should be judged according to a package of ‘achievements’: not only more, but also better jobs for local people; the development of new SMME suppliers in the local community; better access for local people to job training and education; and improved public infrastructure beneficial to entire poor communities (HSRC, 2006b).

Product and process innovation

Product innovation is critical to the long-term sustainable growth of the tourism industry: offerings must continually evolve if they are to keep meeting the new demands from particularly the international market. Cognisance of a number of important current international trends is foundational to successful innovation at the present time (the dti 2006; Monitor, 2007). These include:

- Increased global safety concerns, particularly since September 11, 2001, have resulted in increasing domestic and short-haul travel and conversely less long-haul travel.
- Increasing use by consumers of internet and other information technology has resulted in increasing independent travel and decreasing use of organised trips; later bookings and more self-bookings; as well as growth in the low-cost airline industry, particularly for Europe.
- Growing maturity of tourists is evidenced in increasing numbers seeking a differentiated tourism experience (such as cultural tourism, eco-tourism, health tourism, adventure tourism etc).
- Increasing competitive pressures in the industry have resulted in high levels of merger and acquisition activity and thus in a period of sector consolidation and vertical value chain integration through backward and forward linkages – particularly on the part of large outbound operators in Europe, one of the major source markets.

- Increasing efforts by destinations to differentiate themselves both in respect of marketing and product offering, and to focus strategically on particular market segments.

The editor of SATSA's Tourism Tattler, Marjorie Dean, commented on the 2007 Tourism Indaba (Dean, 2007) that 'It was good to see more emphasis on family holidays, adventure activities and volunteer tourism'. Industry media also reveals that a variety of niche areas of tourism are now being explored in South Africa: photography, food and wine, family, birding, predators, wild dogs, aviation, birding, hiking, golfing and flowers. Efforts are also being made to grow adventure tourism for ages other than the traditional 18-35 year group.

Yet despite these efforts, levels of product innovation in South Africa are generally considered to be low. Misaligned and unfocussed product development and investment results in an oversupply of some product types and in some geographical areas and product gaps in others (the dti, 2006). The Global Competitiveness Project report (Monitor, 2007) identified a range of such product 'gaps' (see in Figure 13). Addressing these gaps is necessary if South Africa is to be developed into a world-class tourism destination able to move beyond its current international reputation of 'an adventurous wildlife destination with striking natural beauty' (SATourism, 2007a:37).

Figure 13: Industry views of gaps in the South African product set

- Quality accommodation at affordable prices
- Diverse activities attractive for a repeat tourist
- Conference facilities with good services other than ICCs
- Cultural experiences require improvement and diversification, particularly
    - Museums
    - South African cuisine
    - African curio shops
    - Township experiences
- Development of world heritage sites
- Adventure tours
- Holiday resorts, in particular:
    - World class beach resorts
    - Family resorts
- Themed entertainment parks
- Tours of rural areas
- Niche tours

Source: Monitor, 2007

Innovation requirements are however not limited to products, but are also necessary in supporting areas of the industry such processes, marketing, management and logistics. These types of innovation are particularly important if value for money is to be achieved in the overall product offering (Monitor, 2007)[5].

[5] Innovation of this sort is evident in respect of the suggestion that electronic versions of product information, rather than heavy and expensive brochures, be made available at Tourism Indaba in 2008 (Tourism Tattler, 2007a)

Product innovation and investment within the tourism sector in South Africa is hampered by a range of challenges:

- There is a lack of adequate information around market opportunity (SBP, 2006).
- The supply-driven nature of developments at the SMME level results in high levels of competition and low levels of profits (SBP, 2006).
- There is a lack of market access for new products and services (SBP, 2006).
- Smaller survivalist SMME owners lack time for creative innovation pursuits (SPB, 2006).
- There are inadequate resources available for funding of new product development (SBP, 2006).
- Many entrepreneurs and product owners have inadequate skills and capabilities for niche product development and/or product differentiation, and/or the ability to access what supporting funding is available (SBP, 2006).
- Lack of co-operation between product owners within a geographical area limits innovation in respect of product 'packaging' that may develop and support positive images of both existing and emerging destinations (Mafunzwaini & Hugo, 2005).
- Most concerningly, the majority of firms believe that product innovation is not necessary for international consumers – many of whom are first-time visitors (Monitor, 2007).

Addressing all these issues will be important to stimulate product innovation and thus improve the long-term sustainability of the South African tourism sector. Note must also be given, however, to the development of a more vibrant domestic tourism market, for outside of the issue of greater resilience, this market segment is also considered critical as both a driver of, and trial market for, product innovation activities (the dti, 2006; Monitor, 2007)

Sectoral data and market information

While barriers to entry for individual product owners are generally low – compared to sectors such as manufacturing, and outside of the capital-intensive parts of the industry such as airlines and hotel or lodge accommodation – critical barriers exist to accessing markets to sustain and grow businesses (Monitor, 2007).

Key in this regard is the very limited availability of relevant sectoral data and market related information upon which to base informed and detailed investment decisions. This lack of data and information takes a number of forms. From the perspective of potential individual product owners and entrepreneurs (as well as of institutions who provide financial capital) there is limited formal information on prospective markets or the dynamics of the tourism channel (Monitor, 2007); a serious absence of reliable and detailed investment and product usage information; and very poor dissemination of the data that does exist (the dti, 2006). Challenges for researchers whose work may be able to provide such information, include the lack of clear definitions, the lack of systematic data collection systems, and the large and varied nature of the sector (Robertson & Skordis, 2004).

It is thus unsurprising that industry considers SATourism's total monthly foreign arrival figures – which form the substance of industry performance figures and political goals – '*dangerously inaccurate if relied on for strategic planning purposes.*' Instead they argue that: *What industry needs is the collection, tracking and publication of meaningful tourism statistics on which business decisions can be made*' (Hosmark's Fred Koch quoted in Thomson, 2007)

From the perspective of potential consumers, international tourists particularly find it difficult to access reliable information on the country and thus tend to rely on word of mouth (SBP, 2006). This deficiency results in roughly 70% of potential tourists to South Africa from major overseas target markets being lost during the information seeking process (Monitor, 2007).

Altogether, the flow of reliable and relevant marketing information in the system is inadequate at each intersection in the value chain: between product owners and in-bound tour operators and between these and out-bound tour operators in source markets. These vertical flow challenges are compounded by weak horizontal flows of information due to weak clustering relationships at each of these levels (Monitor, 2007).

Regulatory framework and red tape

Sector regulations are important. They are needed to ensure quality, protect clients, access international markets, and correct market failures such as the formation of monopolies, externalities, and 'free-rider' problems. They are also critical to channelling growth to meet society's social and economic goals (SBP, 2006).

There are however costs associated with regulation: *compliance costs* include the time and money spent on complying with regulations; *efficiency costs* arise from regulations that change the outcome that a market would otherwise create. Importantly, regulations also create *non-compliance costs.* (SBP, 2006).

In South Africa the existing regulatory framework for the tourism sector imposes exceptionally heavy constraints on the sector, with compliance costs being up to three times higher than for other firms in the broader economy. This is the result of the unintended consequence of cumulative regulations: the effect of the variety and complexity of the tourism sector and the fact that the regulatory regime governing tourism derives from a considerable number of government departments and statutory bodies with responsibility for different aspects of industry regulation (SBP, 2006).

Industry has identified some of the most troublesome regulations as being those related to zoning, the Department of Transport, tour guides, and liquor licences (see Box 1).

Due to the onerous nature of compliance, particularly for smaller firms and newer establishments, levels of non-compliance within the sector are relatively high. This leads to inconsistent industry quality standards, with negative consequences for the entire industry. Thus unsurprisingly, major and established actors do not want the industry deregulated, but would rather like to see the current regulations simplified, streamlined and enforced with greater consistency (SBP, 2006). There are however cautions that a highly enforced regulatory system risks prejudicing new and young tourism operators who do not have access to equal financial and human resource capacity as established operators (Mafunzwaini & Hugo, 2005). Thus simplification needs to precede increased enforcement of regulations within the sector if quality is to be improved without barring the way for the emerging SMMEs whom government seeks to attract.

Box 1: Troublesome regulations

<u>Zoning:</u> Most B&B's are illegal in terms of zoning laws (due to complicated and costly laws and conflicting local government information), which has knock-on effects in terms of access to official signage to these establishments, and accessing official liquor licences. Township B&Bs are particularly bad hit.

<u>The Department of Transport</u>: Road Carrier Permits – compulsory for all vehicles that transport people for a fare – require not only a Road Worthy Certificate (obtained from local traffic departments), and a publication in the Government Gazette for comments and objections, but furthermore take a minimum of three months to issue. Temporary permits will be issued for either 14 or 28 days depending on an 'itinerary letter' and require two trips for each permit – one for application and one for collection – and long waits in queues for each.

<u>Tour guides</u>: Individuals responsible for driving any tour vehicle carrying paying guests must be registered as a tour guide with DEAT through THETA. Regulations are complex – guides must have passed required courses with training providers approved by DEAT. Accreditation is by province and each province is empowered to create its own standards. Such regulations make inter-provincial route development a problem as finding suitably qualified guides is difficult, slow and expensive. Furthermore, guides must obtain professional driving permits, as well as first aid certificates from the fire department or the Red Cross. The time and cost associated with guiding accreditation creates a barrier to entry for poor and historically disadvantaged people into the profession.

<u>Liquor licences</u>: Liquor licences are expensive and application is a complicated process. For many small B&B operators the cost is not viable, however without a licence, they are unable to even offer complimentary glasses of wine. The result is that many B&B simply supply small amounts of alcohol illegally.

Source: SBP, 2006

One of the current efficiency costs of regulation in the sector needs to be highlighted separately. The regulations in question are those related to labour and wages. The reality of the tourism sector is that it is labour-intensive, has flexible hours and employs many seasonal and/or casual workers. Staff turnover is very high and wage levels relatively low. This is due to the often 24 hour nature of certain sub-sectors, and staff being required to work overtime, as well as very early morning and late night shifts. As a result, the sector is strongly affected by regulations pertaining to the minimum wage, working time, and other labour regulatory requirements. Furthermore, studies in other countries have found that employment and tax regulations modelled on permanent, full-time work are not well suited to the tourism sector. Firms in the catering and accommodation sub-sectors expressed high levels of frustration at ridged labour laws in South Africa that do not accommodate for these realities (SBP, 2006).

While the positive aspects of labour regulation are undisputed, the negative and unintended consequence of these regulations is that they constrain increased employment within tourism sector enterprises. This is particularly so for firms whose annual turnover ranges between R5 million and R100 million, i.e. those firms who could make a serious contribution to employment creation and skills generation within the sector. The Strategic Business Partnership for Africa's report *Counting the cost of red tape for tourism in South Africa* found that, when asked about ways to avoid regulatory costs, 37% of firms indicated they would 'limit employment', while 41% indicated they would 'limit growth/stay informal'. Thus the majority of the firms surveyed – across all size bands – 'would at the very least think about limiting their growth and number of employees in order to avoid regulatory compliance costs and difficulties. This effect, while unintended, poses a considerable threat to government's efforts to promote the industry as a driver of economic growth and job creation' (SBP, 2006:48).

Service levels

Impacting negatively on tourists' overall experiences of South Africa as a destination are the poor service levels cross the industry (Monitor, 2007). This is not only a finding within the Global Competitiveness Project report , but is echoed by industry insiders themselves complaining about the poor quality and low standard of customer service, and the lack of adequate professional skill (e.g. Mills, 2007):

> *Service levels among staff at hotels, guesthouses, lodges and restaurants have waned – sparkle and excitement, smiles and warm welcomes are harder to come by. Instead customers are increasingly faced with unfriendly staff, laid-back attitudes, lack of attention and lack-lustre service. It is not uncommon at many places to find employees bunched together talking among themselves and ignoring the approaching customer or guest, or not noticing a diner that some attention. It is bad manners and disrespectful to the hands that are feeding a business for employees to disregard people who should be treated with royal service and made to feel at home.*

Numerous issues underlie the low service level: They are partly to be blamed on inadequate skills and a general under-investment by the sector in human capital development; partly on confusion between the concepts of 'service' and 'servility'; and partly on the fact that the sector is touted as being able to provide unskilled and semi-skilled jobs and therefore attracts many people who desire an income but have no passion for the industry itself (Mills, 2007). A range of industry level stakeholders further consider the problem to be related to an unwillingness on the part of employees to accept what customer service is, and a general sense of arrogance and entitlement among certain groups of employees (Prodigy-Grant Thornton, 2007). Having said this, however, another part of the blame must also be laid on establishment owners whose interests in profits result in a reluctant to recruit adequately trained employees who can command higher salaries, to pay for decent uniforms, or to spend time in training and mentoring relationships which together develop a sense of work pride among employees (Mills, 2007).

Finally, there is also an apparent (but totally unfounded) industry mindset that foreign tourists have low expectations of services levels in Africa, particularly for universal offerings such as hotels and airports, and that high levels of service are not necessary for sustained competitiveness (Monitor, 2007).

Fragmentation

The tourism industry in South Africa is characterised by a high level of fragmentation. This is a consequence of: the large number of generally small enterprises in the sector; the high levels of competition characteristic of a growing sector with low barriers to entry; the large group of institutions and agencies involved in sectoral governance (monitor, 2007); and a weak supporting institutional framework, whose organisations are relatively new and many of whom are lack adequate skills and resources (SATourism, 2007a).

Fragmentation is evident in the weak relationships between the different institutions and roleplayers, both within and between the various levels of the tourism value chain, and results in a number of negative consequences for the industry:

- The lack of a clear jointly-defined and agreed-upon long term vision for the sector and consequently short term thinking across the board (the dti, 2006).
- Limitations of the various regional stakeholders to provide comprehensive products and to maximise both tourism experience and value extraction (Robertson & Skordis, 2004).
- Inadequate marketing of South Africa as a long-haul tourism and business centre (Robertson & Skordis, 2004), and destructive inter-company, inter-provincial and inter-city competition in terms of the marketing that does take place (SATourism, 2007a).
- Scarcity of needed infrastructure in the regions with the strongest natural resource base for tourism (Robertson & Skordis, 2004).
- The lack of transparent investment incentives to attract investors (Robertson & Skordis, 2004).
- Financing limitations dependent on foreign equity shares creates a barrier to investment (Robertson & Skordis, 2004).
- An environment of uncertainty that inhibits the inflow of technology and skilled people into the sector (Robertson & Skordis, 2004).
- Inadequate tourism education at all levels (Robertson & Skordis, 2004).
- The opportunity for stronger players higher up the value chain (such as tour operators and others within the channel) to exert considerable authority over pricing, packaging and the shape of the value proposition (SATourism, 2007a:38).

Leadership

Contributing substantially to the issues related to high regulatory costs and sector fragmentation, and alluded to within these sections but deserving of separate mention, is the issue of weak sectoral leadership.

The very large number of government departments and statutory and other agencies involved in the governance of the sector (see *Sector profile* in Chapter Two for details) is partly to blame for weak leadership. More than this however, must be blamed issues such as:

- Weak intra-governmental coordination (the dti, 2007b).
- Incompetencies and lack of staff capacity within governing and supporting institutions at all three levels: national, provincial and municipal (SBP, 2006).
- Lack of effective forums within industry (in particular some sub-sectors) to facilitate information dissemination, both up and down, between the industry and the agencies and departments that make up its governing framework (SBP, 2006).
- Poor information generation and capturing systems for the industry to facilitate effective, efficient and long-term decision making (Monitor, 2007).
- Low levels of funding to provincial and municipal departments, as well as to statutory and other agencies, to effectively carry out their assigned tourism related functions (SBP, 2006).
- Many of the organisations within the tourism governing structure lack legitimacy within the industry due to their inability to deliver as a result of the challenges outlined above (SATourism, 2007a).

Thus what is clear is that the issues around weak leadership of the tourism sector are multi-faceted and complex, and in many cases self-reinforcing.

In respect of the specific area of leadership in terms of sector marketing, a number of issues arise around the role and function of SATourism, and need to be highlighted individually:

Firstly, the budget for this agency is very low in relation to its mandate of creating and marketing South Africa as a preferred, world-class international long-haul holiday and business destination, especially against market competitors such as Thailand whose budget is three times the size and Egypt, whose budget is double the size (BMI, 2005; Economist Intelligence Unit, 2006).

Secondly, and also likely part of the challenges around funding, is that while growing the domestic market and creating a local culture of travel has recently also become the mandate of this agency and campaigns such as ‘Sho’t Left’ have been initiated, not enough is being done to develop this vital aspect of the tourism market considering its impact not only in terms of balancing seasonality and stimulating innovation, but also it greater spin-offs in respect of employment generation and fixed capital formation (BMI, 2005).

Thirdly, while it makes sense with a restricted budget to focus on marketing the existing tourism draw cards, such an exclusive focus – particularly for the international market – does not contribute towards the development of new tourism destinations and thus the more equitable geographical and social distribution of the sector (Viljoen & Tlabela, 2007).

Fourthly, SATourism’s website – a potentially highly valuable, low cost marketing tool to consumers who takes it upon themselves to seek destination information via search engines such as Google – is considered not to be user-friendly or reflective of the range of tourism attractions and facilities, and thus generally not fulfilling its function as a window into the country (Tourism Update, 2007b)

Finally, while the increasing value of DEAT and SATourism’s annual Tourism Indaba is uncontested, there are indications that the full value of this event has not yet been realised. This is both in terms of a forum for presenting process innovations in the sector as well as of prioritising the primary ‘selling’ function above the secondary ‘networking’ and ‘display’ functions. For example industry argued that the business activity at Indaba 2007 was marred by the number of ‘thoughtless cultural displays which made doing business virtually impossible… the virtual non-stop drumming, marimbas, ululatating and so forth which made it impossible to think, never mind talk!’ (Jarman, 2007).

Summary

This chapter has presented the wide and varied range of challenges and constraints facing the tourism sector in South Africa, in respect of volume increases, value extraction and general sustainability.

It commenced with a caution that the expectations of the sector in respect of its numerical employment creation capacity based on increased foreign visitor numbers are very likely to be overly optimistic, presenting instead a more tempered figure of 248 000 additional jobs within the broader tourism economy off an increase of 2.5 million foreign visitors. Achieving these increased numbers of foreign visitors, and in particular the high-value long-haul holiday tourists from major source markets in Europe, North America and Japan, will however be dependent on overcoming challenges related to airlift capacity, seasonality and the perceptions and reality of crime in South Africa.

Key challenges in respect of maximising the value-extraction of the sector – using it as a means to promote employment and achieve improved economic participation and development among the largely unskilled and semi-skilled previously disadvantaged groups – were covered in the discussions on the barriers to transformation, the more equitable geographical and social distribution of the sector, the limited levels of product and process innovation, and the complex regulatory framework and high cost of red-tape within the sector. Compounding these challenges are the issues of generally poor quality of service delivery within the sector compared with international competitor destinations, and the poorly developed and inadequate systems around the gathering and dissemination of sectoral data and market information. Finally, the challenges surrounding the high levels of fragmentation within the industry, and related to this, the lack of strong, decisive and visionary leadership were presented.

Subsumed within each of these major challenge areas, and alluded to at various levels, is the notion of inadequate skills and capacity within the human resource base of the sector. A more focussed discussion of this particular sectoral challenge is the focus of the next chapter.

CHAPTER FOUR: DEMAND AND SUPPLY OF SKILLS

The Global Competitiveness Project report of 2004 (Monitor, 2007:71) pointed out that: 'In reality, accurate data about supply and demand in different skill categories (for the tourism sector) does not really exist, nor is there a reliable picture of tertiary enrolments, graduates and employment figures by sub-sector'.

DEAT's Tourism Skills Initiative developed out of recognition by high level stakeholders of the foundational nature of understanding skills shortages and skills gaps to addressing the range of challenges facing the tourism sector (JIPSA, 2007:10). As part of the initiative, the DEAT, NBI and THETA commissioned a Tourism and Sport Skills Audit, which was completed in June 2007 (Prodigy-Grant Thornton, 2007). Also under the directive of the Tourism Skills Initiative was arrangement of the National Tourism Skills Development Conference, 19 – 20 October 2006, where a declaration statement with action plan was signed by key stakeholders: DEAT, organised business (TBCSA), communities (Sangoco), and organised labour (Cosatu). Key objectives, action plans and milestones from this document are presented in Table 11. The same conference also established trilateral relations by DEAT with the DoL, the DOE and the dti and argued that the relationships should be regulated by an MOU.

Table 11: Objectives, action plans and milestones as set out at the National Tourism Skills Development Conference, 19 – 20 October 2006

Objectives	Action plan and milestones
Establish the National Tourism and Sports Skills Development Forum	Launch in November 2006
Improve knowledge within the sector by developing a single-information generating system.	Establish the *Information Generation & Sharing and SSP Review Task Team* Task Team Report due April 2007
Improve curriculum development and participation in education and training by reviewing the current tourism curricula	Establish the *Tourism Curriculum Review Task Team* Task Team Report due December 2007
Develop SMME and community participation in education and training by establishing training programmes designed specifically for them	Establish the *SMME and Communities Education and Training Task Team* Task Team Report due June 2007
Establish a user-friendly accreditation system	Establish the Revision of THETA Accreditation System Task Team Task Team Report due June 2007
Finalise the Revised Sector Skills Plan	To be available April 2007

Source: Adapted from Rivett-Carnac, 2007

Notably, by the time that documentary information for this report was being collected (July/August 2007), the MOU governing relations between the key stakeholders had not yet been signed, the revised SSP was not yet available, and the only task team report completed was for SMME and Communities Education and Training.

Bearing in mind the context of the complexity of current research activity around the issue of skills shortages and skills development within the tourism sector, this chapter seeks to present available data on the demand for and supply of skills with the sector as well as the challenges around the matching of these. In doing so the chapter draws heavily on the Skills Audit (Prodigy-Grant Thornton, 2007), on the SMME and Communities Education and Training Task Team Report (Rivett-Carnac, 2007) as well as on a number of other recent secondary sources. Where it has been possible to obtain new primary data this has been done, however the challenges highlighted by Monitor (2004) around the availability of quantitative information on skills within the sector, to a large extent remain relevant.

Demand

Skills demand within the tourism sector is presented in this section according to the three major sub-sectors: hospitality; tourism and travel services; and conservation and tourist guiding. The information in this section represents the views of industry participants. The views of high levels stakeholders as to scarce and critical skills are presented in Appendices 2 and 3. This review is drawn in totality from the findings of the Skills Audit (Prodigy-Grant Thornton, 2007).

Hospitality sub sector

The distribution of hospitality sub-sector employees across the occupational categories reveals that the single largest group are service workers (53.7%). Senior officials and managers, however, also form a sizable group at 21.4%. Condensation of these occupational categories into skills brackets suggests that 25.3% of the workforce can be called highly skilled or skilled, 62.6% semi-skilled and 12.1% unskilled. As the hospitality sub-sector is by far the largest, this profile of 74.7% of the sector falling within the semi-skilled and unskilled groups supports the overall tourism sector image of having a majority of semi-skilled and unskilled workers.

Table 12: Employment in the Hospitality Sector

<table>
<tr><th>Type</th><th>Number of Employees</th><th>Percentage of Employees</th><th>Skills level brackets</th><th>Percentage of Employees</th></tr>
<tr><td>Senior Officials & Mangers</td><td>62 100</td><td>21.4%</td><td rowspan="3">Highly skilled and skilled</td><td rowspan="3">25.3%</td></tr>
<tr><td>Professionals</td><td>4 700</td><td>1.6%</td></tr>
<tr><td>Technician & Associate Professionals</td><td>6 500</td><td>2.2%</td></tr>
<tr><td>Clerk</td><td>25 900</td><td>8.9%</td><td rowspan="2">Semi-skilled</td><td rowspan="2">62.6%</td></tr>
<tr><td>Service Workers</td><td>155 600</td><td>53.7%</td></tr>
<tr><td>Elementary Occupations</td><td>35 200</td><td>12.1%</td><td>Unskilled</td><td>12.1%</td></tr>
<tr><td>Total</td><td>290 000</td><td>100.0%</td><td></td><td>100.0%</td></tr>
</table>

Source: Prodigy-Grant Thornton, 2007 data along with QANTEC division of occupational categories into skills brackets

In terms of specific occupations (Table 13), the sector is dominated by waiters/waitresses (22%), and cooks and chefs (18%). Other key occupational groups of note include reservations/operations managers, assistant managers and supervisors (9%); cleaners (9%); housekeepers (6%); cashiers (5%); and sales/marketing directors, managers and assistant managers (4%). All other occupations each make up less than 2% of the total.

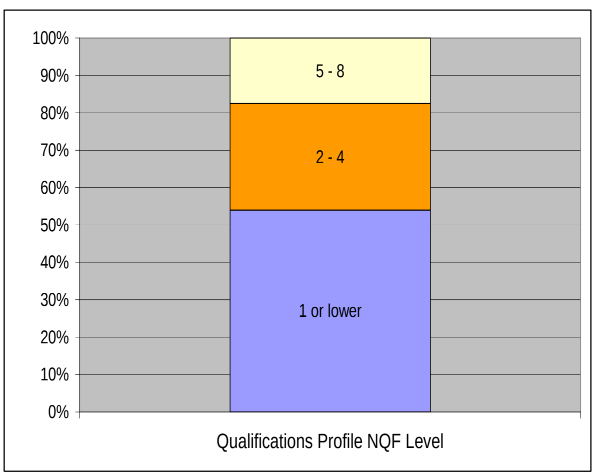
Table 13: Ranking of employment by SOC in the Hospitality sub-sector

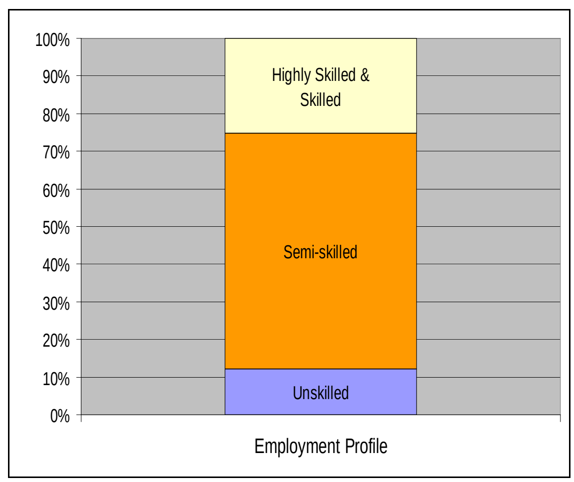
SOC	% of Total Employment
Waiter/Waitress	22%
Cook, Chef	18%
Reservations / Operations Manager/ Assistant Manger / Supervisor	9%
Cleaner	9%
Housekeeper	6%
Cashier	5%
Sales / Marketing Director / Manager, Assistant Sales / Marketing Manager	4%
Other SOCs	28%
TOTAL	100%

Source: Prodigy-Grant Thornton, 2007

A comparison between the qualification profile of the sub-sector and the skills brackets as derived from the occupational profile (Figure 14) suggests that many people within the sector are employed at levels higher than their formal qualifications should allow. On the one hand this points to the importance of skill acquisition within the sector through means other than formal qualifications (such as experience and on-the-job training), while on the other hand it suggests that skills gaps are likely to be widespread across all occupational levels.

Figure 14: Comparison between qualification and employment profiles of the Hospitality sub-sector





Source: Prodigy-Grant Thornton, 2007 data along with QANTEC division of occupational categories into skills brackets

These suggestions are supported by the fact that among the top 5 criteria for employment within the hospitality sector, having a diploma/qualification ranks 3rd – and then only for mid-level and senior staff. Across all three staff levels (junior, mid-level and senior), the most important employment criteria is considered to be experience, followed by a Matric/Grade 12 certificate.

Positions considered hard to fill within the hospitality sub-sector (Table 14) reflect both the aspects of skill intensity (management) as well as overall demand (waitrons, chefs/cooks, cashiers and sales personnel). In the case of the more elementary occupations demand is likely to be fuelled by high staff turnover levels. Reasons for difficulties in filling these positions relate to lack of experience, training, and qualifications as well as other factors such as lack of motivation and customer care on the part of applicants. The poor salaries offered within the sector exacerbate recruitment challenges.

Table 14: Hard to fill positions in the Hospitality Sub-Sector

Rank	Position	Reasons
1	Management	• Lack of experience • Lack of training • Lack of motivation/interest in the position • Lack of customer care • Poor salaries • Lack of people with suitable qualifications
2	Waitrons	
3	Chefs	
4	Cooks	
5	Cashiers	
6	Grillers	
7	Bookkeepers/finance/accounts	
8	Sales Staff	
9	Cleaners	

Source: Prodigy-Grant Thornton, 2007

Table 15: Scarce and occupationally critical skills within the Hospitality sub-sector

Scarce/occupationally critical skill[6]	Equity based?	Impact of address	Ease of implementation
Around 5% - 7% of finance managers lack a number of key occupationally specific generic skills i.e. general scarcity	No – most managers are white	High	Costly/ Difficult
HR managers lack sufficient skills to plan HR needs and comply to national legislation	No	Moderate	Moderately Costly/ Difficult
16% of sales personnel lack all key skills required for their job – most of those in which these gaps are found are black	Yes	Moderate	Moderately Costly/ Difficult
Front of house workers tend to lack skills in handling payment, managing a reception area and handling reservations and emergencies	No	Moderate	Fairly straightforward
Around 10% of food and beverage workers lack an understanding of menu items, cleaning procedures	No	Moderate	Fairly straightforward
Between 5% - 10% of culinary workers lack core occupationally specific critical skills	No	Moderate	Fairly straightforward
11% of accommodation service workers lack key occupationally specific critical skills	No	Moderate	Fairly straightforward
15% of cleaners and accommodation service workers lack basic cleaning skills	No	Moderate	Fairly straightforward

Source: Prodigy-Grant Thornton, 2007

Table 15 presents a summary of the scarce and occupationally specific critical skills within the hospitality sub-sector, whether this gap is equity based, what the impact of address would be

6 *Scarce skills* refer to those occupations in which there is a scarcity of qualified and experienced people, currently or anticipated in the future, either because such skill people are not available or are available but do not meet employment criteria. *Critical skills* refer to specific or general and 'top up' skills within an occupation. This includes cognitive skills (e.g. problem solving, learning to learn), language, literacy skills, mathematical skills, ICT skills and working in teams

on the sector, and how easy/difficult the particular gap would be to address. Strict separation of the categories of scarce and critical skills within this sub-sector is not really possible: scarcity (among other factors) drives the appointment of under-qualified people with limited relevant experience, who in turn present with skills gaps.

Critically, despite the findings outlined in the table above, the Skills Audit suggests that these are not the major skills challenge facing the hospitality sub-sector. The widespread and critical lack of generic skills across all occupations and levels – rather than any of the scarce or occupationally specific critical skills – is considered to be the most pressing skills related crisis. These generic skills gaps relate to communication and guest relations in particular, but also to computer and IT skills for certain occupations. Notably foreign language skills are not considered to be essential for the hospitality sector.

Travel and tourism sub sector

The distribution of employees within the travel and tourism services sub-sector is heavily skewed towards three occupational categories: senior officials and mangers (39.0%), technicians and associate technicians (24.0%), and clerks (21.5%). The larger two of these three categories fall within the highly skilled and skilled bracket of occupations, with the result that the sub-sector is dominated by skilled employment (72.2%), with 25.4% of positions considered to be semi-skilled and only 2.4% considered to be unskilled. As the overall employment within this sub-sector is less than ten percent that of the hospitality sector, the skilled nature of this sub-sector does little to impact on the overall skills profile of the tourism sector.

Table 16: Employment in the Travel and Tourism Services Sub-Sector

<table>
<tr><th>Type</th><th>Number of Employees</th><th>Percentage of Employees</th><th>Skills level bracket</th><th>Percentage of Employees</th></tr>
<tr><td>Senior Officials & Mangers</td><td>10 900</td><td>39.0%</td><td rowspan="3">Highly skilled and skilled</td><td rowspan="3">72.2%</td></tr>
<tr><td>Professionals</td><td>2 600</td><td>9.3%</td></tr>
<tr><td>Technician & Associate Professionals</td><td>6 700</td><td>24.0%</td></tr>
<tr><td>Clerk</td><td>6 000</td><td>21.5%</td><td rowspan="2">Semi-skilled</td><td rowspan="2">25.4%</td></tr>
<tr><td>Tourist Guide</td><td>1 100</td><td>3.9%</td></tr>
<tr><td>Security & Maintenance</td><td>670</td><td>2.4%</td><td>Unskilled</td><td>2.4%</td></tr>
<tr><td>Total</td><td>28 000</td><td>100.0%</td><td></td><td>100.0%</td></tr>
</table>

Source: Prodigy-Grant Thornton, 2007 data along with QANTEC division of occupational categories into skills brackets

In terms of specific occupations, the largest group within the sector is travel consultants at 14%, followed by sales coordinators at 9%. General secretaries, sales/marketing directors, supervisors, team leaders, and assistant sales/marketing managers each make up a further 5% of the overall employment contribution (Table 17).

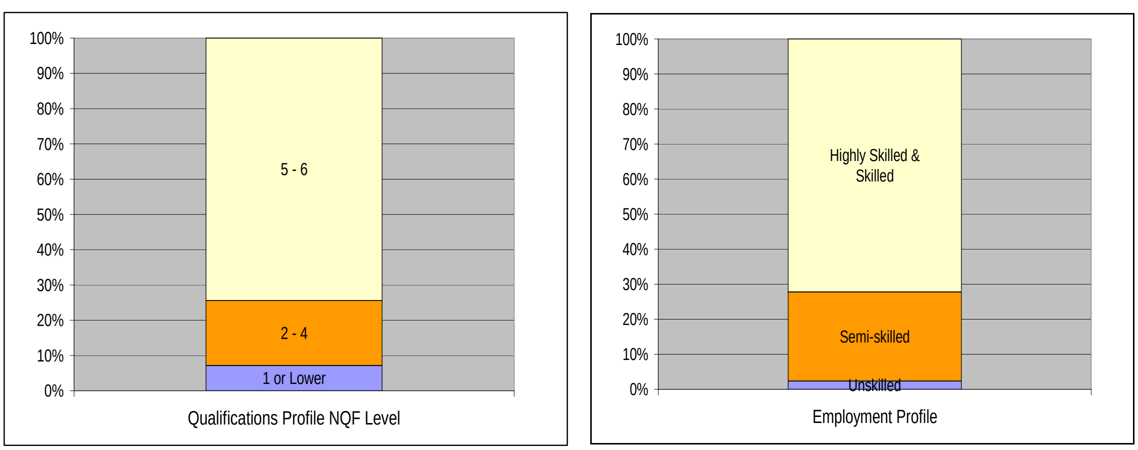
Table 17: Ranking of Employment by SOC in the Travel and Tourism Services Sub-Sector

SOC	% of Total Employment
Travel Consultant	14%
Sales Coordinator	9%
Accountant	5%
General Secretary	5%
Sales / Marketing Director	5%
Supervisor	5%
Team Leader	5%
Assistant Sales / Marketing Manager	5%
Assistant Finance Manger	4%
HR/IR Professionals	4%
Reservations / Operations Manager	4%
Typist / Data Capturer	4%
Other SOCs	40%
TOTAL	100%

Source: Prodigy-Grant Thornton, 2007

A comparison between the qualification profile of the sub-sector and the skills brackets as derived from the occupational profile (Figure 15) confirms the generally skilled nature of the sub-sector. Similar to the hospitality sub-sector however it suggests that a large portion may be employed at. Here however there is a close correlation between the qualifications and employment profiles. The importance of qualification content and currency is thus critical to the issue of skills gaps in this sub-sector.

Figure 15: Comparison between qualification and employment profiles of the Tourism & Travel Services sub-sector



Source: Prodigy-Grant Thornton, 2007 data along with QANTEC division of occupational categories into skills brackets

In line with the generally more skilled nature of employment within the sector, the most important criterion for employment is considered to be a Matric or other relevant tourism specific qualification. Experience however remains critical, with this unanimously the second most important criteria across junior, mid-level and senior positions. Having a drivers licence is also considered an important non-related technical skills for work in the sector.

Positions considered hard to fill within the travel and tourism services sub-sector (Table 18) include travel consultants, managers, as well as tour drivers, tour operators, tour managers and tour guides. Reasons for challenges in finding suitable people include lack of experience, lack of product knowledge and lack of people with suitable qualifications. Other factors such as lack of motivation and customer care are also considered important. Poor salaries also exacerbate recruitment challenges within this sub-sector.

Table 18: Hard to fill positions in the Travel and Tourism Services Sub-Sector

Rank	Position	Reasons
1	Travel consultants	• Lack of experience • Lack of product knowledge • Lack of motivation/ interest in the position • Lack of customer care • Poor salaries • Lack of people with suitable qualifications
2	Managers	
3	Tour drivers	
4	Tour operators	
5	Tour managers	
6	Tour guides	

Source: Prodigy-Grant Thornton, 2007

The most significant scarce and critical skills shortages include the inability of a sizable portion of travel consultants to operate a global distribution/central reservations system, and the real scarcity of skilled tourist guides and tour operators. These challenges are not restricted to black employees. Rectification will have a moderate overall impact on the sector's performance, however is considered either costly and/or difficult to implement (Table 19).

Table 19: Scarce skills and occupationally specific critical skills in the Travel and Tourism Services sub-sector

Scarce/occupationally critical skill	Equity based?	Impact of address	Ease of implementation
Nearly 20% of travel consultants lack the skills to be able to operate a global distribution / central reservations system	No	Moderate	Costly
Skilled tourist guides and tour operators are considered to be in scarce supply	No	Moderate	Costly/ Difficult

Source: Prodigy-Grant Thornton, 2007

Outside of this, nearly 50% of employers indicated that they needed foreign language skills – typically French, German, Greek, Italian, Mandarin and Portuguese – while generic critical skills shortages in this sub-sector include guest relations; security; and computer and IT skills.
Relative to the other tourism sub-sectors skills shortages and gaps with the travel and tourism services sub-sector are not considered to be dire, most likely the result of generally higher base skills levels within this sector.

Conservation and tourist guiding sub-sector

The conservation and tourist guiding sub-sector's occupational distribution reveals a much more even spread than any of the other sub-sectors. The largest group are tourist guides (30.3%), with life sciences professionals and rangers making up 22.7%, and security and maintenance personnel a further 21.7%. The group of managers is however not insignificant at 16.3% of the total employment. Overall the sub-sector demonstrates a fairly evenly division between highly skilled and skilled brackets (40.0%) and the semi-skilled and unskilled brackets (38.3%), with the unskilled category making up the remaining proportion (21.7%).

Table 20: Employment in the Conservation and Tourist Guiding sub-sector

<table>
<tr><th>Type</th><th>Number of Employees</th><th>Percentage of Employees</th><th>Skills level categories</th><th>Percentage of Employees</th></tr>
<tr><td>Senior Officials & Mangers</td><td>4 900</td><td>16.3</td><td rowspan="3">Highly skilled and skilled</td><td rowspan="3">40.0</td></tr>
<tr><td>Life Sciences Professionals & Rangers</td><td>6 800</td><td>22.7</td></tr>
<tr><td>Technician & Associate Professionals</td><td>300</td><td>1.0</td></tr>
<tr><td>Clerk</td><td>2 400</td><td>8.0</td><td rowspan="2">Semi-skilled</td><td rowspan="2">38.3</td></tr>
<tr><td>Tourist Guides</td><td>9 100</td><td>30.3</td></tr>
<tr><td>Security & Maintenance</td><td>6 500</td><td>21.7</td><td>Unskilled</td><td>21.7</td></tr>
<tr><td>Total</td><td>30 000</td><td>100.0</td><td></td><td>130.3</td></tr>
</table>

Source: Prodigy-Grant Thornton, 2007 data along with QANTEC division of occupational categories into skills brackets

The largest single occupational group within the conservation and tourist guiding sub-sector is travel guides (12%), followed by support staff groups such as domestic workers (7%) and cleaners (7%). Game ranges make up 6% of overall employment, while caretakers, safari guides, tour guides and supervisors make up a further 4% each (Table 21).

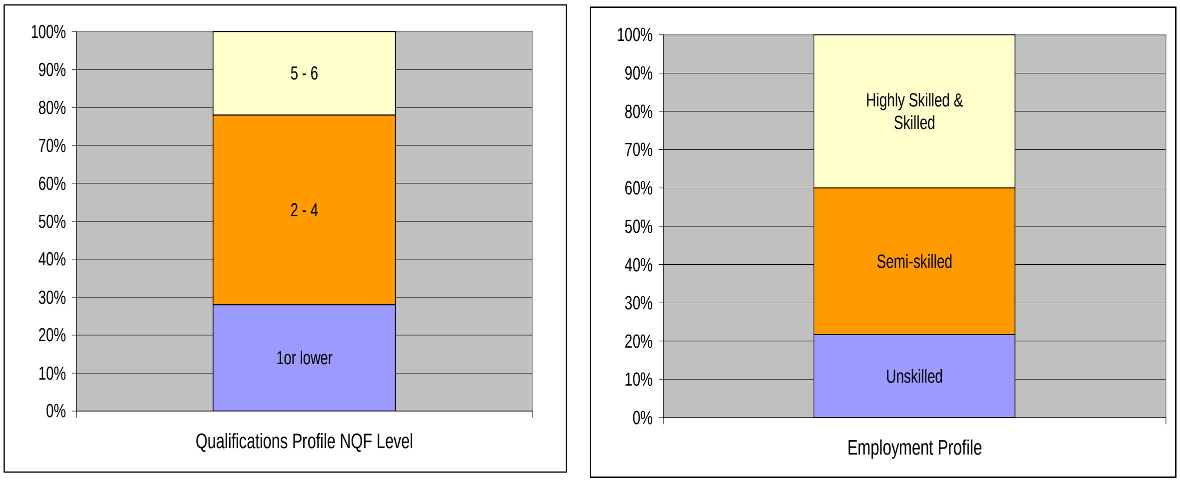
Table 21: Ranking of employment by SOC in the Conservation and Tourist Guiding sub-sector

SOC	% of Total Employment
Travel Guides	12%
Domestic Worker	7%
Cleaner	7%
Game Ranger	6%
Caretaker	4%
Guide, travel, safari	4%
Tour Guides	4%
Supervisor	4%
Other SOCs	52%
TOTAL	100%

Source: Prodigy-Grant Thornton, 2007

A comparison between the qualifications profile of the sub-sector and the skills brackets as derived from the occupational profile (Figure 16) attests to the more even distribution of skills across this sub-sector. And while the numbers of persons with NQF Level 1 or lower qualifications corresponds closely with the number of unskilled positions within the sub-sector, there is evidence to suggest that a number people of with intermediary level qualifications are employed within highly skilled and skilled positions. Again this points to the importance of experience as a means of skills acquisition and to the likely presence of skills gaps and skills shortages at particularly the higher occupational levels.

Figure 16: Comparison between qualification and employment profiles of the Conservation and Tourist Guiding sub-sector



Source: Prodigy-Grant Thornton, 2007 data along with QANTEC division of occupational categories into skills brackets

The importance of experience and sectoral knowledge in the recruitment process is highlighted by employers placing these factors above the need for Matric or another formal related qualification.

Hard to fill positions include: supervisors/managers/CEOs, tourist guides, sales personnel, taxidermists, rangers, horticulturalists, chefs and receptionists. The reasons for these recruitment difficulties cover shortages of people with suitable qualifications, knowledge, skills and basic training as well as relevant experience. Lack of motivation and interest in positions is again a factor (Table 22).

Table 22: Hard to fill positions in the Conservation and Tourist Guiding Sector

Rank	Position	Reasons
1	Supervisors/Managers/CEO	• Lack of people with suitable qualifications • Lack of experience • Lack of knowledge/skills and basic training • Lack of motivation/interest in the positions
2	Tourist guides	
3	Sales personnel	
4	Taxidermist	
5	Rangers	
6	Horticulturalists	
7	Chefs	
8	Receptionist	

Source: Prodigy-Grant Thornton, 2007

The scarce and occupationally specific scarce and critical skills span the range from high to low skills levels (Table 23). Besides those at the management level, scarcity in this sub-sector is largely equity based. The impact of addressing shortages is likely to be high, however other than at the level of security and maintenance personnel, is likely to be costly and difficult to implement.

Table 23: Scarce skills and occupationally specific critical skills in the Conservation and Tourism Guiding sub-sector

Scarce/occupationally critical skill	Equity based?	Impact of address	Ease of implementation
Management and operations management skills among senior officials and managers	No – most managers are white	High	Costly/ Difficult
Field ranger, game ranger and scientific technician skills within the life sciences professional group	Yes	High	Costly/ Difficult
Tourist guiding skills	Yes	High	Costly/ Difficult
Skills for security and maintenance personnel	Yes	High	Fairly straightforward

Source: Prodigy-Grant Thornton, 2007

General critical skills, which span all occupational category related to guest relations; computer and IT skills; and communication skills. In respect of the latter, the requirement for foreign language skills by employers in this sub-sector is high (69%), with languages most often required being German, French and Spanish. A further 7% indicate the need for South African languages including English.

High level strategic skills

The analysis above reveals that while skills gaps exist within the largely white cadre of managers already in the tourism sector, a more serious problem is the absolute scarcity of black management skills. This shortage is a major constraint to sectoral transformation (the dti, 2006).

Importantly, management level skills gaps and shortages are not limited to the private sector, but are furthermore evident at all three spheres of government as well as its agencies mandated to undertake tourism development and marketing. Notable examples are the inadequate skills and competency gaps of tourism/local economic development officials (the dti, 2006), and the fact that staff within provincial transport departments are generally under-capacitated in terms of understanding the needs and demands of the tourism sector whom they serve in respect of vehicle licensing (MONITOR, 2007). These constraints limit government's capacity to lead tourism development, education and training (Rivett-Carnac, 2007).

Erasmus (2002) also highlights the specific skills required by consultants working in the sector – particularly in the area of rural and nature-based tourism developments – in dealing with affected private landowners and communities.

A number of universities and universities of technology do offer national diplomas and undergraduate degrees in Tourism Management. Learnerships in tourism management also exist. However the reality of the situation is that SMME owner managers and other operational managers in larger companies (who have attained management positions due to intra-sectoral promotion, generally having started in semi-skilled entry positions), and public servants (who have entered management positions based on general public administration experience and political affiliations), are unlikely to embark on such courses (Prodigy-Grant Thornton, 2007).

Intangible, soft 'skills'

Again and again the demand surfaces from tourism sector employees for a group of skills they struggle to define, but consider critical for the development of a culture of service excellence within the sector. These 'skills' include: a real interest in people; being 'good with people'; the ability and sensitivity to work with different groups of people; non-discrimination; tact; the ability to maintain control of groups; the ability to deliver information with an informal touch that triggers people's imaginations; enthusiasm; willingness to learn; productivity; reliability; conscientiousness; the willingness to go beyond the call of duty; punctuality; honesty; and presentability in both personal appearance and hygiene (SBP, 2006; Cheney, 2006; Mafunzwaini & Hugo, 2005; Drum Beat Academy, 2007). It is thus no surprise that these surfaced within the list of top five employment criteria for all three tourism sub-sectors.

These intangible factors, as well as overall levels of commitment to the sector, are considered by many employers to be lacking in employees, and the reason underlying the lack of generic skills in guest relations and customer service. Furthermore, and in line with the shortages of management skills, these are not only lacking within the private sector, but also among tourism authorities, many of whom are staffed with unenthusiastic individuals who exhibit poor customer service (Prodigy-Grant Thornton, 2007)

SMME specific

While larger employers are generally sufficiently skilled and articulate to outline clearly their skills requirements, this is not the case for the majority of informal tourism SMMEs. The Skills Audit found that not only were this group unable to articulate their precise needs, but they were furthermore unable to link challenges or problems they faced within their business to specific personal skills gaps (Prodigy-Grant Thornton, 2007).

Despite this, the Communities and SMME Task Team Report (Rivett-Carnac, 2007) and the Skills Audit (Prodigy-Grant Thornton, 2007) confirm each other in highlighting the following critical skills gaps faced by informal tourism SMME owner managers:

- Lack of sound business acumen and business principles.
- Business literacy skills, and the ability to use simple/practical methods to monitor aspects such a cash flow, stock count etc.
- Lack of computer and other IT skills.
- Poor/lack of understanding of the tourism channel, how it operates and how to use this knowledge in marketing and market access.
- Lack of understanding of general legislative issues such as zoning, environmental impact, registration, insurance, health and safety, and the implications of BEE codes and the Skills Development Act.
- Limited problem solving skills.
- Lack of technical and innovation skills to differentiate product type, quality, location or market focus.
- Lack of knowledge of the channel and how to build linkages with big businesses in the sector.
- Poor service standards.

Factors underlying the range and depth of skills gaps within the smaller and less formal tourism SMME segment include the fact that many entrepreneurs have entered the sector as a result of 'push' rather than 'pull' factors, with survival rather excellence and growth the primary focus. This is exacerbated by factors such as seasonality, cyclicality and low profit margins (Monitor, 2007). And while the firms themselves often fail to recognise the implication of their skills deficiencies, the sector as a whole suffers as a result of the risk related to this, in that at the tourist interface potentially negative perceptions of both South Africa and the sector are created (Prodigy-Grant Thornton, 2007).

Supply

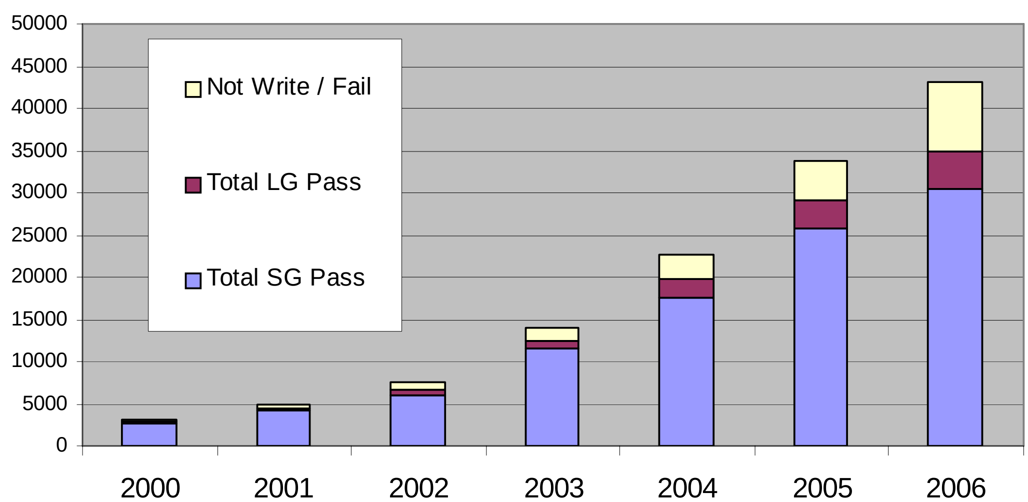
The available information on demand for skills within the tourism sector as presented in the section above, shows clearly that the range of skills required are not confined to those generally regarded as 'tourism skills'. Indeed the larger proportion of demand lies outside of such a classification: the more generic 'skills' required to underpin a service ethic; the skills required to manage individual tourism product and service enterprises as well as the departments and agencies supporting such enterprises; the skills required to communicate effectively both verbally and non-verbally across cultural and language divides; entrepreneurial skills; as well as the technical skills that 'belong' to other sectors such as cleaning, security and maintenance. As consideration of skills supply into the tourism sector is limited – through lack of data and the complexity of quantifying competing sector demands – to those skills considered as 'tourism skills', this larger picture of demand is important to bear in mind throughout the discussion that follows.

Supply of tourism specific skills into the South African tourism sector takes place both formally and informally, and through a range of different agents.

Further Education and Training (FET) level at schools and colleges

Travel and Tourism is offered as a subject in grades 10, 11 and 12 in a number of high schools across South Africa. The upgrading of teachers involved in teaching this subject was the objective of the SATI (South African Training Institute) project funded by the Spanish government and housed within THETA. The number of Grade 12 passes in Travel and Tourism has increased dramatically since 2000, from 2 817 to 34 882 in 2006. The pass rate for the subject has however declined over this period from 91.1% to 80.9% (Figure 17 and Table 24).

Figure 17: National performance of Grade 12 subject Tourism and Travel, 2000 – 2006



Source: DoE, 2007a (EMIS database)

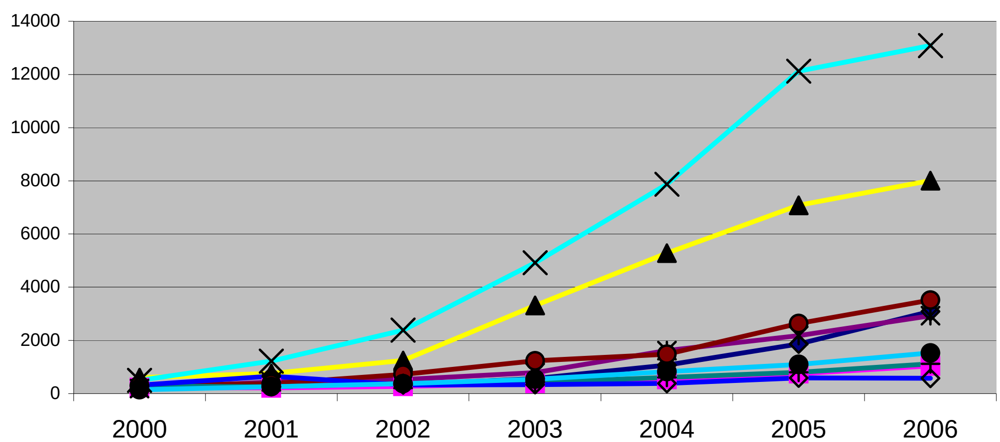
Table 24: National performance of Grade 12 subject Tourism and Travel, 2000 - 2006

	2000	2001	2002	2003	2004	2005	2006
Total SG Pass	2653	4135	5917	11542	17576	25847	30389
Total LG Pass	164	298	668	964	2098	3277	4493
Not Write / Fail	274	400	991	1482	2976	4745	8234
Total Entered	3091	4833	7576	13988	22650	33869	43116
Total Wrote	2968	4651	7286	13573	21939	32788	41675
Total Passed	2817	4433	6585	12506	19674	29124	34882
Subj. Pass %	91.1	91.7	86.9	89.4	86.9	86.0	80.9

Source: DoE, 2007a (EMIS database)

Provincially, the numbers of students taking and passing the subject Travel and Tourism in Grade 12 is highest in KwaZulu-Natal (13 087 in 2006), with Gauteng having the second largest output (8 004 in 2006). The province with the lowest level of uptake and output of this subject is Limpopo (580 in 2006), although levels are also comparatively low for provinces such as the Free State, Northern Cape and Western Cape (with 1 035, 1 117 and 1 528 in 2006 respectively) (Figure 18 and Table 25).

Figure 18: Total number of passes for Grade 12 Tourism and Travel by province, 2000 - 2006



Source: DoE, 2007a (EMIS database)

Table 25: Total number of passes for Grade 12 Tourism and Travel by province, 2000 - 2006

		2000	2001	2002	2003	2004	2005	2006
Eastern Cape		227	258	342	568	1 076	1 870	3 084
Free State	■	225	219	271	387	536	751	1 036
Gauteng	▲	595	758	1 246	3 314	5 277	7 078	8 004
KwaZulu-Natal	X	495	1 216	2 382	4 921	7 874	12 118	13 087
Limpopo	♦	321	657	328	339	388	590	580
Mpumalanga	*	196	441	537	791	1 613	2 184	2 924
North West	●	318	372	722	1 231	1 477	2 631	3 522
Northern Cape	l	288	256	389	414	610	806	1 117
Western Cape	●	152	256	368	541	823	1 096	1 528
TOTAL		2 817	4 433	6 585	12 506	19 674	29 124	34 882

Source: DoE, 2007a (EMIS database)

In 2002, the amalgamated landscape of Further Education and Training (FET) colleges had a total of 50 new FET colleges with 185 campus sites distributed over the nine provinces of South Africa. The latest report on the sector *Quantitative Overview of the Further Education and Training College Sector April 2004* (Powell & Hall, 2004) indicates that the total enrolment headcount in 2002 (i.e. for all courses offered) was 406 144, with a full-time equivalent (FTE) figure of 143 913. Tourism related courses, however, fall within the group of Non-NATED[7] programmes, which together contributed only 14% of the total FTE figure.

Analysis of the DoE's Further Education and Training Management Information System (FETMIS) database reveals that a range of hospitality related courses are offered across the National Qualifications Framework (NQF) levels 2-6 (see Table 26). Notably travel and tourism related courses are only offered at the NQF levels 4-6. Figure 19 shows that over the six years 2000 to 2005, the average distribution of entry and passes in hospitality and travel and tourism related courses at FET colleges was dominated by those at the NQF level 4. This dominance is however greater in the travel and tourism sub-sector, where there is furthermore a greater uptake of courses at the NQF levels 5 and 6 compared with hospitality. For hospitality, 44.2% of entries and 38.3% of passes are at the NQF levels 2 and 3.

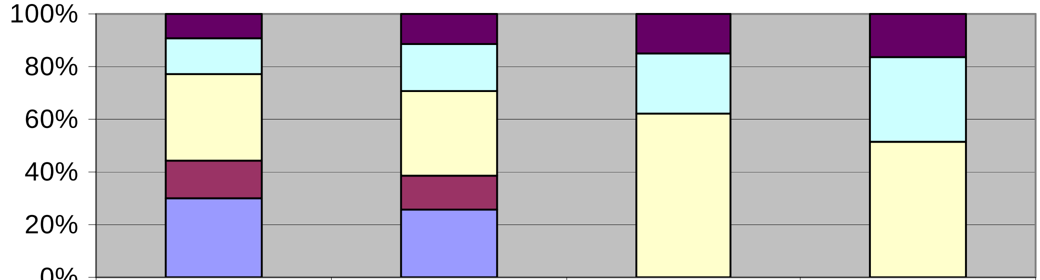
Table 26: FET Course Offerings in the areas of Hospitality and Travel and Tourism in 2005

	NQF Level Offered				
	2	**3**	**4**	**5**	**6**
Hospitality Courses					
Caterer client relations				x	
Catering practical	x	x			
Catering theory	x	x			
Catering theory and practical			x	x	x
Food administration	x				
Food and beverage service				x	
Food and drink service	x	x			
Food preparation	x	x			
Hospitality lifeskills	x	x			
Hospitality numeracy	x				
Hotel reception					x
Introductory catering theory and practical			x		
Introductory hygiene and safety			x		
Introductory servicing techniques practical			x		
Nutrition and menu planning			x		
Table service			x		
Travel and Tourism Courses					
Tourism communication			x	x	
Tourist destinations			x	x	x
Travel office procedures			x	x	x

Source: DoE, 2007b (FETMIS database)

[7] NATED programmes are those accredited by the National Department of Education through NATED 191 which covers vocational training in the areas of art and music; business studies; educare/social services; engineering; general education; and utility industries. The provision of Non-NATED courses represents the extent to which the FET college system is independently responding to national training demand (Powell & Hall, 2004)

Figure 19: NQF level distribution of average 2000 - 2005 FET Hospitality and Travel and Tourism course entries and passes

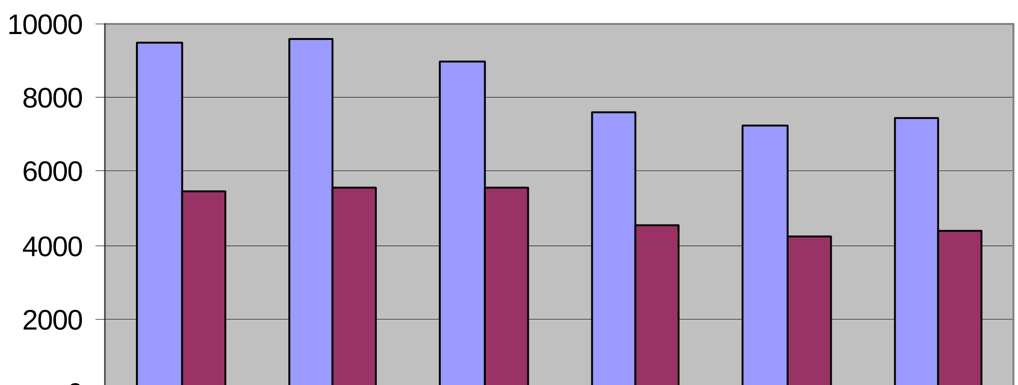


	Hospitality		Travel and Tourism	
	Total Entered	Total Passed	Total Entered	Total Passed
NQF 6	9.3	11.4	15.3	16.2
NQF 5	13.8	18.1	22.9	32.4
NQF 4	32.8	32.3	61.8	51.4
NQF 3	14.0	12.5	0.0	0.0
NQF 2	30.1	25.8	0.0	0.0

Source: DoE, 2007b (FETMIS database)

In terms of actual figures, data suggests a drop in the overall entry into hospitality related courses between 2000 and 2005, from 9500 to 7473 (Figure 20). This decline is echoed in a declining trend in the number of passes over the period: from 5477 to 4385. The average pass rate for hospitality related courses over the period was 59.0%. Figure 21 indicates that while pass rates for travel and tourism related courses are considerably lower than those for hospitality (only 56.0% on average), entry and pass levels over the period have been more consistent.

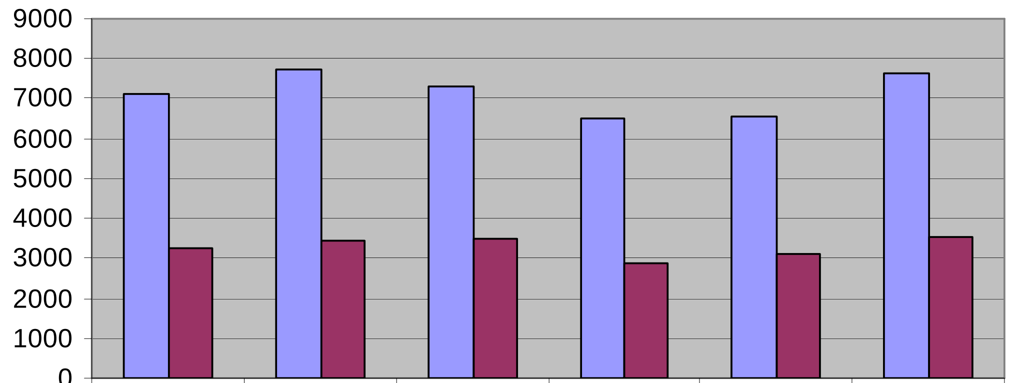
Figure 20: Total FET Hospitality related course entry and pass figures, 2000 - 2005



	2000	2001	2002	2003	2004	2005
Entered	9500	9604	9003	7617	7224	7473
Passed	5477	5560	5550	4526	4236	4385

Source: DoE, 2007b (FETMIS database)

Figure 21: Total FET Travel and Tourism related course entry and pass figures, 2000 - 2005



	2000	2001	2002	2003	2004	2005
Entered	7126	7714	7305	6522	6547	7648
Passed	3228	3447	3485	2882	3113	3557

Source: DoE, 2007b (FETMIS database)

The extent to which taking tourism related subjects at the FET level, whether at school or at an FET College, is likely to lead to further studies in the field is however unknown at this stage. Furthermore, the fact that the subject is only available on the standard or lower grade is likely to be a deterrent to a number of students interested in taking their studies to the tertiary level, even if their future career interests do lie within the tourism sector. At this stage having Travel and Tourism as subject at school level is not a requirement for entry into related courses at higher levels. Finally, even outside of the consideration of value in the subject as a means to further education in the field, the Skills Audit comments that employers at this stage do not appear to consider this subject in their recruitment of junior staff (Prodigy-Grant Thornton, 2007). Thus while the value of this subject to the pool of skills available for the tourism sector is at this stage largely unknown, what is clear is that increasing numbers of learners within the national school system are taking and passing the subject – thus at the very least contributing to improving knowledge of the sector among the general population.

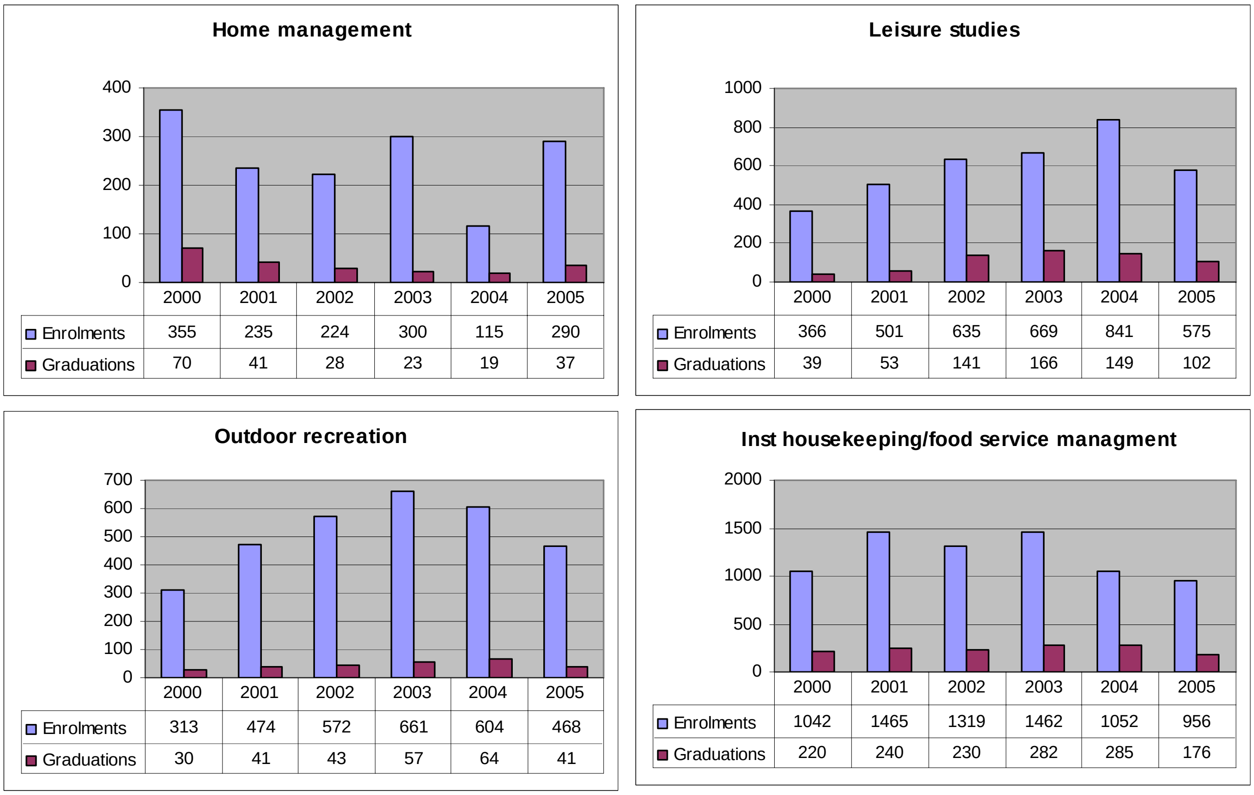
Higher Education and Training (HET) level at universities and universities of technology

Tourism related courses and programmes are offered at 13 of South Africa's higher education institutions. National information on enrolment and graduation data for tourism is however very limited: The Department of Education's HEMIS (Higher Education Management Information System) database as it was conceptualised and implemented in 1982 did not allow for tourism as a distinct area of educational subject matter and it was thus not allocated a distinct CESM (classification of education subject matter) category. The result is that the vast majority of tourism-related enrolments and graduates at the higher education level are inseparably captured within the figures of fields such as commerce, economics and management sciences. A revision of the CESM to correct problems such as this is currently in process, with the system likely to be implemented at higher education institutions from 2009[8].

[8] Information obtained directly from Dr Jene Skene at the Department of Education

There are however four CESM categories that relate to tourism and hospitality from which data can be extracted and analysed. These are: Home Management (CESM 1004); Leisure Studies (CESM 1907); Outdoor Recreation (CESM 0110); and Institutional Housekeeping and Food Service Management (CESM1007). Enrolment and graduation data for these four categories between 2000 and 2005 is presented in Figure 22 below.

Figure 22: Enrolment and graduation of tourism related CESM categories: 2000 - 2005

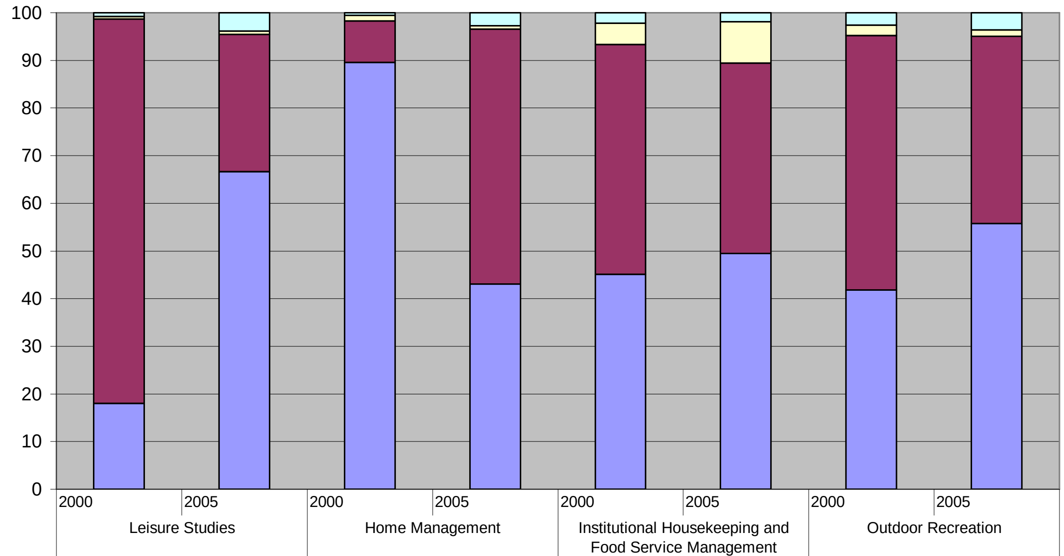


Source: DoE, 2007c (HEMIS database)

Enrolment across these four CESM categories shows relatively large annual variations across the period. The areas of outdoor recreation and leisure studies reveal annual increases to 2003 and 2004 respectively with substantial reductions since then. Graduation trends show less variation although are at relatively low levels for all four categories: the total graduation from these four CESM categories was only 359 in 2000 and 356 in 2005. Both the greatest number of enrolments and gradations is in the category of institutional housekeeping and food service management.

From a transformation perspective Figure 23 reveals that while the proportion of African students has increased substantially to majority levels in the areas of leisure studies and outdoor recreation, the increase in the area of institutional housekeeping and food and beverage management has been marginal. Notably, in the area of home management the proportion of African students has dropped considerably. Comparing these figures to those presented in Figure 24 shows that while the general pattern of increasing African representation is the same, African students still make up a smaller proportion of the graduating pool than of the enrolment pool. Furthermore, the 2005 figures suggest that the profile of graduate output from these CESM categories may contribute to the challenges faced by the sector in meeting transformation demands.

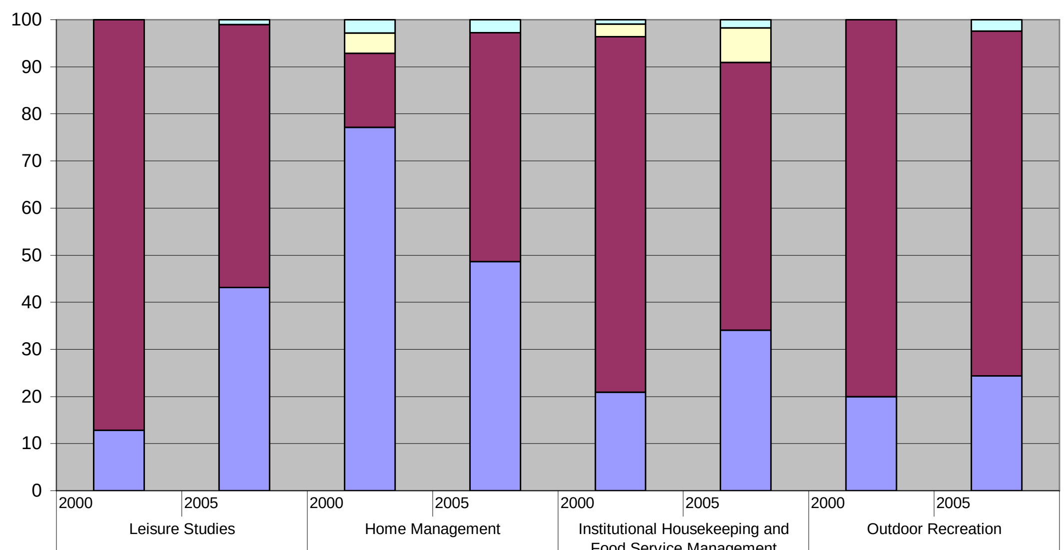
Figure 23: Enrolments in tourism related CESM categories: Racial proportional changes 2000 to 2005



	Leisure Studies 2000	Leisure Studies 2005	Home Management 2000	Home Management 2005	Institutional Housekeeping and Food Service Management 2000	Institutional Housekeeping and Food Service Management 2005	Outdoor Recreation 2000	Outdoor Recreation 2005
Indian	0.8	3.8	0.6	2.8	2.2	1.9	2.6	3.6
Coloured	0.5	0.7	1.1	0.7	4.4	8.7	2.2	1.3
White	80.6	28.9	8.7	53.4	48.3	40.0	53.4	39.3
African	18.0	66.6	89.6	43.1	45.1	49.5	41.9	55.8

Source: DoE, 2007c (HEMIS database)

Figure 24: Graduation in tourism related CESM categories: Proportional racial changes 2000 to 2005



	Leisure Studies 2000	Leisure Studies 2005	Home Management 2000	Home Management 2005	Institutional Housekeeping and Food Service Management 2000	Institutional Housekeeping and Food Service Management 2005	Outdoor Recreation 2000	Outdoor Recreation 2005
Indian	0.0	1.0	2.9	2.7	0.9	1.7	0.0	2.4
Coloured	0.0	0.0	4.3	0.0	2.7	7.4	0.0	0.0
White	87.2	55.9	15.7	48.6	75.5	56.8	80.0	73.2
African	12.8	43.1	77.1	48.6	20.9	34.1	20.0	24.4

Source: DoE, 2007c (HEMIS database)

The list of 13 universities and universities of technology that offer hospitality and tourism-related programmes as well as the range of qualifications and programmes, by subject area and level, offered by these institutions, is presented in Table 27. Notably certain qualifications that are formally offered only at the higher levels draw students from more generic lower level qualifications in which a range of sub-specialisation options include eco-tourism management, outdoor recreation management, indigenous tourism development, events management and destination management.

Table 27: Tourism related qualifications at South African higher education institutions, 20008

Tourism and/or Hospitality Qualification / Programme	Qualification Type and Level	Cape Peninsula University of Technology	Tshwane University of Technology	Central University of Technology	Nelson Mandela Metropolitan University	Walter Sisulu University	North West University	University of Pretoria	University of Johannesburg	University of Zululand	University of the Western Cape	UNISA	Vaal University of Technology	Durban University of Technology
Catering Management	N.Dip													x
	N.Dip												x	
	B.Tech												x	
	M.Tech												x	
Food Service Management	D.Tech												x	
	N.Dip		x										x	x
	B.Tech	x	x										x	x
Food and Beverage	M.Tech		x										x	x
Service/Management	D.Tech		x										x	
	N.Dip	x	x	x		x			x				x	x
	B.Tech	x	x	x					x				x	x
	B.Sc							x	x					
	B.Sc (Honours)							x						
	M.Tech		x											x
Hospitality Management	D.Tech		x											
Tourism and Hospitality Management	M.Tech	x	x										x	
	N.Dip	x	x	x	x	x			x			x	x	x
	B.Tech	x	x	x	x	x			x			x	x	x
	B.A						x		x					
	B.Com						x	x	x			x		
	B.Sc								x			x		
	B.A (Honours)						x							
	B.Com (Honours)						x	x						
	M.A / M.Com						x	x						
	M.Tech		x										x	x
	PhD						x	x						
Tourism Management	D.Tech		x											
	B									x	x			
	B.A						x		x					
	B.Sc						x		x					
	B.Com								x					
	B.A (Honours)										x			
	B.Com (Honours)				x									
Tourism	M.A / M.Com										x			
	B.A						x							
	Post Grad Dip									x				
	Honours									x				
Recreation and Tourism	M.A / M.Com									x				
Events Management	M.A / M.Com									x				
	B							x						
	Honours							x						
	M.A / M.Com							x						
Cultural and Heritage Tourism	PhD							x						
Tourism Development	BA								x					

Psychology and Tourism Management	BA						x							
Tourism Management and Economics	B.Com						x							
Marketing and Tourism Management	B.Com						x							
	N.Dip		x											x
	B.Tech		x											x
	M.Tech		x											
Eco-Tourism Management	PhD		x											
	N.Dip		x											
	B.Tech		x											
	M.Tech		x											
Adventure Tourism Management	PhD		x											

Source: University websites and individual Tourism and Hospitality departments, March 2008

In the absence of national level data, enrolment and graduation figures related to these qualifications were requested directly from the respective higher education institutions and were obtained from 10 of the 13[9]. A summary of the combined hospitality and tourism data received is presented in Table 28. This reveals relatively consistent total undergraduate figures for both enrolment and graduation over the three-year period 2004 to 2006. In 2006 total undergraduate enrolments were 6 671 while total undergraduate graduations were 1 493. The relative distribution of enrolments and graduations in hospitality (35.0% and 46.1%) versus tourism (65.0% and 53.9%) related qualifications, suggests that the latter suffers from a lower throughput rate than the former at the undergraduate level. At the postgraduate level the most notable findings are: the extremely small figures for enrolments (137 in 2006) and particularly for graduations (35 in 2006); the dominance of enrolment in tourism related qualifications (78.8% in 2006); and the lower representation of hospitality at the graduate compared with the enrolment data (21.2% versus 8.2% in 2006). This latter point suggests that opposite to the undergraduate level, at the postgraduate level hospitality qualifications suffer from a lower throughput rate.

Table 28: Enrolment and graduation in tourism and hospitality qualifications from HEI's, 2004-2006

		Enrolment	Graduation
Undergraduate			
2004	Total	6687	1489
2005	Total	6903	1467
2006	Total	6671	1493
Average proportional distribution 2004 - 2006	Hospitality	35.0 %	46.1 %
	Tourism	65.0 %	53.9 %
	Total	100.0 %	100.0 %
Postgraduate			
2004	Total	127	35
2005	Total	120	27
2006	Total	137	35
Average proportional distribution 2004 - 2006	Hospitality	21.2 %	8.2 %
	Tourism	78.8 %	91.8 %
	Total	100.0 %	100.0 %

Source: Individual HEI Institutional Planning Offices

[9] Figures from Unisa, North West University and the University of Zululand could not be obtained

Other public and private tourism focussed training providers

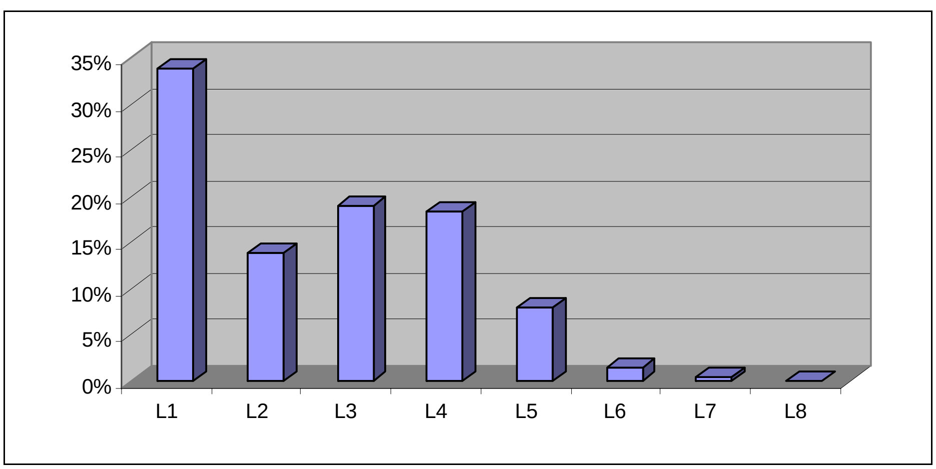
Providers registered with (or in the process of applying for registration with) THETA form the bulk of tourism focussed training provision. Other providers such as universities and universities of technology are registered with the Council for Higher Education, while FET colleges are registered with Umalusi. There are also a number of related and relevant qualifications that are registered with other industry bodies and associations (particularly in the area of adventure activities and sport).

THETA has 284 private training providers either fully or provisionally accredited or in the process of applying for such accreditation[10]. The geographical distribution of the THETA accredited (full and provisional) training providers is heavily biased towards Gauteng (49%). KwaZulu-Natal and the Western Cape have sufficient representation with 18% and 15% of the total respectively. The Eastern Cape, Mpumalanga and North West are under-represented, with 9%, 6% and 3% respectively, while Limpopo and the Northern Cape have no THETA registered training providers at all (Prodigy-Grant Thornton, 2007). This uneven distribution of training capacity was noted over a decade ago in the Tourism White Paper (DEAT, 1996), with little seemingly changed since then.

From a sub-sectoral perspective, the majority of these provide training that is focussed on the hospitality sector (50%), while the conservation and tourist guiding sector also appears to be relatively well catered for (31%). The travel and tourism services sector has only 8% of the focus, while the remainder is aimed at THETA's other sub-sectors (Prodigy-Grant Thornton, 2007).

The majority of training for the sector is provided at the NQF Level 4 and below – with NQF Level 1 receiving most effort (Figure 25). This corresponds with the high level of unskilled employees in the sector, however does not assist in addressing the large skills gaps at the management and strategic levels (Prodigy-Grant Thornton, 2007).

Figure 25: NQF level focus of tourism training



Source: Prodigy-Grant Thornton, 2007

[10] This includes all THETA training providers and not only those serving the sectors under review in this report

While the extent of entry into and success within the range of skills programmes offered by these training providers is unknown, the HSRC is currently in the process of undertaking a study into the learning and employment pathways of learners in Learnerships across the SETA system. Available information from this study in relation to the THETA registered Learnerships focussing on tourism (i.e. excluding sport and gaming focussed qualifications) is presented in (Table 29).

This shows that entry into hospitality focussed Learnerships has been the largest, with the Certificate in Food and Beverage Services, Level 4 having more than twice the number of entries (5 405) than the next most popular qualification – the Certificate in Professional Cookery Level 4 (2 234). The conservation and tourist guiding sub-sector has received the second most interest due largely to the number of entries into the National Certificate in Tourism: Guiding Level 4 (5 042).

In terms of the NQF Level, the bulk of Learnership entries for all three sub-sectors have been at Level 4: Hospitality (80.2%), Travel and Tourism Services (78.6%) and Conservation and Tourist Guiding (72.9%) The largest proportion of Level 5 qualifications is evident in the Travel and Tourism Services sub-sector (21.5%), with this sub-sector also notably having no qualifications below Level 4.

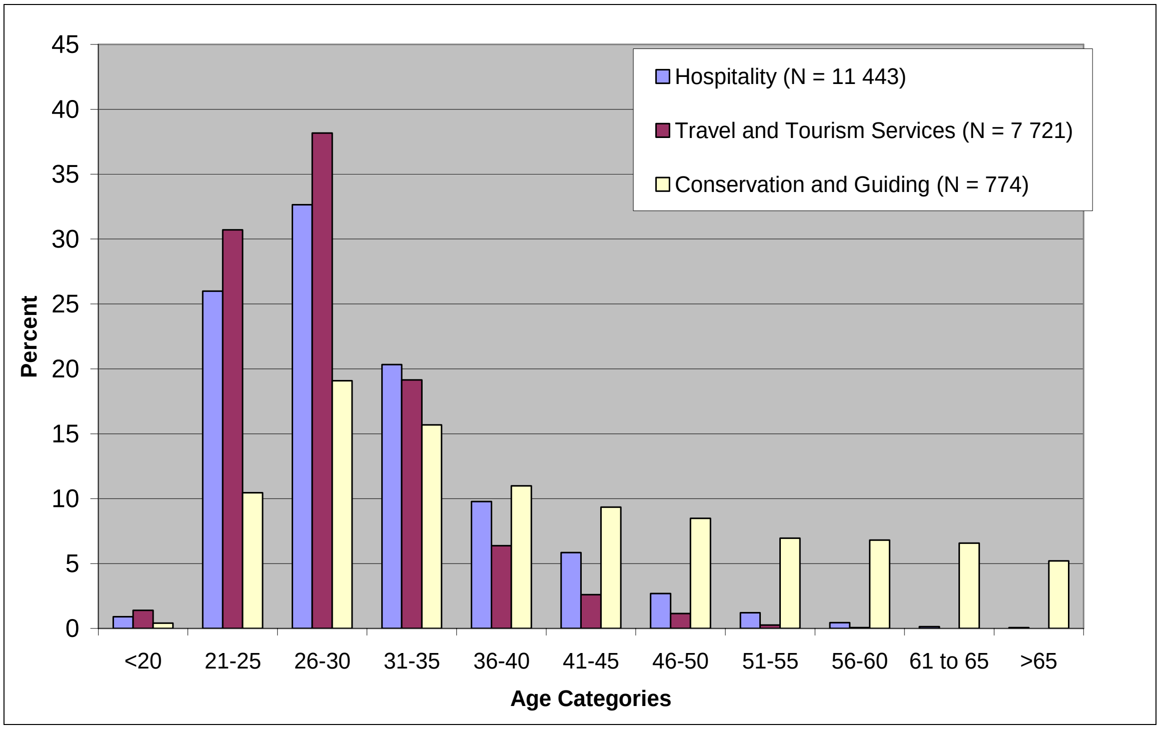
Table 29: Entry into THETA registered learnerships for the sub-sectors hospitality, travel and tourism services, and conservation and guiding

Learnership	NQF Level	2000 /01	2001 /02	2002 /03	2003 /04	2004 /05	2005 /06	2006 /07	Missing / before 2000	Total		
										N	% by qualification	% by NQF Level
Hospitality												
Certificate in: Accommodation Services Level 2	2	15	598	320	68	445	179	79	145	1 849	16.2%	16.2%
Certificate in: Fast Food Services Level 3	3	1	78	35		179	7	71	20	391	3.4%	3.4%
Certificate in: Food and Beverage Services Level 4	4	48	1 248	2 163	244	828	486	209	179	5 405	47.2%	80.2%
Certificate in: Hospitality Reception Level 4	4	8	308	347	131	333	234	73	106	1 540	13.5%	
Certificate in: Professional Cookery Level 4	4	29	364	518	48	558	285	158	274	2 234	19.5%	
National Diploma: Accommodation Services	5	1					3		10	14	0.1%	0.2%
National Diploma: Fast Food Services	5								9	9	0.1%	
TOTAL		102	2 596	3 383	491	2 343	1 194	590	743	11 442	100.0%	100.0%
Travel and Tourism Services												
National Certificate in Tourism: Reception Level 4	4	2	178	86	2	35	5	30	0	338	21.4%	78.6%
National Certificate in Tourism: Car Rental Level 4	4			68	1				1	70	4.4%	
National Certificate in Tourism: Event Support Level 4	4	12	190	210	2	186	138	56	40	834	52.8%	
Certificate In General Travel Level 5	5			59	62	77	3	39	36	276	17.5%	21.4%
National Diploma in Retail Travel Level 5	5		2	29					0	31	2.0%	
National Diploma in Wholesale Travel Level 5	5			21			1		9	31	2.0%	
TOTAL		14	370	473	67	298	147	125	86	1 580	100.0%	100.0%
Conservation and Tourist Guiding												
National Certificate in Tourism: Guiding Level 2	2	3	270	323	35	127	72	103	166	1 099	15.9%	23.8%
National Certificate in Conservation Level 2	2		40	50	34	169	2	38	1	334	4.8%	
National Certificate: Conservation Resource Guardianship Level 2	2	1		1	10	6	174	11	13	216	3.1%	
National Certificate in Tourism: Guiding Level 4	4	7	325	630	1 044	756	525	97	1 658	5 042	72.9%	72.9%
National Certificate in Conservation: Terrestrial Resource Management Level 5	5		5	12	26	24	28		130	225	3.3%	3.3%
TOTAL		11	640	1 016	1 149	1 082	801	249	1 968	6 916	100.0%	100.0%

Source: HSRC, 2007

The age distribution of learners entering tourism focussed Learnerships shows marked differences between the three sub-sectors (Figure 26). For Learnerships in Travel and Tourism Services sub-sector concentration is evident in the 21-25 and 26-30 age groups. Entry at higher age groups (particularly over age 35) drops dramatically. A similar trend is evident for learners entering Hospitality focussed Learnerships, although this is somewhat more tempered. The concentration of entry into Conservation and Tourist Guiding focussed Learnerships is not only somewhat later – in the 26-30 and 31-35 year age groups – but is considerably more evenly distributed, with sizable portions entering Learnerships in all the categories above age 40.

Figure 26: Age distribution of entry into tourism focussed THETA Learnerships



Source: HSRC, 2007

The single attempt thus far to quantify total output of tourism skills and compare this against estimated future demand (Prodigy-Grant Thornton, 2007) was severely limited by low response rates from training providers within the survey sample and incomplete responses from those who did reply. Nevertheless, using extrapolations of findings from small training provider and employer samples to represent the overall sectoral supply and demand situations, the study suggests that output will be insufficient to meet the demands of the tourism sector over the next three years.

Industry level skills training

Another very important source of skills for the sector is industry itself. While unions, government and development agencies argue that employers do not invest in and capacitate staff, employers and industry representatives provide the counter argument that companies do invest significantly into training and capacitation – albeit largely unaccredited and not ETQA aligned. The main methods of training utilised are in-house training and work-shadowing, both being extremely practical and job- and work-place specific, and combining training with the work-experience considered so important by employers. Generally, however, such training tends to be opportunistic and reactive rather than strategic (Prodigy-Grant Thornton, 2007). The Global Competitiveness Project report also highlighted the general lack of urgency among industry to address skills gaps and shortages despite high levels of lamentation regarding the situation (Monitor, 2007). And while extremely difficult to quantify, the qualitative information from employers regarding the range of training undertaken is presented in Table 30.

Table 30: In house training provision by sub-sector:

Hospitality	Tourism & Travel Services	Conservation and Tourist Guiding
• Management skills • Customer care/service • Cooking skills/food preparation/catering • Computer skills • Cleaning • Communication skills • Waitron training • Hygiene • Sales training • Menu Training	• Customer service • Computer skills • Bookings and Reservations	• Customer service • Management skills • Plant handling • Poison control • Game ranging
80% of employers involved in skills training	*70% of employers involved in skills training*	*84% of employers involved in skills training*

Source: Prodigy-Grant Thornton, 2007

Other skills-boosting short course initiatives

The successful Fundi Tourism expert course was developed in 2003 through the efforts of SATourism to equip South Africa's trade partners with the knowledge required to better sell South Africa as a destination of choice. The Domestic Fundi programme has over the past few years been geared towards educating partners to sell South African product to South Africans. The next phase of Fundi will encourage travel trade partners to begin packaging leisure options suitable for emerging domestic market segments (Mpulo, 2007).

The Welcome Visitor Experience campaign was equally successful in imparting the basics regarding the services required to make a visitor to South Africa feel welcome and improve their overall expectation and experience of the country. And while the numbers trained in these particular courses are uncertain, high level stakeholders suggest that more widespread training would be highly beneficial and that the programmes have been under-utilised (Leffler, 2007).

Factors driving the skills gap

Despite the lack of qualitative data, that a skills gap exists within the tourism sector is unquestionable. The factors underlying this gap are numerous and complex.

Coordination among key stakeholders in skills supply

A large number of players are involved in delivery of skills to the sector. Key among these are the DEAT, THETA and the Tourism Enterprise Project (TEP)[11]. Other key national government departments include the DoL and the dti. Stakeholders such as SAQA, the CHE and Umalusi are responsible for the alignment of learning material to the National Qualifications Framework (NQF), for course accreditation, and quality assurance of education programmes.

The lack of alignment and coordination between these numerous high-level stakeholders – as a foundational cause of the skills gap within the sector – has been acknowledged by a number of recent documents. The Global Competitiveness Project report states that while in policy terms responsibilities are clearly defined, evidence suggests that the training systems under Umalusi and the CHE have not taken a strategic view of tourism issues, and that their alignment with THETA programmes is weak (Monitor, 2007). The Skills Audit argues that critical to improving the provision of quality and recognised training for the industry is the streamlining of policy at the macro level, between stakeholders such as SAQA, CHE, Umalusi and DoE (Prodigy-Grant Thornton, 2007). The dti's National Industrial Policy Framework highlights the insufficient integration between industrial policy objectives and skills and education systems (the dti, 2007b). The dti's Customised Sector Programme for Tourism considers its 'Partnership for Skills' action plan (the creation of mechanisms and an environment of trust and transparency in which all stakeholders are able to jointly plan, initiate and implement skills work) to potentially have the second largest positive impact on the sector, yet also be the second most difficult to implement[12]. The DEAT's Skills Plan Presentation to JIPSA in early 2007 argued that stakeholder co-ordination challenges for the tourism sector were being increased by the lack of an integrated national human resources strategy aimed at promoting excellence as well as black economic empowerment (DEAT, 2007).

Yet lack of co-ordination is not limited to high level skills provision stakeholders. Various industry bodies (e.g. FEDHASA, SATSA, FGASA and APPETD) represent sub-sectoral enterprises and training providers focussed on particular aspects of the sector. The same industry fragmentation that is considered a constraint to sectoral growth is evident again in its constraint of strategic and co-ordinated skills development efforts. Recent attempts have been made to form the Association of Tourism Training Providers – to encompass the entire group of tourism providers. Challenges in incorporating existing and established associations have however resulted in the initial focus being limited to only those providers training conservation and tourist guides. It is unlikely that a strong and representative Association of Tourism Training Providers will be in existence within the next few years (personal interview with Ruby Gangiah, ex-Chair of the National Tourism Training Providers Committee, September 2007).

Capacity at THETA

While capacity constraints within high-level stakeholders are very likely a factor underlying co-ordination difficulties, the capacity constraints within THETA – the primary body tasked with tourism specific skills development – are necessary to consider in more focus.

[11] TEP is administered by the Business Trust but receives funding from a range of other government and private sources

[12] The action plan considered to be most difficult to implement yet having the largest positive impact relates to the national improvement of safety and security (the dti, 2006).

THETA evolved out of the former Hospitality Industry Training Board. The Businesses Trust (2006) was involved in assisting with the institutional conversion as well as with the implementation of the pilot Tourism Learnership Project over the period 1999 to 2005. Based on this relationship they argue that despite many efforts, THETA remains a weak institution. Reasons for this are given as:

- A myriad of organizational changes that took their toll on management and leadership - the board and management changed completely during the 5-year period.
- THETA, designed along representational lines, has been unable to attract and retain high-level and consistent business leadership to its governing structures.
- There has been a lack of strategic high-level government championship, such as that provided by the minister of DEAT for the changes at SATourism.
- There has been a lack of personal responsibility (as opposed to representational authority) of staff toward the completion of tasks and objectives in support of change.

Capacity constraints at THETA present a number of problems for industry: Difficulties in training providers acquiring accreditation with THETA, and the quality of training provision not being guaranteed by such accreditation; inefficiencies in the on-line-capturing system of learner entry and completion information and related delays in the time taken for certificates to be issued (Friedemann, 2007); and limitations in the accuracy and comprehensiveness of data resulting in limited representations of the sector in research efforts (HSRC, 2007).

Furthermore the fact that the SETA system: exempts small companies from paying levies thus excluding them from accessing THETA funds; that it fails to recognise volunteers and casual workers; and that the NQF is considered to be costly, bureaucratic and not flexible enough to meet the needs of the sector (Prodigy-Grant Thornton, 2007), have resulted in the situation where a large portion of the tourism industry not only question the legitimacy of THETA (Monitor, 2007), but actively resist compliance (Prodigy-Grant Thornton, 2007).

Range and quality of accredited training

An extension of the challenges that industry faces with THETA is the issue of the range and quality of accredited training for the tourism sector. The Global Competitiveness Project report states that 54% of the tourism industry feels that training facilities in their region are failing to provide them with high quality employees (Monitor, 2007). Underlying this assertion of limited range and quality of accredited training are a number of factors.

At one level, the development of qualifications and skills programmes accredited by SAQA is an extremely complex process. The time taken for this has meant that for many of the sub-sectors in which the skills demand landscape is rapidly changing, the qualification content is already out of date by the time that it is registered. Additionally, for some specific skills required by the tourism sector (such as the handling of weapons for advanced nature guides) it has not been possible as yet to develop SAQA aligned unit standards.

At a second level, accreditation with THETA is a bureaucratic, time-consuming and expensive process, thus limiting the numbers of providers who actually acquire accreditation, and a likely factor in the skewed geographical distribution of such organisations. Furthermore, accreditation does not guarantee quality training. Emerging training providers, many of whom have received assistance in the accreditation process, struggle to maintain accreditation and themselves have capacity constraints in respect of both training and business management skills. Established training providers, on the other hand, are often accused of using ‘old school’ methods that 'patronise' black learners. Across the board there are accusations that while these providers may have knowledge and skills in training, their lack of detailed tourism sub-sector specific subject matter and experience, limits their ability to train effectively for this sector (Prodigy-Grant Thornton, 2007).

At a third level, numerical entry targets rather than the quality and relevance of training outputs significantly motivated the first phase of the National Skills Development Strategy. This was compounded by the fact that the rapidly burgeoning training market, coupled with significant institutional weaknesses in the areas of procurement and quality assurance, contributed to the emergence of a number of training providers of dubious quality (Business Trust, 2006). Thus not only was quality of training compromised, but an oversupply of under-qualified skills was produced in certain fields.

At a fourth level, the format of many accredited qualifications and courses – Learnerships and full time study – clash with industry needs for flexibility and general employee and owner-manager time constraints. The Skills Audit established that across all three sub-sectors, short courses were the form of training considered most appropriate for the sector, with full time study and block-release programmes being considered least appropriate (Prodigy-Grant Thornton, 2007). Less formal and rural SMME providers also highlighted the need for training forms and teaching materials that allowed them to remain at their business sites, such as radio cassettes, videos and self-study kits (Mafunzwaini & Hugo, 2005). Finally, the importance of mentoring and ongoing support is largely missing from established training structures (Rivett-Carnac, 2007).

Yet the most important factor underlying accusations of a limited range and quality of training appears to be rooted in the fact that there is an absence of a common language system to describe the skills produced and those needed. While training institutions describe skills in terms of *competencies* and *capabilities*, and focus on the production of these, industry describes the skills required in terms of experience (the length of time in the industry, the areas of the industry worked in, and the use of sub-sector specific IT), as well as personality attributes (e.g. 'good with people', honest, enthusiastic, reliable, determined, and able to work in a team) (Monitor, 2007). While providers argue that industry has a poor understanding of the framework of compliance in which training providers need to operate (Prodigy-Grant Thornton, 2007), industry argues that training should include more of a focus on work experience, as well as on the ethics and cultures of workplaces (Business Trust, 2006).

Of additional concern is that only 7% of training providers consider the employment of their graduates an indicator of training effectiveness; that only 20% indicate that the needs of learners or industry requirements influence curriculum changes of their programmes; and that a large 73% feel that it was not the role of education and training to provide graduates who are ready for the workplace and employment (Prodigy-Grant Thornton, 2007). In line with this, it is hardly surprising to find that industry does not generally value graduates, who, despite lack of experience and other key 'skills' (Table 31), are generally unwilling to accept entry level positions and who are often unable to cope with workplace stress.

Table 31: Industry views on the main skills lacking in graduates:

Rank	Hospitality sector	Travel and Tourism Services	Conservation and Tourist Guiding
1	Experience	Experience	Experience
2	People skills	Communication skills	Business and related skills
3	Work ethic	Management skills	Communication skills
4	Communication skills		

Source: Prodigy-Grant Thornton, 2007

Hard evidence on the uptake of unemployed tourism Learnership graduates into tourism sector is unavailable. The Skills Audit (Prodigy-Grant Thornton, 2007) suggests that uptake into employment of youth who have completed tertiary qualifications, Learnerships and have workplace experience within the tourism sector is less than 50%. And while the HSRC is currently undertaking a national study into the learning and employment pathways of Learnership participants, information on the efficiency of THETA learnerships will not be available due the fact that THETA was unable to provide learner contact details for the administration of the telephonic survey.

Learner foundational skills and selection into training

The attributes that individual learners bring to the training are the most powerful predictors of a successful outcome. Learner attributes relating to commitment, orientation and prior skills contribute to the successful completion of training programmes, as well as the eventual outcome of training (Business Trust, 2006:27).

Many factors however, both within the sector structure and function as well as within the larger national social and economic culture, serve to limit the alignment between individual attributes and entry into tourism training. These factors are complex and many are inter-related.

The entry into tourism training of both employed and unemployed learners whose personal attributes do not promote success of training is partly a result of the lack of other opportunities within the general labour market and the public positioning of the sector as a job-creator. This situation serves to attract a sub-set of people who are looking for a job and not necessarily interested in the industry, and who have little motivation or passion to serve with excellence (the dti, 2006).

The supplier driven nature of training, combined with insufficient rigor and standardisation of learner recruitment processes (Business Trust, 2006), extremely limited availability of career guidance facilities, and generally poor quality of school leavers, has resulted in learners of various capability levels in the same programme. Lack of a generalised learning culture and generally poor attitudes among youth to learning and the workforce (Prodigy-Grant Thornton, 2007) encourages learners at either extreme in this situation (those bored as well as those challenged beyond their capabilities) to drop out or jump from one programme to another. Ultimately lack of individual success presents large-scale waste of scarce national resources (Business Trust, 2006).

There is also evidence to suggest that many of the un-skilled and semi-skilled employees within the sector are not interested in advancing their formal educations: A THETA study on ABET training for Access into Learnerships revealed that 73% of employees expressed a lack of interest in undertaking such training. Feedback from unions also indicates that skills development is a secondary issue for workers in the sector, with other issues such as job security, wage determination, safety, transport and medical care being more pertinent. They argue that if these foundational issues are not addressed adequately, they will continue to render training efforts ineffective (Prodigy-Grant Thornton, 2007).

Finally, while the personal characteristics that industry so seeks (honesty, reliability, enthusiasm etc) cannot be measured in unit standards and cannot be accredited, the lack of these characteristics renders the acquisition of whole qualifications useless: The Business Trust (2006) reports on the outputs and impact of the Tourism Learnership Project in December 2004, that while 60% of unemployed learners attained some form of employment after the learnership, 71% were no longer employed. Of these 80% stated that their dismissals were linked to allegations of theft.

Supplier driven training system

Numerical targets, incentives for training providers, hard-sell tactics overemphasising the benefits of learnership enrolment to a portion of employers, combined with a general mistrust of and resistance to THETA on the part of the larger portion of sector employers, and generally weak linkages between industry and training institutions (DEAT, 2007) have together resulted in a largely supplier driven training system within the tourism industry. Such a supply driven system fails to recognise the value to industry of skills acquired through means other than qualifications, and fundamentally undermines the alignment of skills development with labour market demand. The result of this is an oversupply of skills in certain fields and geographical areas and the consequent low level of absorption of learners into the workplace (Business Trust, 2006).

Complicating matters further is that in the presence of a national oversupply of a particular skill, a regional under-supply may still exist. Such a situation arises when those with the relevant skills are unaware of opportunities and/or unwilling to relocate to the areas in which these opportunities exist. If the national picture of over-supply restricts financial support for the local development of such skills, geographically based shortages can be exacerbated.

SMME skills delivery challenges

The overwhelming portion of the tourism sector – across all sub-sectors – is made up of SMMEs. The specific challenges that these firms have in accessing training and other skills development opportunities thus impacts on training delivery and training receipt for the entire sector.

As mentioned above, the skills demands of particularly owner-managed SMMEs tend more towards generic business, communication, marketing, IT and problem-solving skills, with a smaller requirement for tourism specific technical skills and then these more in relation to specific product type excellence and innovation. Not many accredited training providers offer such programmes. Time, financial and distance constraints further limit access to available training. Limited availability of training in the form of short courses followed up by on-site mentoring additionally discourages take up of training by this group. The actual and opportunity costs associated with the geographical bias of training towards a few provinces and to the urban centres within them, also acts to dampen support by rurally based SMME owner-manager for undertaking wider formal staff training interventions (Rivett-Carnac, 2007).

Summary

This chapter has dealt with three distinct issues relating to skills: demand and supply as well as the factors underlying the mismatch between these.

In terms of the demand for skills, the analysis reveals that within the tourism sector it is difficult to separate the overlapping issues of skills shortages and skills gaps: Due to both real and geographical shortages employers have limited choice about employing low and under-skilled staff, with this in turn resulting in major skills gaps within the sectoral labour pool and having a major impact on the training needs of the industry (Prodigy-Grant Thornton, 2007). The most important skills needs for the tourism sector are the following:

- The development and strengthening of a customer service ethic.
- A internalisation by the sector's employees of the importance of tourism (both to individual jobs as well as to the welfare of the wider national economy) in order to promote the projection of a positive image of South Africa and improve visitor experiences.
- Communications skills (including comprehension, coherency and non-verbal skills) as well as communication in English specifically.
- Shortages in key technical skills groups – such as chefs, travel consultants and game rangers.
- Shortages in available high-level strategic managers for recruitment into the sector (both in private and pubic spheres), and especially black managers.
- Management skills within existing managers – especially white managers.
- Entrepreneurial skills – especially among black entrepreneurs.

In respect skills supply, it is at this stage virtually impossible to determine with any accuracy the supply of skills into the labour market that are able and necessary to support a growing and transforming tourism sector. This is due to a lack of data and clear definitions of both demand and supply. Available information suggests that output from schools for the Grade 12 subject Travel and Tourism is increasing dramatically, although largely in two provinces: KwaZulu-Natal and Gauteng. This distribution is mirrored by the geographical spread of THETA registered training providers, with Gauteng having the largest number, followed by KwaZulu Natal with less than half this figure.

Available data on learner entry into tourism related Learnerships suggests that focus has been largely on hospitality related qualifications and on tourism guiding. The bulk of learners have registered for NQF Level 4 qualifications, with the prevalence of Level 5 qualifications low overall, and significant only for travel and tourism services related qualifications. Available data for the contribution of the higher education system suggests that while transformation in enrolments is indeed taking place, this is not translating into a similar level of transformation in graduations. Additionally, data reveals that total graduate output has remained relatively consistent; that at the HEI level enrolment and graduation is dominated by tourism- (rather than hospitality) focussed qualifications; and that the output of postgraduate tourism and hospitality related qualifications is extremely small. Finally, in-house training remains an important source of skills for the sector, although such training is generally non-strategic and non-accredited.

Yet despite the lack of qualitative data, the existence of a skills gap within the tourism sector is unquestionable. The mismatch between demand and supply is linked to a number of complex and inter-related factors. Key among these is the lack of co-ordination among the stakeholders in tourism skills supply, both at the levels of actual training as well as accreditation and quality assurance of qualifications and training providers. Capacity constraints within THETA are of particular significance not only to actual sector-specific skills shortages, but also to the over-supply of under-qualified individuals in certain fields and to the general lack of legitimacy of qualifications within the sector. Related to this, as well as to a range of other issues within the national legislative framework, is the issue of the inadequate scope and variable quality of sector-focussed training providers. The lack of adequate foundational education among South African youth, combined with poor work ethic and attitudes to learning and the absence of rigorous and standardised learner recruitment processes, contribute substantially to wastage of limited national financial skills-development resources. The supplier-driven nature of training within the sector further serves to reinforce misalignment between skills demand and supply. Finally, the general challenges associated with skills development among survivalist, rural and time-constrained owner-operator enterprises, must be seen to apply to the sector as a whole, due to its overwhelming SMME profile.

CHAPTER FIVE: SECTOR CASE STUDIES

In addition to the comprehensive review of recent literature and the analysis of available primary quantitative data, the methodology for this study included primary qualitative research. The motivation for, approach to, and findings resulting from this primary work are the subject of this chapter.

Motivation and approach

The approach chosen for the qualitative element of this study – based on available time and resources as well as a desire to add to, rather than repeat, the work of other recent studies – was to investigate the tourism industry in two case study local geographical areas that represented opposites in terms of the history and focus of the sector, yet to do this in a manner that would allow for comparative discussion.

The decision to use the spatial element as a primary focus for determining the 'boundaries' of the work was underpinned by a number of factors. Firstly, tourism destination marketing is geographically bound (by country, region or city) and tourists travel to specific and distinct areas within a country or region in search of the 'product' they are after. And while some products can be 'created' almost anywhere, most cannot be separated from their physical, social and cultural geography. Secondly, and because of this, the nature and intensity of the industry (and in turn its growth and employment potential) will vary spatially. Thirdly, local and provincial governments – both spatially defined – have been tasked with local economic development, and employment creation through promotion of the tourism industry may form one of the means by which this is planned. Fourthly, due to the legacy of Apartheid, the location of poor, unskilled and semi-skilled people in South Africa – largely those from previously disadvantaged groups and the primary target of national sectoral development efforts – also demonstrates clear spatial patterns. Concentrations are evident in rural areas and urban 'pockets of poverty' particularly in and around township areas. Finally, violence and crime (both real and perceived) also show geographical variation, with this linked to the combination of other social and economic factors that play themselves out in the spatial dimension.

The two case study areas chosen were Soweto in Gauteng and Hazyview in Mpumalanga. Soweto, one of the largest township areas in South Africa, represents emerging urban and cultural tourism within a province and city that, while acting as the primary South African gateway for long-haul tourists of all categories, itself is marketed predominantly as a shopping- and business-tourism destination. Hazyview on the other hand, a very small established traditionally white town in the Lowveld and surrounded by a vast sea of poor black rural settlements, is recognized as a tourist gateway town to the world renowned Kruger National Park (KNP) and as a base from which to explore the natural wonders of the Panorama Route of the Transvaal Drakensburg escarpment. Thus Hazyview represents an established rural nature-based tourism destination attracting a mix of both foreign and domestic leisure holiday- and adventure-tourists.

The Global Competitiveness Project report (Monitor, 2007:67) identified both the Panorama Region and Soweto as potential pro-poor tourism development areas, although due to the somewhat larger poverty gap of local inhabitants, higher than national averages for unemployment, as well as the greater tourism potential of the region, the Panorama Region and not Soweto was identified as one of the nationally prioritised areas for such tourism development efforts.

Each case study region was assigned one week of on-site fieldwork, undertaken by the author of this report. This consisted partly of pre-arranged interviews set up with regional and provincial tourism marketing agencies; tourism training providers based in the area; agencies and enterprises involved in local tourism development efforts; the chairpersons of the local tourism development associations; and managers of other specific local tourist attractions or products considered important for inclusion. These interviews were of a semi-structured nature. In addition, a number of unscheduled interviews were undertaken with: staff at the local tourist information offices; local tour operators; the owners of the accommodation establishments at which the researcher stayed; staff and managers of local restaurants and shops; craft-sellers; and other tourists in the region. While the researcher had determined the types of tourism sector participants to cover during these unscheduled interviews, they were necessarily opportunistic and largely unstructured. Finally, a lot of information was gathered through participant observation and personal experience of being a tourist in each area.

It is also important to note that while the case studies focussed on the two pre-determined areas, the location of Soweto within greater Johannesburg meant that a number of the scheduled interviews undertaken as part of that case study involved individuals who were involved in the tourism sector more widely, and were able to provide additional information pertinent to the sector at a national level.

Most significantly, the findings from these case studies support the findings from the other major recent studies into the sector (Monitor, 2004; Prodigy-Grant Thornton, 2007; Rivett-Carnac, 2007) outlined in the previous chapters. They suggest that while some issues may be more of an obstacle to tourism development in certain areas than in others, and that other issues may be nuanced by regional factors, the challenges facing the sector are pervasive and of concern across all regions of South Africa.

The range and depth of information gathered during the fieldwork process cannot be given full justice in this report. Thus in this chapter, only those findings that shed additional light on challenges already raised in the literature, as well as those that may be considered new to the public debate will be discussed in any detail. The issues raised first are the general challenges, while those towards the end of this chapter focus on sectoral skills gaps and shortages more specifically[13].

Crime

Crime and the perception of crime – of varying forms and at various levels – is the single most important factor limiting growth in the tourism industry.

At the level of perceptions of crime among international tourists, most first time visitors spoken to during the course of this research commented unequivocally on the extremely negative international perceptions of safety and security in South Africa in general and in Johannesburg and Soweto in particular – related to the high incidence of violent crime amongst residents. Almost all indicated that their trips to South Africa had been undertaken against the

[13] Footnotes have been used extensively throughout this chapter, but particularly in those sections dealing with the complex issue of skills, so as to provide substantiation to the points and arguments made without breaking the flow of these arguments.

advise of many friends and relatives on account of this issue. Also, all these tourists indicated that the current trip to South Africa was not their first long-haul destination. Those traveling independently from formally organized tours were notably either traveling with a South African citizen; had personally been to South Africa before; or had traveled previously in other areas with similar reputations and discovered that the reality of crime was usually less than international reports made out. Overall, two comments sum up the general perceptions: '*South Africa's reputation for crime precedes it*!' and '*Johannesburg has a fearsome reputation!*'

A random selection of tourists at the Apartheid Museum, also in South Western Johannesburg, revealed an interesting range of perceptions (Table 32). Considering that these are tourists who have already overcome the reputations of both South Africa and Johannesburg, it is telling that only one in four had actually gone to visit the township less than 10km from the site at which they were questioned.

Table 32: Random Apartheid Museum visitors' responses to the questions: 'Have you been to Soweto? Would you consider visiting it? Why?'

Tourist description	Been?	Consider going?	Why?
Middle aged Italian couple	No	No!	They would not even think of going there because of the crime. They were told not even to leave their hotel in Braamfontein last night because it was too dangerous
Young couple from Denmark	No	No	They have heard about the crime, and that is a deterrent. But the main reason is that do not believe that it is right to stare at people out of a bus window as if they were animals in a zoo. People live in Soweto and they deserve their dignity
Young white South African male with English girlfriend	No	Yes	They were thinking about going to Soweto for a visit, as he has never been there despite growing up in Johannesburg. But they heard about some Italian tourists getting arrested there last week and so decided against it
German female exchange student	Yes	Yes	She has been to Soweto a number of times with a local student she met on a conference whose grandmother lives there. She is staying with this student friend in another township in Johannesburg and has not felt unsafe once

While due to high perceptions of crime many tour operators try to reduce the amount of time spent in Johannesburg, the location of the major OR Tambo International Airport in this city however presents a particular challenge for tourist safety and security. Tour operators in both Johannesburg and the Lowveld commented on the negative impact on the sector that the large numbers of unlicensed 'service providers' present as they openly harass tourists, who are already nervous. It was also indicated by a high-level guiding sub-sector representative that many of these individuals are linked to informal 'mafia' type networks that make it difficult to exact any form of compliance. Added to this are petty criminals who 'loiter' in the arrivals and departure halls, watching for opportunities to take cash and/or luggage from distracted tourists. One establishment in Hazyview reported that guests that had been due to stay with them were mugged at ORT upon arrival and caught the next flight home. ACSA is seen to be doing very little to try and alleviate the problem.

While the personal experience of the author can confirm that reality of Soweto generally delivers a pleasant contrast against its reputation, for places such as Pilgrim's Rest – a prime tourist destination on the Panorama route – the opposite was found to be the case. Again, personal experience confirms foreign tourists' complaints of high and unpleasant levels of harassment faced while visiting this historic government-owned mining village museum. Local tour operators noted with disappointment the deterioration of this prime tourism product due to the presence of aggressive, criminally minded, mafia-style parking guards, car-washers and craft sellers who harass tourists and damage vehicles if their 'services' are refused.

General perceptions of high levels of violent crime and direct crime against tourists are however not the only forms of criminal activity impacting negatively on the sector:

- Training providers – who are open to the general public – report incidents of theft and armed robberies for electronic goods. Untamed Africa Training Academy, a trainer of nature guides located just outside KNP's Numbi Gate reported between 30 and 40 robberies since 2003. In some instances students have been the culprits, however, in most they have been equal victims of armed attacks by local gangs.
- Theft of food from hospitality establishments by staff reduces business profitability and contributes to high levels of staff turnover due to dismissals. The new manager of a prime tourist restaurant in Hazyview reported finding staff walking out with full meals in takeaway boxes for which she had earlier been asked to authorize a 'void' transaction due to its request supposedly being 'a mistake'.
- Tourist product owners and tour operators, both black and white, report on nepotism, corruption and fraud in the local and provincial governments, and tourism supporting agencies, that makes operating a business difficult. Many staff changes at the Mpumalanga Tourism and Parks Agency (MTPA) were apparently related to this issue, and during the time of this research the CEO of Johannesburg Tourism Company (JTC) was suspended on charges of fraud and inefficiency.

Tourist infrastructure

Used in the broadest possible sense to refer to the physical and public infrastructural aspects of the tourism industry and the regulations governing the use of these, the case studies suggest that aspects related to quality, availability, distribution, cost and coherency of use require attention. As a context for the discussion, it is important to note that while the concentration of tourism activities is heavily influenced by geographical elements, these concentrations should nevertheless be linked through a system of supportive infrastructure that is comprehensive, cohesive and strategic beyond local and provincial boundaries if tourist products are to be world class.

The **Department of Roads and Department of Transport**, at both national and provincial levels, have key roles to play in respect of the provision and development of a comprehensive national tourist infrastructure system. Neither, however, seems to have taken this focus on board and in both Gauteng and Mpumalanga are the cause of severe tourist infrastructural 'gaps'.

Tourist signage in both areas is a problem. Self-drive in Soweto, which has greater value add per tourist for the local product owners than large pre-arranged tours, is severely discouraged through inconsistent signage. Most critically there is no sign at all for Soweto off the N1 highway, and despite a sign off the Old Potch Road to *Kliptown* there is no indication on this sign that this is where the Soweto Tourist Information Centre can to be found. While Hazyview and the Lowveld area still has some historical advantage in terms of legal tourism signage, there is nevertheless considerable evidence of current departmental inefficiency in the abundance of illegal signage: As product owners cannot access legal service they elect to bypass the law and pay for the erection of private signs. Despite their illegality, these signs must be considered assets within the national tourist infrastructure system.

At another level, despite the existence of the Kruger Mpumalanga International Airport (KMIA) outside Nelspruit, the major airport servicing the Lowveld region remains **OR Tambo International Airport** (ORT) in Johannesburg. Many tour operators and establishments argued for improved signage and tourist information services at ORT to take account of the fact that this airport is a prime aspect of national tourist infrastructure and not exclusively for service to Gauteng. In terms of signage specifically it was suggested that boards be erected for neighboring provincial destinations through directions to the major motorways leading to each. Name changes over the past decade have added to the general confusion and inadequacy of national signage.

While the burdens faced by tour operators in respect of acquiring a multitude of individual provincial **public vehicle permits** was mentioned in the previous chapter, additional aspects of this fragmented system need to be raised. Provincial boundary lines in some instance cut directly through regions that in terms of social and physical geography are one. This is certainly the case with the Lowveld and its division between Mpumalanga and Limpopo provinces. Provincial licenses thus restrict the development of comprehensive regional packages and limit tourist spending and thus overall value extraction. For example operators with Mpumalanga licenses based in Hazyview cannot legally include in their tours a visit to the Hoedspruit Cheetah Farm, which lies in neighboring Limpopo. A second aspect of this problem is that provincial boundaries are totally unrelated to the routes of secondary roads. Thus while Hazyview is the closest town to the KNP's main Kruger Gate – with KNP itself considered to be extra-provincial – the road linking these passes through Limpopo province. Thus many operators who otherwise limit their operations to Mpumalanga become non-compliant just through the use of this secondary road. Finally, while Mpumalanga licensed vehicles are granted permission to access ORT in Gauteng via the most direct route, this prevents operators arranging transfers to and from the airport that make use of scenic routes that could serve to advertise the beauty and attractions of Gauteng and ease feelings of fear and apprehension about Johannesburg on the whole.

Thus, while current tourist vehicle licensing regulations are serving to place arbitrary limitations on the development of a cohesive tourist industry, another concern for the tourist industry in Hazyview and the Lowveld in general is a recent trend whereby taxi's – wishing to bypass the route restrictions of taxi licenses – have begun to call themselves 'tour operators' and apply for these somewhat more liberal permits. The potentially negative impact of this on the tourism industry is considerable.

In both the Departments of Road and Transport, arbitrary and outdated legislation is compounded by lack of resources and capacity, and **general inefficiency** in respect of tourism support. A representative of JTC indicated that while the agency has now taken it upon itself to recommend to the Johannesburg Roads Authority appropriate signage for Soweto, this appears to have had only a minor impact. A tour operator in Hazyview echoed the general sentiment in the following comment: *You can go to the Department of Transport every week for a year and each time be issued with a temporary permit because either some relevant person is not there or the printer is out of paper! The level of incompetence is astounding!*

Tourist attractions and their related physical infrastructure form another aspect of the overall national tourist infrastructure system. The case studies highlight a number of challenges here as well. Firstly, as many attractions relate to the national arts and culture sector and not the tourism sector, product quality, diversity and currency does not appear to be highly influenced by the needs of tourists: The Hector Pieterson Memorial in Soweto demands over an hour of reading and has few visual or interactive displays and no quick overview option for tourists on tight schedules, while the display at the Bourkes Luck Potholes Visitor and Information Centre has not been upgraded in 30 years. Secondly, decent public toilet facilities are severely lacking in both Soweto and along the Panorama Route. In the latter, the negative impact on tourism is both direct (through a lack of access to these facilities) as well as indirect (when traders at certain attractions are forced to use the surrounding bush to relieve themselves). Finally, at many of the major natural attractions along the Panorama Route, parking facilities are of very poor quality, as are the safety barriers and related signs along dangerous cliff edges.

Tourist information centres serving the areas under review also require consideration. Once having located the Soweto Tourist Information Centre in Kliptown, the lack of dedicated and safe tourist parking, the relatively bare and clinical nature of the centre and its displays, the almost total lack of advertising for local township products (brochures relate to products within greater Johannesburg), and the inability of the local staff to suggest an exciting and innovative itinerary of attractions and products was significant. In Hazyveiw, while the two privately run Big Five Country Tourist Information centres were inviting, well-stocked with information on local products, and staffed by friendly and enthusiastic individuals, investigation highlighted serious fragmentation within the local industry in terms of support for these offices due to the high rate of 20% commission for bookings, and advertising brochures that prohibited the inclusion of individual product contact details. Thus in both instances, these ‘local’ tourist information centres fail to provide a full picture of the products on offer within the local area. The generally inefficiency of the tourist information desk at ORT multiplies local challenges for all regions of South Africa including those under review.

Fragmentation

High levels of competition and mistrust, a general lack of co-ordination between industry participants and support agencies was notable at all levels in both case study areas.

In Hazyview for instance, the long-established Hazyview Tourism Association is currently inactive. This is despite a recent attempt to revive its function under the common vision of marketing the town as a destination and undertaking projects that focus on improving the town for tourists. While initial excitement was generated, nothing concrete resulted due to a lack of financial and human resource commitment by members, and suspicions of unequal benefits across the various sub-sectors and between the large corporate and small private members. Further fragmentation of the local industry was evident between the operators who did and did not support the private Big Five Country Tourism Information centers. And while the tourism industry in the Lowveld is to a large extent dependent on neighboring KNP, there appeared to be very little in the form of established relationships between the local tourism sector and this key international attraction. Finally the general lack of confidence in, and support of, the provincial marketing and support agency the MPTA, which had undergone seven restructuring efforts in the past ten years, was noteworthy.

For Soweto, the negative impact of fragmentation on the industry was no less evident. Both support agencies and members considered the Soweto Tourism Development Association (Sotoda) to be ‘marked by squabbles, bickering and petty politics’. Almost regardless of their own business management and innovation skills, other members regarded successful operators with great suspicion as being the beneficiaries of underhanded connections and unfair support.

It was also felt that this association suffered from a general lack of organisation and was not fully representative, as it did not include any of the tour operators in the township. JTC's attempts to assist in the establishment of a Soweto Tour Operator Association have thus far been fruitless due the unwillingness of players in the group to reach out across the barrier of market competition. Furthermore the Soweto Tourist Information Centre has no formal linkages to the local community and despite promises has not made available any space within the building for community representative meetings[14]. Even in terms of the latest developments of the Holiday Inn Freedom Square, due to open before the end of 2007 in the Walter Sisulu Square of Dedication in which the tourist information centre is also based, they were unable to provide any information.

At higher levels fragmentation is just as severe: Despite the fact that all these agencies focus on tourism marketing and development in the greater Johannesburg area, JTC admitted that there are no formal and institutionalised relationships defining roles and responsibilities between itself, the Gauteng Tourism Authority (GTA), the Tourism Enterprise Programme (TEP), the Johannesburg Property Company (JPC), the tourism funding arm of the Industrial Development Corporation (IDC) or the SMME development focussed Gauteng Enterprise Propeller (GEP). Being unaware of the support provided to Soweto emerging tourism entrepreneurs, much of the work done by these agencies overlaps, with the result that in some areas work is duplicated. In other areas however, gaps and missed opportunities are evident[15], and resource usage overall must be considered inefficient.

Marketing

Marketing of the South African tourism industry is generally under-funded and largely uncoordinated. This is the case even despite the recent increase in funding for SATourism, its well-publicized marketing strategy and its successes in increasing overall tourist numbers. Various aspects of the case studies underscore this finding:

Despite admission that in the past there has been an over-reliance on the province's natural features, on the Kruger Park and its wildlife, and that the future plans include product diversification efforts, the MTPA has an annual budget of under R7 million to not only run all its operations, but also market provincial tourism internationally. This budget is extremely low, and within its constraints it is unlikely the agency, even with the best intentions and considerably improved management, will succeed in recovering the recent provincial losses in tourism market share.

---

[14] While the building does have a conference room that they rent out for a fee, such a facility is inappropriate for the nature of the local tourism industry. Furthermore, having arranged to meet with the chair of Sotoda at the Soweto Tourist Information Centre on his request, it was embarrassing to be faced with the situation where the girls working in this office did not recognise him and requested that we pay to use their conference facility for our meeting.

[15] One entrepreneur has approached JTC with the very innovative idea of developing a Bunjee Jumping facility at the top of the landmark Soweto cooling towers. This would however demand a large injection of capital. The buildings at the base of these towers are earmarked for development by JPC as the Orlando Ekhaya shopping centre. JPC, in having no formal relationships with JCT, however have little incentive to take any responsibility for bringing this idea to fruition and assisting the entrepreneur in approaching potential investors for simultaneous project development. If these projects were undertaken at the same time, not only could the facility be made safe for this venture, but other tourism and hospitality focused enterprises that would generate additional rent for the owner and stimulate more tourism activity – such as a restaurant and coffee shop taking advantage of the action and view – could also be included.

JTC has a total budget of R20 million per annum. With this it needs to cover a very specific mandate of: firstly, filling all the city's international convention centres; secondly, marketing the city as a business tourist destination more generally; thirdly, attempting to extend the length of stay of business tourists to enjoy a couple of days of leisure tourism activities including shopping, wining and dining, and cultural tourism; and fourthly, to support tourism development among emerging operators in general and in particular in the major township areas of Soweto, Alexandria and Orange Farm. Considering this mandate, the overall budget must also be considered inadequate for the task.

Emerging tourist product owners in Soweto demonstrated very little knowledge of the entire concept of meeting a specific tourist 'demand' through the supply of their product. Furthermore, one of the biggest problems they faced was understanding and accessing markets. Yet the mandate of developing and marketing cultural township products such as those in Soweto sits uncomfortably within the overall mandate and focus of an agency such as JTC: Johannesburg, due to the combination of its violent reputation and lack of natural scenic beauty, is unlikely to ever become a major leisure tourism destination. Its current focus on leisure tourism is the appropriate 'Stay another day!' campaign, aiming to extend the stay of businesses tourists by one day. While this day may well include a half-day tour of Soweto, operators outside of the township who are linked to the large Sandton hotels and guesthouses generally organize such tours. Thus local value added is limited to craft sales and possibly lunch at one of the few tourist focused restaurants because these business travelers, already settled into accommodation elsewhere, are unlikely to move to take up the chance of one night's accommodation within the township. And while events tourism within the township holds more potential for local value extraction, major events are at present extremely sporadic.

SATourism markets the country as a destination in its entirety. Provinces, however, conduct independent international marketing that is often in competition with one another. Such competition is counter-productive as it limits both the development and marketing of inter-provincial product packages. The Mpumalanga Tourism Growth Strategy (CHL, 2007) highlights the gap in tourism packages that cover key attractions in Gauteng, Limpopo, Mpumalanga, KZN as well as neighbouring Mozambique and Swaziland.

Furthermore, at the levels of national and provincial marketing efforts, there appears to be a lack of linkages between these agencies and the actual products on the ground. Thus marketing does not appear to be solidly based on the quality and range of the product profile on the ground. Related to this issue, research participants complained of the lack of a system of feedback from market research conducted by SATourism. Potential investors and entrepreneurs struggle to get accurate information on market trends, potential market gaps and actual unmet product demand, which in turn restricts innovation and proactive investment.

The spree of place name changes in South Africa over the past decade has had a negative impact on the tourism industry, with established destinations having suffered considerably because of this: With each name change, maps and signage become outdated, demanding considerable amounts of money and time to rectify. Additionally, all the investment that has previously gone into the branding of a destination is essentially wasted, as people cannot associate the 'product' with the new name.

Cultural tourism

As the development of cultural tourism – with its promises of wealth creation and employment opportunities in areas in which previously disadvantaged people are concentrated – is of great appeal to government, the findings of the case studies in relation to this particular topic are worth separate discussion.

Overall, the research undertaken in Soweto, combined with discussions with tour operators involved in this form of tourism in the Lowveld area and in Cape Town, suggests that the value of, and demand for, this from of tourism may be over-stated.

Demand appears to be concentrated in Soweto and the Cape Flats, linked very closely to the combination of these areas having high concentrations of 'attractions' of historical significance in the national struggle history[16], as well as housing the country's two major international airports. These factors result in townships tours being either the first or the last thing on the tourist itinerary. Tourists whose tours start with township tours are more likely to be fearful and thus considerably less likely to interact with locals. This is likely to be the converse for 'end-of-trip' visitors. Notably all foreign independent tourists encountered in Soweto were 'end-of-trip' visitors.

In the area between Nelspruit and Hazyview only two operators offered township tours, with both indicating that demand was generally very low. On the whole, clients of these operators were foreign independent travelers who had already been to either Soweto or the Cape Flats and wished to compare rural township life to the urban township life they had already seen. Lacking in any particular 'struggle history' attractions, these tours tended to focus more on the daily life of township residents and included visits to local public service providers such as schools, police stations and clinics; visits to local the chief with time set aside to discuss township and community life and leadership; and a meal at a local restaurant or shabeen. On Saturdays visits are extended to include watching sport on TV with the locals at these hospitality establishments.

The national operator who arranged individualized township tours in both Soweto and the Cape Flats revealed that the latter tended to have a duel focus on the struggle history as well as general township life, and that a number of products on offer there – for example lessons in African traditional cooking together with the sale of local recipes – were not on offer in Soweto. Supporting this, JTC indicated that Soweto needed to diversify its product from having a narrow focus on the events of the past, on violence and oppression, and balance this history by becoming a multi-attribute destination equally presenting the picture of an emerging city and the birthplace of urban African culture.

That the overall value extraction of tourism to local residents, as determined by the average tourist direct spend in Soweto on products such as accommodation, meals, crafts etc, is very low compared with the total number of tourists that visit the township, is a cause of resentment among some residents and product owners, particularly accommodation owners. Part of this resentment is the result of a lack of understanding of market demand and partly the result of high but unrealized expectations based on government publicity. As this township does have both the location and attractions to actually pull international tourists by the thousands and yet many of its product owners are still struggling, it seems unwise over the long-term to perpetuate unrealistic expectations of the value of township tourism for townships nationwide

[16] The average tour of Soweto will include a visit to the Walter Sisulu Square of dedication in Kliptown (formerly called Freedom Square) and the Regina Mundi Catholic Church; a drive past Baragwanath Hospital, the Mens' Mining Hostels, Archbishop Desmond Tutu's family home, Winnie Madikizela-Mandela's house; visits to the Hector Pieterson Memorial and the Nelson Mandela Family Museum; and a meal at any one of the restaurants Wandi's, Ubuntu Kraal, Sakumzi's or Nambita's.

that are essentially no more than residential areas whose concentrations of poor inhabitants serve as a bland reminder of discriminatory Apartheid spatial planning.

Other than township tourism, the Shangana Culture Village is located just outside of Hazyview and attracts between 100 and 200 guests six nights per week for its evening culture festival. This festival includes a visit of the Marula Craft Market, a visit to a traditional healer, a visit to the chief's kraal, viewing a traditional dance depicting the history of the Shangaan people, interactive dancing and drumming sessions, and a large and well prepared traditional meal. Guests generally enjoyed 'seeing the happy natives dance' and operators indicated that this was among the best of the cultural villages. One guide did however admit that her guests were sometimes concerned about the fact that people's lives were on display, but that she explained to them that by supporting the initiative they were not only supporting the direct jobs of over 100 people, but were also contributing to the preservation of traditional culture for future generations. [17]

This concern, along with those voiced by the Danish couple at Apartheid Museum (Table 32) and a number of foreign tourists encountered during the course of this research, indicates that demand for cultural tourism is nuanced. Many considered the entire idea of cultural tourism 'demeaning' and did not want to associate themselves with what they essentially saw as either 'game viewing' of people from bus windows, or the placing of personal lives on display for money.

One form of 'cultural tourism' that is not on offer in South Africa and for which an operator indicated she had received an enquiry, was that of 'home-stays'. The request came from a Dutch teacher who wanted to arrange a trip for school children from Amsterdam so that these spoiled youngsters, by experiencing real township family life and poverty, could begin to understand the privileges of living in Western Europe. This form of tourism product is apparently common in countries such as Kenya and Tanzania.

Entitlement

A serious threat to the expansion and even maintenance of the tourism sector is the emergence of widespread feelings of 'entitlement' among unskilled and semi-skilled workers in the industry and among emerging tourism sector participants. This was evident for both case study areas despite substantial differences in the nature of tourism development in each.

While feelings and attitudes of 'entitlement' nationally have grown off the back of minimum wages unrelated to productivity, and affirmative action and black economic empowerment policies more generally, within the tourism industry itself, these are compounded by the unrealistic expectations that government has created around the sector's ability to grow and provide sustainable employment for thousands of unskilled and semi-skilled people nationwide, along with its highly advertised and relatively non-discriminate and non-strategic support to emerging entrepreneurs within the sector[18]. While all these interventions have been motivated by a desire for restitution for past discrimination, the negative unintended

[17] The long-term sustainability of this 'authentic' attraction, which really does have as its base the goodwill and willingness of almost an entire family to live virtually in the public eye, to be available every hour on the hour for day-time tours, and each evening for the performance of the same show, must however be questioned.
[18] Individuals within organisations such as JTC and TEP report being frustrated by working in an environment that is torn between having to support government's political hype of the sector's ability to create employment and absorb low skilled people in order to access the related funding from this channel, and between communities' unrealistic expectations created by this hype and the reality of market demands.

consequence for the tourism sector is a cadre of workers and new 'graduates' who have unrealistic expectations of direct support and personal gain with little willingness or enthusiasm to actually work or to serve others with any passion.

Such feelings of entitlement work together with a number of other factors to produce an extremely weak culture of service, limit innovation and pro-activity in understanding and meeting market demands, limit general productivity within the sector, and limit the overall growth and employment prospects of the sector. These other factors include the following:

- Many low and semi-skilled people come into the sector merely for the sake of having a job (more accurately a salary).
- Low levels of skills and life experience limit many workers' ability to see the direct linkages between their own service levels, business sustainability, and their salaries[19].
- Criticism of poor levels of service is considered by many workers to be criticism of African culture[20].
- Many people who present with 'ideas' – even if these are not original and not aligned to market demand – insist on assistance and wait for this to be presented at every step.
- Many of those who receive assistance under-report on their successes in order to continue qualifying for such assistance, with full independence and business sustainability not seen as a desirable goal.
- Many emerging product owners consider all 'tourists' (read only white foreigners) to be rich and willing not only to buy, but also spend a lot of money for things, regardless of whether they like or need it.

In Soweto, where few people are 'employees' of the sector and most 'employers' are black, the negative impact of 'entitlement' can be seen in factors such as the under-reporting of monthly turnover figures among the B&B's in the Southern Sun 'Adopt a Guesthouse' support programme; that the recipients of fully sponsored training initiatives arranged through this same programme often arrive late and sometimes not at all; that regardless of the relatively high levels of support given to certain enterprises, many still argue that '*not enough is being done to help us – government should do more*!'; the widespread feeling that only local Soweto residents should have the right to guide in the township; and the idea from many of the local tour operators, B&B owners and craft sellers that tourists to the township should be '*forced to spend the night*' '*forced to have a meal'*, '*forced to buy crafts*' or otherwise be submitted to some form of tax or toll fee for accessing the township.

In the Hazyview area, where emerging industry participants are few, employers argued that 'entitlement' emerged most clearly in relation to extremely low productivity levels and

19 Both representatives from Southern Sun Adopt-a-Guesthouse programme commented that while it is relatively easy to teach hotel entry level employees and even emerging entrepreneurs 'what to do' (i.e. the technical skill), many of them find it almost impossible to grasp the 'why we do it' because of their lack of general knowledge and life skills, and their limited range of personal exposure to being a tourist. Inconsistency of performance stems from the inability to see the chain of connections between consistent good service resulting in repeat business from existing customers, new customers from word-of-mouth recommendation, business growth and sustainability, and security of employment within the business. This same issue was raised by the new manager of a tourist-focused restaurant in Hazyview.

20 One of the representatives of the Southern Sun Adopt-a-Guesthouse programme stated that it was very important that she was a black female as guesthouse owners took criticism from her in respect of the quality of housekeeping and service levels that they would reject from a white person as being a racially discriminatory and a criticism of African culture. Supporting this, the new white manager of a Hazyview restaurant indicated that her justified criticism of poor hygiene and service levels was taken by staff as cultural criticism of, and racism against, the all-black kitchen and waitron staff.

workers trying to get away with as little as possible. Residents semi-jokingly refer to the town as 'Lazyview in the Slowveld'. The black skills development officer for KNP admitted: *Here people need an 'extra incentive' to provide a decent service – their salary is what they deserve for coming to work.*

Notably, owners of the most successful emerging enterprises in Soweto[21] do not have attitudes of 'entitlement' and have worked proactively, and largely without assistance, to make their businesses successful.

Industry demand for 'attitude, passion and experience'

Industry's outspoken disregard for the value of THETA and its qualifications to the skills supply of the sector emerged clearly in both case studies. While all three of the parties in the SETA training model – THETA, tourism training providers and the various sub-sectors of the tourism industry – have been blamed respectively and in detail for their contribution to 'skills' shortages, this research suggests that the real crux of this conflict has not yet fully been grappled with. Within the literature the only comment on this foundational issue is that of the Global Competitiveness Project report (Monitor, 2007), which points out the lack of a common language between training providers and industry in respect of the skills required (discussed under the heading *Scope and quality of accredited training* in Chapter Four of this report).

Internationally, having a 'qualification' represents not only a formal statement of what an individual knows or can do, but in order to be considered 'valuable' also needs to be a form of currency. In this latter sense a qualification of value is one that can secure employment for an individual by standing as relative surety of the exclusive potential value-added that only such a 'qualified' individual can bring to an organisation through the consistent, considered, determined and appropriate application of the skills they acquired in the process of attaining the qualification. Across all occupations, suitability for employment is however not only a function of knowledge and practical skills but also, to a greater or lesser extent, a function of the personality, character and disposition of the individual. Coherency between all these for successful employment in certain sectors and specific jobs is increased through factors such as career guidance counseling, access to the information required to make an informed choice, and the freedom and possibility of exercising such choice.

With this as a basis for determining the 'value' of qualifications, industry's arguments can now be considered.

First, the technical sector specific skills imparted to learners in most THETA accredited qualifications are generally low level and are by no means exclusive to these qualifications. Lack of exclusivity is partly the result of the low level of skills, but more directly the result of the fact that most people develop them to a greater or lesser extent merely through engaging in activities of daily life (such as cleaning their own homes, making their own beds, cooking their own meals, entertaining their own friends, and organizing their own lives). Lack of exclusivity severely limits the value of qualifications that teach these skills.

Second, despite lack of exclusivity, one might argue that a low level qualified individual would at the very least represent value in that they require less time and input than the in-house training of unqualified individuals with partly developed skills would demand. The reality

[21] For example Lebo's Soweto Backpackers (see Box 2 at the end of this chapter), Wandi's Restaurant and Guesthouse, Sakumzi's and Nambita's restaurants.

however is that there are costs involved for individuals in the acquisition of formal qualifications, not only the cost of training and transport, but also the opportunity cost of not working during this time. Thus even individuals who have not paid for their own training demand higher wages than 'unqualified' counterparts. Lack of exclusivity combined with a demand for higher wages by qualified individuals alters the cost-benefit balance for employers and acts as a disincentive to the their employment.

Third, in respect of many of the qualifications within the travel and tourism sub-sector, the value of qualifications is limited due not to lack of skills exclusivity, but rather due to the disjuncture between the impact of rapid advances in information technology and the internet on foreign exchange systems and travel bookings, and the extremely slow process of getting unit standards of a qualification approved with SAQA. This results in new graduates entering the labour market with outdated skills. Thus even while a portion of the skills within the qualification may represent value, these critical missing elements mean that regardless of the qualification substantial employer input and training will still be required. Again, as higher wages enter the equation, employers will either consider training somebody in-house or hiring someone who has the qualification as well as additional work experience through which they may have gained the additional necessary skills[22].

Fourth, employers report that current THETA qualifications provide no surety that the holder will apply their skills in a consistent, considered, determined and appropriate manner. Other than the issues of entitlement outlined above, many factors underlie this problem. While it may be relatively easy to teach someone 'how' to do something (basic skill), it is considerably less easy to teach them 'why' it is done. Being able to understand why something is done is determined by having in place basic foundational, cognitive, generic and life skills, imparted through a combination of the systems of school, family and society, and developed over many years. Truly understanding the 'why' is necessary in order to: produce consistency in application[23]; prevent inflexibility in application[24]; know when it is appropriate to apply the skill and when not; be able to anticipate the need for skill application and pro-actively apply it; and to ultimately graduate from supervision to independent work[25].

---

[22] In the spaza shop across from the Hector Pieterson Memorial in Soweto works a girl with a Diploma in Travel and Tourism. She indicated that it is her cousin's shop and that she works for him sometimes as she has not been able to find a job on account of the fact that her qualification did not include training on the current international on-line travel booking systems, Galileo or Amadeus. To undertake a qualification in this programme she will have to pay large additional sums of money to a private provider, and she is not able to afford this.

[23] A guest at one of the up-market Sabi Sands lodges in the Lowveld area adjacent to the Kruger National Park indicated that despite the high prices, overall service was let down by a lack of knowledge among cleaning staff of why particular things had to be done: not only had he picked up athletes foot due to inconsistent use of disinfectant in the shower, but was one evening forced to dry himself with a hand-towel after a shower, and found the very last block of toilet paper on the roll folded to a corner with a sticker!

[24] A restaurant manager in Hazyview commented that upon enquiring with the bar staff why a particular customer (who was by that stage very annoyed) had had to wait 25 minutes for a cocktail to arrive, she was informed that the reason was that they had run out of the glasses for that particular cocktail. It had never occurred to the barman that the use of one of the other very similar glasses that were available was preferable in this instance to making the guest wait for her drink.

[25] The same Hazyview restaurant manager noted with frustration: 'If you ask most "unskilled" people working in the hospitality industry what they should be doing they will be able to show or tell or you easily enough. Yet still they do not apply what they know with any consistency! … They don't ever seem to be able to see that something they are able to do needs to be done! … Perhaps they don't really understand why they are doing it, but I think that attitude problems and feelings of entitlement … are the cause of inconsistent compliance. … It is not possible with low-level staff to assume that things they know should be done, will be done – you still have to check everything!'

The shortcomings of learning basic foundational, cognitive, generic and life skills through the systems of schooling, family and society in South Africa are however well known, with school leavers and unemployed youth disadvantaged against those who have at least had some form of work experience, regardless of its nature. THETA qualifications have tended to focus on the former group, and in trying to cover both elements of the lacking foundational skills as well as some occupationally specific skills, have generally succeed in achieving neither: Industry representatives argue that the technical skills levels of graduates are low compared with the length of time taken to undertake the qualifications and that graduates can still not be trusted to perform consistently, appropriately and pro-actively. Training providers on the other hand argue that these latter factors are dependent on the presence of non-technical skills, the focus on which, despite taking up large amounts of training time and cutting into the time for technical skills training, is still insufficient to make up for the massive deficiencies[26]. Along the same lines, industry argues that if these foundational skills had indeed been transferred though the correct channels, the cost of development of such skills would have been carried by society as a whole and that there would be no wage premium attached to them or to their attempted development within supposedly sector specific qualifications[27]. Furthermore, if the challenges of national foundational skills development was addressed, the value of sector specific qualifications would increase exponentially as the bulk of learning could focus on sector specific skills and people would be in a position to truly grasp the 'why' behind the 'what' and 'how'.

The fifth issue is one that also has a substantial impact on the consistent, considered, determined and appropriate application of technical skill, and applies equally to those emerging with THETA qualifications as to those who are already working in the sector at various levels. This issue is that in South Africa a large array of factors are currently combining to break the cohesion between individuals' personalities, characters and dispositions, and the sectors they work in or prepare to work in though the process of qualification acquisition. For the tourism sector, the case studies revealed evidence of the following factors:

- There is a general lack of participation in the tourism industry by the vast majority of South Africans, particularly those from disadvantaged backgrounds, with few people from these groups entering the sector with much personal experience or understanding of its unique demands.[28]
- In many areas there are few other opportunities for employment.[29]
- Government hype around the sector serves to create a disjuncture between expectations and reality of tourism sector work.[30]

---

[26] The trainers at Untamed Africa Training Academy indicated that, realizing how little impact the fundamental components of the Nature Guiding Learnership would actually have on the eventual improvement of leaner foundational skills, they did only the minimum that was required for learners to pass these 'Micky Mouse' unit standards, and instead focused almost all their time and energy on the unit standards that would actually be valued by industry within the workplace.

[27] A manager within the Southern Sun group's training and development department commented: 'It is unacceptable that a person that emerges from a year long qualification in Food and Beverage Service can still be less 'qualified' to work as a waiter than the student with some travel experience, a good Matric, confidence, and a week of in–house training'.

[28] None of the B&B owners in Soweto that were interviewed as part of this research had ever meaningfully participated in the sector or stayed in a B&B prior to their decision to enter the sector. There was also no indication that this has changed since entry into the sector, despite having been into many such establishments as part of their supported training.

[29] Formal employment in the Hazyview area is difficult to find, and most of what is available is either within the agriculture or tourism sectors.

- There is a general lack of career guidance opportunities.
- The availability of funding for training is limited both generally and geographically to only certain qualifications.
- Many young people in South Africa are generally demoralized and, having little vision, will take whatever life presents.[31] [32]
- Poor quality of school education restricts learners from accessing careers that would better suit their personalities, characters and dispositions.
- The stipend of the Learnership system lures unemployed youth who have little concern for more than a monthly income and no inclination to refuse an opportunity even if they know that they have no passion for or desire to work in the industry in the long term.
- Unscrupulous training providers who charge a lot for their services but who have little concern for industry demands, recruit unsuitable individuals with promises of high returns for their large investment.[33]
- Limited opportunities for training and support are in some instanced distributed in non-transparent ways to inappropriate individuals within communities due to the power and political considerations of community leaders and local government officials.

Together these factors result in either tourism sector workers or learners being unaware of the mismatch between their personality, characters and dispositions and those demanded by the sector, or being aware of this but feeling that they have little other choice.

The impact of this mismatch is profound and appears for be one the root causes of confusion in the skills development argument. Descriptions of the required personalities, characteristics and dispositions demanded by industry include the well known calls for: passion; honesty; enthusiasm; commitment; pro-activity; a positive attitude; the ability to learn from experience; the ability to deal with criticism; confidence in verbal and non-verbal communication; and being a 'people's person'. These are considered to be highly valuable not only in and of themselves[34] but also due their ability to pave the way for the learning or internalization of technical skills and promotion with the industry[35] [36] [37]. The confusion appears to be arising

---

[30] When asked if she was discouraged about the fact that she had not managed to find employment in the tourism sector since achieving her Diploma in Travel and Tourism, the girl working in the Soweto spaza shop across from the Hector Pieterson Memorial in Soweto answered: 'No, I am just waiting. 2010 is coming!'

[31] At one of the B&Bs in Soweto, the owner had her cousin's unemployed daughter (aged 25) 'helping and learning'. This girl clearly had very little enthusiasm for serving, was extremely shy and had poor communication skills. On questioning it emerged: that she had had no formal employment since leaving school; that both her parents had recently died of chronic illnesses; and that she had no personal dreams or aspirations and no desire to live past the age of 45. Helping in the B&B was just better than doing nothing at all.

[32] The Sabi Sands lodge manager spoken to outlined a robust internal training and mentoring system that would allow people with some natural ability, passion and determination to progress from positions such as cleaners and gardeners to waitrons, guides, and various levels of chefs. Yet despite this, around 80% of their staff consider the work 'just a job' and have indicated that they are not interested in making use of opportunities to improve their skills levels.

[33] In the Hazyveiw area product owners indicated that a number of local 'Hospitality Trainers' had emerged in the surrounding settlements, and were charging hopeful tourism sector entrants R5000 for a 3 months training that was not worth anything to industry at all. A number of hand-written signposts along the main roads in the surrounding settlement areas provided confirmation of this unfortunate situation.

[34] The manager of a Sabi Sands resort commented: 'In the hospitality industry qualifications are not really that important – it is about who you are as a person!'

[35] A member of a number of national industry boards and associations commented that: 'Those with passion for the industry will learn from every experience, those without it will never learn or internalize training'.

[36] The chairperson of Sotoda admitted that while people have received training, they fail to implement what they have been taught. For example, despite training on how to answer a business telephone, most accommodation owners still simply answer 'Hello', without indicating their own name or that of their accommodation

from the fact that while industry considers these to be 'skills', most are in fact not skills in the sense that they can be imparted through a training institution, or measured as achieved outcomes against specific levels of competency. They are instead the result of natural individual qualities developed and refined through a variety of life experiences.

Thus the sixth point relates to industry's incessant calls for 'experience' as a prime lever for employability despite seemingly growing annoyance at this request among graduates, training providers, government support agencies and government itself.

In the light of the above discussion it is however important to consider the following:

- Where qualifications fail to provide the full ambit of up-to-date technical skills and a premium is still going to be demanded for the employment of such a qualified individual, 'experience' serves to fill such gaps in the qualification and so ensure that the wage premium is worthwhile.[38]
- Where foundational education and generic skills levels are unable to support an understanding of the 'why' behind the 'what' and 'how', experience, together with its assumed additional on-the-job training and mentorship, serves to fill some of this gap.
- Experience with working in the sector also provides some assurance to employers that potential employees actually have some realistic understanding of its demands and are therefore less likely to leave within a few months as realization of long hours and difficult customers becomes a reality.
- Industry also uses the word 'experience' to describe not only having worked in the sector in the past, but also having personally experienced the workings of the various aspects of sector. In other words, another key aspect of experience is having actual or similar experience of what it feels like to be tourist: of the excitement and anticipation of planning a holiday or journey; of saving for it and wanting value for money; of facing the challenges of acquiring a visa; of the fear and anticipation of arriving in a strange destination; of having jetlag; of having your luggage lost or stolen, or of having it delayed at an airport; of struggling to access foreign currency and of having to make and receive electronic payments[39]; of not being able to understand the local language[40];

---

establishment. This confirmed personal experiences during the process of accommodation reservation for the fieldwork in Soweto.

[37] JTC argues that some Soweto entrepreneurs are on a number of agency databases (e.g. TEP, GTA, GEP, JTC) and are receiving the same training form due to lack of coordination of training efforts. Yet despite this it does not seem to actually help at all.

[38] The newest recruit to the Big Five Country Tourist Information office in Hazyview has a Diploma in Retail Travel from Damelin. Unable to find work due to lack of 'experience', she decided to do some voluntary work. This lead to a job offer in a small town about 3 hours from Durban, where she had grown up and studied. Based on the experience gained in that job, she had been able to get this job. Thus the 'experience' gained from both voluntary work and being willing and able to move to take up a first job in a small town allowed her to break into the labour market.

[39] While the use electronic services for payments are considered almost standard for tourism services, many emerging sector participants have very little personal experience of this. One tour operator in the Lowveld commented that on a number of occasions he had lost income due his guides accepting expired credit cards. On the opposite extreme is the fear of credit card fraud resulting in a general suspicion of electronic payment of for services and thus a reliance on cash – as was evident among many of the Soweto B&B owners. This serves to limit their involvement in the sector, particularly when being unable to secure advance bookings, tourists search elsewhere for accommodation.

[40] A high-level guiding sector stakeholder in Gauteng, noted with frustration that while THETA has made some efforts to increase the number of guides speaking foreign languages, the recent training efforts did not even train fully qualified national or provincial guides but those who had qualified at the site guides level. This severely limits their usefulness to the tourism sector in general. Additionally limiting, is that one of the groups was not taught French about the topic of tourism in Africa, but rather French on the topic of Tourism in France!

of the relief of receiving good service and having your needs anticipated; and of having people be interested in hearing about your country and sharing with enthusiasm the things they love about their own.

Finally, what most concerns industry is that despite a supposed focus on the development of skills for the sector, none of those within the sectoral governance or skills development frameworks actually seem to be making any effort to actually hear, understand and respond to these challenges. Certain individuals working within these organizations lent weight to industry accusations by agreeing that a large part of the difficulty was the fact that many of the people working within these organizations are also passionless, visionless, unenthusiastic and inexperienced[41].

In summary, without disregard for the critical needs and high levels of respect for particular qualifications designed for the tourism and hospitality sector, this section has sought to present a fuller picture of the reasons underlying the conflict between industry and THETA, its processes, qualifications, and its training providers. Overall industry places most value on specific aspects of individual personality, character and disposition. When these bring together the qualities of honesty, confidence, passion and commitment, employers are prepared to excuse even lack of experience as these are considered to make learning easy and training a pleasure. In light of scarcity of such individuals and the general dearth of foundational, cognitive, generic and life skills, 'experience', and all that this entails, is considered to be the next most important factor for employability. Overall, individuals with THETA qualifications represent a group that as newcomers to the industry show no significant advantage over unqualified individuals in respect of experience and personal characteristics, and conversely have more demanding wage and other general expectations. And for the same reasons that industry is reluctant to employ them, they are also unlikely to succeed in self-employment.

Skills for successful guiding

While most jobs within the tourism and hospitality sector do not have a strict requirement for any formal qualification or registration, this is not the case for nature and culture guides. Persons within these occupations by law have to have both some form of recognised qualification and be registered with THETA. The nature of the qualification relates directly to the nature of the registration and the scope of practice allowed. Thus this sub-sector deserves specific mention.

Through direct and relatively personal interaction with tourists over periods of time that span a few hours to a number of weeks, culture, nature, site and adventure guides are in reality among the most important sector ambassadors, and critical in generating positive word-of-mouth referrals for the long-term sustainability of the industry. It was however generally argued that the wide range of skills required to be a successful guide are not addressed through the current system of training and accreditation, with both wasted resources and missed opportunities evident.

It may be possible that even relatively highly skilled and successful individuals within hospitality sub-sectors such as cooking and cleaning can get away without having most of the

[41] A representative of JTC commented that even if agencies and government departments could find people with passion for the industry, it would be difficult for them to maintain this in the face of the cadre of passionless top management. A well-respected private tourism and hospitality training provider in Gauteng argued that: 'THETA will never work! Not because of what it is, but because of who is there!'

desirable personality, character and disposition attributes. This is however not possible in successful guiding. Personal characteristics such as personal time management, responsibility, accountability, enthusiasm, pro-activity, being able to anticipate needs and deal with customer criticism, are all essential.

On top of this, successful guides need to have a full package of skills that range from the general to the sector specific. Critically they require subject specific knowledge so as to pass on accurate information to tourists. A good command of particularly English is critical for interacting with tourists and fending questions that are not restricted to the natural, geographical and cultural facts imparted during training, while foreign languages skills are highly desirable. Guides also need to have a broad general knowledge of local and international issues, and to be able to communicate confidently both verbally and non-verbally. ‘Finishing school’ type skills are critical: knowing when and how to greet people; having acceptable table manners; having good personal hygiene; having suitable dress and appearance; and having an understanding of issues such as respect for personal space and appropriate volume of speech. The advantages of having some first hand travel experience assists in general social interaction and allows for proactive anticipation of tourist needs. Some understanding of varying preferences among different cultural groups also assists in maximizing tourist experiences even in the face of set itineraries[42]. Knowledge of the local geographical area and practical numeracy skills are vital for developing and sticking to schedules[43]. Finally, being a competent and responsible driver is a prerequisite for many forms of guiding and essential for tourist safety and the management of expensive company vehicles.

Outside of the general challenges already discussed in the sections above, a few issues need highlighting. Despite success in terms of the requirements of the guiding qualifications, many black guides lack elements of this full package of skills, with poor/lack of driving skills, poor communication skills and poor personal presentation skills being the most critical barriers to employment[44] and the most concerning for the industry[45]. On account of this, many black guides who are qualified and registered as culture guides at provincial and national levels, ‘withdraw into the townships’ and conduct local tours or site guiding. This results in an oversupply of township guides and a corresponding shortage of adequately qualified and practicing black national and provincial guides.

The current system of guide qualification and registration also reveals a number of gaps:

---

[42] For instance one operator pointed out that German people appreciate a well structured itinerary that is strictly adhered to, that Latin people appreciate an extended time allocation for meals and shopping, and that most Japanese tourists appreciate efficiency and the maximisation of the experience.

[43] For instance, a guide must be able to calculate: If I need to get to Lodge/Hotel X by 5:00am in the morning traveling from the office where I need to collect the vehicle, and the distance between the office and the lodge/hotel is A, and the road quality is B, and the speed at which the vehicle can move is C, what time do I need to leave the office to be there on time?

[44] Untamed Africa Safari’s and Training Academy has qualified about 100 black nature guides over the past two years as part of the relationship it has with the local community whose land it has won concession rights to. These were all elected by the community with no input from the training provider. The owner reports that many of these students undertake their driver’s qualification at the same time as the guide training and then also opt for Code 10 instead of Code 8, as the former does not include complicated parallel parking requirements. Of those qualified, roughly half have found jobs in guiding in the local area. The unemployment of the rest relates to the fact they lack confidence and communication skills, are intimidated by foreigners and driving skills.

[45] During the week of this research a young black female nature guide overturned an open safari vehicle full of tourists in KNP while driving at 50kmph – the first such accident in the park that anyone in the local industry could remember. While none of the tourists were seriously injured, the guide lost her leg in the accident. Local industry was horrified that such an incident should be allowed to happen.

- There is no standardization of training content for specific areas and trainers struggle to access updated information, even on new and strategic developments such as Dinokeng by Gauteng's Blue IQ. These projects thus miss out on valuable marketing opportunities.
- The concept of 'site' for site guides has not yet been defined and thus limits their training, registration and use. As this form of guiding represents the most significant opportunity for previously disadvantaged groups and there are furthermore indications of unmet demand in this area, many formal employment opportunities are being missed.[46]
- The delays on the development of the unit standards in 'rifle handling' – necessary for nature guiding on foot in big-five nature reserves – is causing considerable frustration at industry level as insurance companies will not insure 'unqualified' guides.
- The lack of clear registration and/or qualification guidelines for adventure guides is currently restricting this industry. River-rafting guides are currently only registered per 'site' or river with the African Paddling Association, making the development of guided 'package tours' virtually impossible.

High level strategic management skills

The dearth of high-level strategic management skills across the sector, and in particular black management skills, emerged as a finding from all other studies and was discussed in detail in the previous chapters. This research supports these findings, suggesting that the most critical shortage is not within industry itself, but rather within the various government departments and supporting agencies tasked with providing the sector with strategic direction[47]. A reason for the lack of such skills is that the sector generally attracts low and semi-skilled people at the entry level and that there are few – and then only undergraduate – qualifications within the HET band. Managers that have advanced to this position within the sector thus generally lack high-level qualifications and their related skills. On the other hand, highly qualified managers recruited to the sector from other sectors lack the intimate knowledge that needs to act as a context for the appropriate use of their management skills. In addition to this misalignment, the same challenges facing the industry in general – lack of experience, commitment and passion – are considered to be a key reason for fragmentation, competition, high staff turnover[48], and the interference of personal political agendas at the industry leadership level.

The development of a cadre of managers who not only have high-level strategic skills, but also have a passion for the industry and personal experience of it, is critical for taking the sector from being back-footed and reactive to being front-footed and proactive. For political reasons these managers must be black, which complicates matters considerably due to the historically low levels of involvement of black South Africans in the tourism sector.

[46] While the Hector Pieterson Memorial is considered to be 'self-guide' within 45 minutes, the real time required is significantly longer if all displays are to be read. Tour operators as well as the cashier at the memorial indicated that there were many requests for site guides to reduce the time and to increase interaction levels.
[47] One Johannesburg based training provider commented, 'Government is supposed to be leading the development of the sector, but neither national nor provincial level governments have visionary committed champions!'
[48] A number of key staff members at supporting agencies indicated their intention to search for alternative employment. One commented: 'I am tired of working in an organisation that is full of political tensions and personal interests, and where it is difficult to actually get anything done!'

When all good things come together …

Despite all the challenges outlined above, positive findings also emerged. Lebo's Soweto Backpackers provides a good example of where all the various ingredients for success lined up to produce a tourism product whose development has not only been empowering to the owner, his friends and family as he has moved from an informal tourism operator to a formal product owner, but has also succeeded in creating both temporary ad-hoc as well as permanent jobs in the local community, and in contributing to building cross-cultural sensitivity and a more positive and realistic perception of tourism within his neighborhood. The critical success factors that emerge include:

- A proactive individual with a passion for learning, past informal experience of the tourism sector and innovative ideas
- The importance of continued mentorship, in this case from foreign friends
- Preparation of the community prior to the development of the product, and on-going efforts to involve and produce benefit for the local community
- The availability of an existing asset
- Response to a real market gap
- Own travel experience built up over time
- Subsidized training from JTC

Box 2: Lebo's Soweto Backpackers

Through selling crafts outside the Hector Peterson Museum, Lebo met many interesting people on the tours and learned a lot interacting with them. Some of the French and Spanish foreigners staying in Johannesburg for work or as exchange students wanted to come to Soweto again, but on a social and informal basis. Discovering soccer in common, he started arranging some local teams to play against these foreigners. They would come through for games on weekends and stay for braais and dances. The soccer field is just across the road from the house that he grew up in. As people would sometimes stay so late into the night, driving home was unappealing and they would stay over at this home. Many told Lebo that they wanted to pay him for this service, and they wanted to be able to refer their friends to come and stay as well. So the accommodation started growing. First just with the 2 rooms inside the house and then later with the conversion of the outside rooms. This was between 1999 and 2003.

These foreign friends soon started inviting him along with them whenever they went away for weekends: to Mpumalanga, the Pilansberg and the Drakensburg. Wherever they went they stayed at Backpacker accommodation and so he learned about what a Backpackers looks like, how it is run, the types of activities it offers and its differences from mainstream tourism. So he positioned his accommodation towards the Backpackers market and started offering night tours of the local shabeens. In 2004/2005 he first appeared in the Lonely Planet and other French guidebooks as the only Backpackers in Soweto. This boosted business considerably, but many referrals are still word of mouth, while others come though the local free 'Coast to Coast' backpacker guide.

Wanting to expand his offering of tours, he soon started bicycle tours of Soweto. These half and full-day tours have been extremely successful from both a tourists and community perspective as it allows the tourist to interact with the locals on the same level. Often the children will ride with them for a while, and people on the way stop them to chat if they want to ask them questions about the visitors and where they come from.

Lebo has been qualified as a Soweto site guide. The JTC sponsored this training. Informally he passed on what he had learned to his brother and a friend. They rotate the tour guiding between them and he encourages them to build individualized tours around the key sites and basic facts: they must tell the tourists their own stories about living in Soweto and the people here; and they must adapt and add to their routes every year. This will allow them to keep telling the stories with enthusiasm and will allow different areas of the township to benefit from the tourism. Lebo feels that sometimes having a qualification stops people from being innovative and stepping out of the box: the guides at the Nelson Mandela Museum are all trained but they provide a very boring service to tourists. Many of the other guides that tourists to Soweto are not from the township and so cannot tell the story beyond the bare facts. Tourists want the bare facts, but they also want more – to be able to feel what is authentically local and to meet real people.

In the process of building up this business, it has been very important to make sure that the community is ready for this – their support is critical for the tourists' safety and enjoyment. The long process of soccer with the foreign people and the parties and braais helped pave the way – local people started to see that whites and foreigners are not so different and not superior. This assisted in breaking down barriers and false perceptions. In order to maintain community involvement, the Backpackers organises a Fun Day each year for local children and soccer teams. They play soccer, get jumping castles and put together sweet packs. They also try to arrange sponsors for this event and advertise it on the backpacker website and to local and regional sport groups. So many people come and it brings the community and outsiders together. It is arranged on the soccer field opposite the Backpackers. Also, as many guests have Soweto as their last stop before flying home, they are encouraged to leave behind any unwanted clothing and other items for redistribution into the community, and to spend their last cash and fill up their weight allowance on local crafts. He wants to get a good scale so that they can weigh their luggage accurately.

Maria was a Swedish exchange student at UKZN in Durban doing courses in political science and development studies. She first travelled to Soweto as a backpacker. She and Lebo developed a special friendship and kept in touch. After returning to Sweden to complete her degree, she has come back to this year for an indefinite period as his life partner. She is working and living with Lebo full time at the backpackers. They have plans to expand and possibly to register an NGO through which to conduct their community development work to get access to sponsorship. She does not know how Lebo managed before on his own as it is really busy most days.

As of this year, Lebo has also employed two members of staff full time to assist with housekeeping, car and bicycle washing, gardening, making fires and cooking dinners. Renovations, extensions, refurbishments and painting jobs also demand extra hands, which they obtain from community members as necessary. Lebo is well respected in this community, but he is very active and gives a lot back. He knows that only such a relationship with the community allows the Backpackers to function properly.

Since starting this business Lebo has also had the chance to travel internationally – he has been to France, Spain and Sweden (to meet his Maria's parents). Wherever he goes he tries to do marketing at the same time – both of South Africa in general and of his backpackers. The trip to Spain was a prize for a competition on YFM. He got to broadcast live from Ibiza island and also did some marketing that way.

Running a Backpackers is not so much a job as a way of life – it demands much more than running a B&B. While you don't have to cook breakfasts, you do have to be around all the time, create the mood, arrange tours, answer questions, arrange for dinners for those who request it, and arrange transfers and pickups. A backpackers is what it is because of the owner/s.

CHAPTER SIX: SYNTHESIS AND RECOMMENDATIONS

As one of the labour intensive non-traditional tradable goods sectors, which furthermore has a number of potentially pro-poor characteristics, the development and growth of the tourism industry is important to South African national economic and employment growth targets. In support of its identification as an immediate high priority sector within governments' AsgiSA policy, this sector study of the South African tourism sector has essentially sought to answer one key question for its client, the Department of Labour: '*Are skills shortages constraining growth within the tourism sector?'*

In doing so, however, it has been necessary to consider a number of aspects of the sector: its recent performance; the profile of its participants and governance cluster; the range of factors impacting on its growth; as well as the specific issue of sectoral skills, in terms of demand and supply, and the match between these. These various aspects were considered and discussed based on evidence from the literature as well as from primary sources. Together paint the following picture:

Since 1990, with the lifting of international sanctions, the tourism sector in South Africa has demonstrated significant growth. Foreign visitor numbers have increased from roughly one million arrivals in 1990 to 8.4 million arrivals in 2006. And while the majority of this growth is related to increased land arrivals from neighbouring states, arrivals from Europe contribute a significant proportion. Due to the absence of reliable sector data, GDP and employment figures available for the sector are estimates, and furthermore demonstrate wide variability. It is however generally accepted that tourism's contribution to GDP has increased roughly threefold since 1994, with the estimated Rand value in 2005 being R97 billion (in 2000 prices). In that same year tourism's share of GDP was estimated at 8.78% while its total share of national employment was estimated at 8.6%. While both these figures are lower than they were in 2000/2001, this is due to the even faster growth of other sectors and not to any a reduction in actual sector size. Only with the release of the official TSA tables in 2007 will accurate figures be available.

Notably, government's high expectations of the sector in terms of its future employment creation potential are linked to increases in the number of foreign visitors. Non-transparency in respect of the various aspects of the calculations used to underpin quantitative expectations is however a concern, with a recent critical review suggesting that expectations have been overly optimistic (Lowitt, 2006).

Overall the tourism industry is dominated by small and micro hospitality enterprises. While accurate information is not available and figures vary widely, the most recent estimates suggest a total of 28 000 hospitality enterprises, 6 200 travel and tourism services enterprises, and 3 500 conservation and tourist guiding enterprises. Within all three sub-sectors, the proportion of SMMEs is 97% or more. A myriad government departments (across all three levels), and a wide range of direct and indirect industry support agencies, make up the sector's governance and regulatory framework.

The challenges and potential growth constraints facing the South African tourism sector are the subject of a number of very recent studies. These challenges and constraints appear to be impacting the sector at three key levels: that of realising the desired increased tourist volumes;

that of increasing the value extraction from both current and future tourist volumes; and that of the general sustainability of the sector.

In terms of achieving increased numbers of foreign visitors, and in particular the high-value long-haul holiday tourists from major source markets in Europe, North America and Japan, seasonal limitations in airlift capacity from these major source destinations will need to be addressed. Equally critical, if marketing efforts and increased physical capacity are to be translated in actual tourist volume increases, will be the need to address both the perceptions and reality of crime in South Africa. Together airlift capacity constraints and crime are the most critical factors constraining the growth of the South African tourism sector.

In respect of maximising the value-extraction of the sector – in other words of using tourism as a means to promote employment and achieve improved economic participation and development among the largely unskilled and semi-skilled previously disadvantaged groups – a number of challenges are highlighted. These include the range of structural barriers to transformation; the unequal geographical and social distribution of the sector; the limited levels of product and process innovation; and the complex sectoral regulatory framework and the related high cost of red-tape. Compounding these value-maximisation challenges are the issues that impact negatively on the overall sustainability of the sector: a generally poor quality service delivery compared with international competitor destinations; the poorly developed and inadequate systems of sectoral data gathering and dissemination; the high levels of fragmentation within the industry – both at participant and governance levels; and related to this, the lack of strong, decisive and visionary leadership.

Subsumed within each of these major challenge areas, and alluded to at various levels within the literature, is the notion of inadequate skills and capacity within the human resource base of the sector. The recently published Skills Audit (Prodigy-Grant Thornton, 2007) looked at both the aspects of scarce and critical skills within the tourism sector more specifically, and presents a range of findings.

In terms of the demand for skills the issues of skills gaps and skills shortages largely overlap. Due to both real and geographical shortages employers have limited choice about employing low and under-skilled staff, with this in turn resulting in major skills gaps within the sectoral labour pool and having a major impact on the training needs of the industry. The most important skills needs for the tourism sector are identified as being the following:

- The development and strengthening of a customer service ethic.
- An internalisation by the sector's employees of the importance of tourism (both to individual jobs as well as to the welfare of the wider national economy) in order to promote the projection of a positive image of South Africa and improve visitor experiences.
- Communications skills (including comprehension, coherency and non-verbal skills) as well as communication in English specifically.
- Shortages in key technical skills groups – such as chefs, travel consultants and game rangers.
- Shortages in available high-level strategic managers for recruitment into the sector (both in private and pubic spheres), and especially black managers.
- Management skills within existing managers – especially white managers.
- Entrepreneurial skills – especially among black entrepreneurs.

In respect skills supply, lack of data and clear definitions means that it is currently impossible to determine with any accuracy the supply of skills into the labour market that are able and necessary to support a growing and transforming tourism sector. Available information suggests that output from schools for the Grade 12 subject Travel and Tourism is increasing dramatically although this is largely restricted to two provinces: KwaZulu-Natal and Gauteng. This distribution is mirrored by the geographical spread of THETA registered training providers, with Gauteng having the largest number and more than twice the number of the second largest provincial concentration, that of KwaZulu-Natal.

Available data on learner entry into tourism related Learnerships suggests that focus has been largely on hospitality related qualifications and on tourism guiding. The bulk of learners have registered for NQF Level 4 qualifications, with the prevalence of Level 5 qualifications low overall, and significant only for travel and tourism services related qualifications. Available data for the contribution of the higher education system suggests that while transformation in enrolments is indeed taking place, this is not translating into a similar level of transformation in graduations. Additionally, data reveals that total graduate output has remained relatively consistent; that at the HEI level enrolment and graduation is dominated by tourism- (rather than hospitality) focussed qualifications; and that the output of postgraduate tourism and hospitality related qualifications is extremely small. Finally, in-house training remains an important source of skills for the sector, although such training is generally non-strategic and non-accredited.

Yet despite the lack of qualitative data, the existence of a skills gap within the tourism sector is unquestionable. The mismatch between demand and supply is linked to a number of complex and inter-related factors. Significant among these is the lack of co-ordination among the stakeholders in tourism skills supply, both at the levels of actual training as well as accreditation and quality assurance of qualifications and training providers. Capacity constraints within THETA are of particular importance not only to actual sector-specific skills shortages, but also to the over-supply of under-qualified individuals in certain fields and to the general lack of legitimacy of qualifications within the sector. Related to this, as well as to a range of other issues within the national legislative framework, is the issue of the inadequate scope and variable quality of sector-focussed training providers. The lack of adequate foundational education among South African youth, combined with a poor work ethic, a poor attitude to learning, and the absence of rigorous and standardised learner recruitment processes, contribute substantially to wastage of limited national financial skills-development resources. The supplier-driven nature of training within the sector further serves to reinforce misalignment between skills demand and supply. Finally, the general challenges associated with skills development among survivalist, rural and time-constrained owner-operated enterprises, must be seen to apply to the sector as a whole, due to its overwhelming SMME profile.

Most significantly, the findings of the two qualitative case studies of the tourism sectors undertaken in Soweto in Gauteng, and in Hazyview in the Lowveld of Mpumalanga, support the findings from the other major recent studies into the sector. Furthermore, they suggest that while some issues may be more of an obstacle to tourism development in certain areas than in others, and that other issues may be nuanced by regional factors, the challenges facing the sector are pervasive and of concern across all regions of South Africa. Specifically, they add to the public debate the nuanced nature of the demand for cultural tourism products; the negative impact on the sector of widespread feelings of 'entitlement' among South Africans; the complex and inter-related factors that underlie industry calls for 'attitude, passion and experience' and its corresponding resistance to the employment of formal tourism graduates, particularly those with THETA qualifications; and a discussion of the full package of skills required for successful tourism and nature guiding, and the importance of success in this area for the sustainability and growth of the sector as a whole. The findings also add weight to the calls by these other studies that factors such as high levels of crime, gaps in the national tourist infrastructure system, high levels of industry fragmentation; un-coordinated and under funded marketing efforts; and the lack of high-level strategic management skills need urgent attention if the sector is to achieve its full growth potential.

Thus returning to our original question: *Are skills shortages constraining growth within the tourism sector?* the answer as highlighted from this analysis is both '*No and yes'*. '*No*' from the perspective that the sector's current major growth constraint is the dampening effect that the negative perceptions and reality of high levels of crime has on the overall demand for the South African tourism product, and in the physical limitations of meeting the demand we are able to generate through restricted airlift capacity from source markets in peak seasons. '*Yes*' from the point of view that many of the other factors considered to be constraining sectoral growth at the present time are indeed underpinned by a lack of human resource capacity and skills.

However if the question asked were instead '*Are tourism sector-specific skills shortages constraining growth with the tourism industry?'* the answer would have to be '*No'*. For despite the real and critical shortages of tourism sector-specific skills such as chefs, travel agents and rangers, the negative impact of these shortages on sectoral growth is minor in comparison with shortages and gaps in generic, non-sector specific skills such as high-level strategic and visionary leadership; general foundational education and life skills; and skills in the areas of communication, business management, customer relations, sales and marketing, and in the use of various forms of information technology. Furthermore, the intangible elements of personality, character and disposition (such as passion, enthusiasm, honesty, commitment, the ability to work in team, the ability to internalise learning and constructive criticism, and a desire to serve) are lacking among employees at all levels of the industry, from those occupying unskilled positions to those occupying highly skilled positions, with substantially negative impacts on the sector's ability to generate positive word-of-mouth referrals and thus new as well as repeat tourism business.

Thus overall, skills challenges and shortages in the tourism industry are generic rather than sector specific in nature, and can be summed up in four all-encompassing words: attitude, passion, leadership and vision. Critically, government's promotion of the sector as the place for the unemployed and the low skilled to find work, and the related movement into the industry of people with attitudes of entitlement, high expectations of gain and little willingness or enthusiasm to work or to serve, is at presented severely compounding these challenges.

Outside of the challenges and constraints that have been the primary focus of the preceding chapters, this research also provides the foundation for suggestions of changes that will improve the sector's overall performance and potential future growth trajectory. These range widely from the more general to the highly specific.

Most importantly, this research supports the findings and recommendations arising out of the other recent work on the sector. Thus the first recommendation related to this work must be that these other recommendations, most notably those of the Global Competitiveness Project report (Monitor, 2004), the Customised Sector Programme (the dti, 2006), and the Skills Audit

(Prodigy-Grant Thornton, 2007) (see Appendix 4) be given serious consideration and that implementation plans be intensified if already in place and developed if not. Any research on the sector in the immediate future should focus on particular recommendation implementation challenges rather than on the challenges facing the sector as a whole.

In line with the above, it is suggested that all government departments and agencies who have some role to play in terms of tourism sector support, should be well-versed in the range of issues outlined within each of these major recent studies, as well as in the part their department or organisation will have to play in implementing the range recommendations proposed within these. Those departments and agencies whose focus on tourism is shared with a focus on other sectors, should appoint tourism sector champions to take the lead in this function as well as in the building of relationships with relevant individuals in all other departments and agencies through which networks high level fragmentation may be reduced and the dissemination of data and other sectoral information may be improved.

Critically, there needs to be a general acknowledgement within government, that while the tourism sector is vital to national development efforts and deserving of continued support, tourism can only *contribute to* reducing unemployment and poverty – it will not solve the national unemployment problem. Furthermore, many of the employment opportunities that it is able to generate will not be secure, high-quality, high-waged, '9-5' jobs with guaranteed promotion opportunities. Strategic and realistic support of the industry will most certainly contribute to national poverty reduction. However, promoting the industry as the panacea to all the problems of the nation's unskilled and semi-skilled groups, and trying to use the sector as a lever for achieving political goals that are impractical given its reality, has already given rise to a number of tensions and contradictions within the sector's policy framework, and will ultimately to lead to more harm than good.

This analysis has served to highlight the impact of particularly the first four of the six factors that AsgiSA has identified are currently acting as 'binding constraints' for the national economy: volatility and level of the currency; shortage of suitably qualified labour; regulatory environment and the burden on small and medium businesses; and deficiencies in state organisation, capacity and leadership (DoL, 2007). Addressing these issues more generally will undoubtedly also have a positive impact on the overall performance of the tourism sector.

Addressing the issues of safety and security cannot be overstated. While there is much to be said for aligning, through a variety of means, the perceptions of crime to somewhat lower actual levels of crime in the country, the reality remains that levels of both petty and violent crime in South Africa are unacceptably high. Merely focusing on perception realignment is insufficient as it does not address the real problem. The only viable and lasting solution will demand that government acknowledge the extent of the problem and take active steps to reduce crime levels nationally.

Improved marketing and promotion of the sector is critical for increased growth. This will however require a number of different angles:

- There is a need for increased financial resources for both international and domestic marketing efforts at both at national and provincial levels.

- Limited resources need to be maximised through co-operation, rather than competition and overlap, between all the provinces and SA Tourism.

- Marketing efforts should be informed by the reality of the tourism product on the ground, both in terms of variety and quality. Thus the recommendation by the dti (2006) for the development of a real time product and tourism information system is supported. The development of such a comprehensive information system could not only be used to provide current information to marketing agents and therefore assist in the promotion of emerging tourism products, but could additionally be used to provide updated information to qualified tour guides and tour operators for use in actual package development, and to provide training providers with the updated information needed for guide training curriculum content. Guides are at present an utilised army of potential tourism sector marketers, and maintaining the currency of their sectoral knowledge is critical to starting to tap into this resource.

- The development of cultural tourism products, particularly township tourism, appears to be more reliant on foreign independent travellers than on those with set itineraries (despite their larger numbers). Marketing within foreign source countries should thus include increased efforts to bring in this type of tourist. Furthermore, it is suggested that specific market research be conducted into complex nature of demand for township and other cultural tourism type products in order to improve the value-extraction of such tourism developments by emerging sector participants.

- Domestic tourism needs to be promoted vigorously, not only to increase this source of tourist spending that is more stable and less geographically concentrated, but also to increase the awareness among product owners and prospective entrepreneurs of the value of domestic tourism. Furthermore, increased levels of domestic tourist activity should result in an overall increase of the personal experience of South Africans with the sector and have positive impacts in respect of both sectoral expectations and the treatment of tourists in general.

- An aspect of marketing that has not yet been addressed in detail is the aspect that involves selling the potential of the sector to investors and buyers. A real-time information system could also assist in this as it would then be relatively easy to identify product gaps at an overall as well as a geographical level and be able to provide potential investors – and their prospective financial partners – with the type of information required to comprehensive and considered business plans.

- Government at all levels would be wise to consider carefully any further place name changes, particularly in areas of high tourist significance, and if necessary consider compromises. Where the decision is made to pursue such changes, government should be prepared to put substantial financial resources behind the rebuilding of relevant tourism destination brands.

- The range of attractions that currently associate themselves with other departments such as Arts and Culture, need to be brought into the tourism sector and its marketing efforts. Not only do these attractions form a critical part of the destination appeal, but are furthermore highly dependent on tourists for their sustainability.

- One major national and provincial marketing opportunity is currently being overlooked: that of using the on-board entertainment system of the national carrier SAA to screen tourism marketing programmes to a captive audience. This might take the form of a short

(10 minute) national level tourism promotional video clip screened universally shortly after take-off and before landing, with reference made in this to a range of other provincial or tourism activity specific clips (such as adventure, culture, beach, hiking, nature, wildlife, cities, entertainment, and shopping tourism activities) for voluntary viewing as part of the programmed viewing options. Furthermore this system could be used to educate tourists around issues of crime prevention, cross-cultural sensitivity and the value of township and other cultural tourism products.

The current skills development system needs to be reconsidered to account of the real challenges and demands facing the sector, the shortage of highly skilled and visionary leadership; the lack of personal and working experience among graduates and emerging sector participants; and the substantial gaps in terms of learner foundational and life skills:

- Addressing the current shortages of skills at the strategic management level is vital as a first priority. For until this is sorted out the industry has no hope of developing a common vision through which to co-operatively address the myriad of other problems it is facing. In this respect it needs to be recognized that vocational training on the base of poor foundational, generic and life skills will only support career development to a certain level. Senior management positions demand skills that can only be provided through wider experience, and training that focuses on cognitive and problem-solving skills in addition to sector specific skills. As such it is recommended that DEAT and industry partner with at least one higher education institution towards the development of a course-work based, multi-disciplinary Masters programme that can be accessed as a 2 year full-time or 4 year part-time course directly from the under-graduate level. This programme should cover a range of subjects including tourism specific subjects, social and physical geography, sociology, international relations and communication, the economics of the tourism industry (from macro to micro level impacts), tourism marketing, the tourism labour market, as well as a practically focused dissertation. Enrolment and completion of this course should be promoted among those already in tourism management positions and should become a desirable qualification of those entering such positions. In the initial phases, and especially until a critical number of such highly qualified individuals is reached, DEAT needs to consider subsidizing fees and encouraging employers to contribute through the allocation of paid study leave for attendance. While such an intervention cannot be achieved overnight, the investment in time, effort and financial resources should result in invaluable returns.

- Industry's calls for sector experience should be taken seriously and relevant adaptations made. Increasing the level of domestic tourism will have the added advantage of increasing the exposure of the general population to the sector and should have positive spin-offs in respect of better alignment between sector demands and sector entrant expectations as the latter will be in a position to make more informed choices. Other than this there needs to be an increase in the number of accredited practical short courses that provide training on the skills required in everyday work. This is particularly important for SMME owners who lack time and resources to attend long training courses and cannot access Learnerships while maintaining business operations. There also needs to be an increase in the number of qualifications for which work experience prior to graduation is a prerequisite. This can be achieved though: apprenticeship type qualifications that integrate practical work into the qualification acquisition; the provision of support for post-graduation internship programmes; the requirement for voluntary holiday work before and during qualification acquisition; and the institutionalization and support of mentoring-type training relationships between established and emerging sector participants. Finally, incentives can be provided for industry itself to participate in providing highly valuable 'experiences': established B&B owners could receive BEE points or other incentives for hosting emerging operators and providing a true guest experience; SAA could be leveraged to provide all students of travel and tourism with at least one internal personal flight experience; and tour operators could be provided with incentives to make available one or two open seats to nature and culture guide trainees to provide them with a personal tour experience prior to graduation.

- The large national gap in respect of foundational education and related skills is a severe challenge for any skills upgrading effort within the tourism industry. Not only do a large proportion of sector employees actually not want to face the challenge of improving their skills levels, but the lack of these foundational skills means that many who do attempt this, fail. Thus the single most important contribution to tourism sector skills will come from the overall improvement of the national school system to the extent that the majority of people leaving school with a Matric qualification can be assumed, with relative certainty, to have literacy, numeracy, communication and cognitive skills to at least a certain level. In parallel with such a massive task, the tourism sector can however support the development and utilization of bridging programmes that address communication, etiquette, problem-solving and general foundational skills but that are not linked to sector specific training. The institutionalization of mentoring relationships will also have a vital role to play in this area. Finally, learner material needs to be developed for a range of topic areas of relevance to the sector and be freely available from the THETA website to support employer in-house training and the information seeking efforts of motivated individuals.

Turning finally to the issue THETA specifically: While it is acknowledged that this institution is under-funded and faces substantial human resource capacity constraints, in support of the Skills Audit recommendation that a THETA turnaround strategy be developed (Prodigy-Grant Thornton, 2007), this analysis further suggests that THETA (and the DoL) need to make a crucial decision. This is that they either continue along the path of attempting to compel industry to accept an output of 'qualifications' that achieve neither the sector-specific nor foundational and generic skills requirements, and thus continue to generate little return for the expenditure of large amounts of limited resources, or they acknowledge industry demands and move towards the provision of support that takes account of the specific nature of the sector. In summary, it is suggested that THETA move from its current stance as the provider of tourism sector specific qualifications, towards being the agency committed to supporting the tourism sector meeting the full compliment of its skills requirements.

REFERENCES

ASGISA (Accelerated and Shared Growth Initiative for South Africa) (2006) Media Briefing by Deputy President Phumzile Mlambo Ngcuka, 6 February 2006, Background Document, A Summary

Ashley, C (2005) Facilitating pro-poor tourism with the private sector: Lessons learned from 'Pro-Poor Tourism Pilots in Southern Africa', Working Paper 257. Overseas Development Institute, October 2005

BMI (Business Monitor International) (2005) *Chapter 4: Key Economic Sectors*, in South Africa Q2 2005

Business Day (2006) Soweto third after Cape Town and Kruger in popularity with tourists, Chantelle Benjamin, 31 March, 2006 http://www.businessday.co.za/PrintFriendly.aspx?ID=BD4A178463 Accessed 16 August 2007

Business Trust (2006) Reskilling the Tourism and Hospitality Sector: A Case Study of the Tourism Learnership Project, Business Trust Learning Series, Number 2, Compiled by Carmel Marock, September 2006

Cheney, C (2006) Field Guiding in South Africa, SATSA Tourism Tattler Trade Journal, Issue 3, 2006, pg 22

CHL (CHL Consulting, Ltd) (2007) Mpumalanga Tourism Growth Strategy – Interim Final Report, 17 August 2007, commissioned by the Mpumalanga Tourism and Parks Agency

Dean, M (2007) Editorial: From the editor's desk, SATSA Tourism Tattler Trade Journal, Issue 4, 2007, pg 1

DEAT (Department of Environmental Affairs and Tourism) (1996) White Paper for the Development and Promotion of Tourism in South Africa, May 1996, Government of South Africa, Pretoria http://www.infor.gov.za/whitepapers/1996/tourism.htm Accessed 28 June 2007

DEAT (Department of Environmental Affairs and Tourism) (2007) Tourism Skills Plan Presentation to the JIPSA Task Team, 22 March 2007, Pretoria

DoE (Department of Education) (2007a) Education Management Information System (EMIS) database, Pretoria

DoE (Department of Education) (2007b) Further Education and Training Management Information System (FETMIS) database, Pretoria

DoE (Department of Education) (2007c) Higher Education Management Information System (HEMIS) database, Pretoria

DoL (South African Department of Labour) (2007) State of Skills in South Africa, 2006, Pretoria

Dowinton, S (2007) Letter to the Editor, SATSA Tourism Tattler Trade Journal, Issue 4, 2007, pg 8

Drum Beat Academy (2007) Tourist Guide Code of Conduct and Ethics, Drum Beat Academy, Pretoria, 2007

Economist Intelligence Unit (2006) *Middle, East and Africa*, Industry Forecast December 2005 <www.eui.com> Accessed 6 August 2007

Erasmus, J (2002) A baseline study for the INTAC project covering ten identified pilot sites: Summative Report, HSRC

Friedemann, A (2007) Letter to the editor, SATSA Tourism Tattler Trade Journal, Issue 4, 2007, pg 8

HSRC (2005) The THETA population: a descriptive study of needs in relation to skills training delivery, commissioned by THETA

HSRC (2006a) A study of the 'Tourism Second Economy', Commissioned by the Department of Environmental Affairs and Tourism, Conducted by the Human Sciences Research Council

HSRC (2006b) Successes and Challenges in Pro-Poor Tourism: New Models, Better Results, Commissioned by the Department of Environmental Affairs and Tourism, Conducted by the Human Sciences Research Council

HSRC (2007) Learnership Survey, data collected for the report The learning and employment pathways of learners in Learnerships, commissioned by the Department of Labour

Jarman, G (2007) Mpumalanga Chapter Chair, SATSA Tourism Tattler Trade Journal, Issue 4, 2007, pg 36

JIPSA (Joint Initiative on Priority Skills Acquisition) (2007)

Kaplan, L (2004) Skills Development for Tourism in Alexandra Township, Johannesburg, Urban Forum, Vol. 15, No.4, October-December 2004, pg 380 - 398

Kirsten, M & Rogerson, CM (2002) Tourism, business linkages and small enterprise development in South Africa, Development Southern Africa, Vol. 19, No. 1 (p29 – 59)

Koch, E., de Beer, G., Sean Elliffe & others (1998) International perspectives on tourism-led development: some lessons for the SDIs, Development Southern Africa, Vol. 15, No. % Summer 1998

Leffler, D (2007) A Welcome Experience: Tourist have a variety of experiences every time they travel! SATSA Tourism Tattler Trade Journal, Issue 4, 2007, pg 26

Lowitt, S (2006) Translating sectoral growth into job creation: a view of South Africa's Tourism Industry, Draft Paper of 9 September 2006, Undertaken by the Economic Growth and Development Initiative (EDGI) of the HSRC

Maufunzwaini, AE & Hugo, L (2005) Unlocking the rural tourism potential of Limpopo province of South Africa: some strategic guidelines, Development Southern Africa, Vol. 22, No. 2, June 2005

Mills, J (2007) Where is the passion and pride in service? SATSA Tourism Tattler Trade Journal, Issue 4, 2007, pg 22

Monitor (2004) Global Competitiveness Project for the Tourism Industry in South Africa 2005 – 2010, Commissioned of Monitor Group by DEAT, the dti and SATourism

Monitor (2007) Global Competitiveness Project for the Tourism Industry in South Africa 2005 – 2010, Executive Summary, updated April 2007

Mpulo, N (2007) Dometic Travel is the Foundation for Growth, says SATourism, SATSA Tourism Tattler Trade Journal, Issue 4, 2007, pg 16

Oldham, G., Creemers, G & Rebeck, T (2000) An economic evaluation of tourism: A case study of accommodation facilities in southern Maputaland, Development Southern Africa, Vol. 17, No. 2, June 2000

Pan-African (Pan-African Investment & Research Services) (2006) A framework/model to benchmark tourism GDP in South Africa, 1 September 2006, commissioned by DEAT and SATourism

Prodigy-Grant Thornton (2007) Tourism and Sport Skills Audit, commissioned by the NBI, DEAT and THETA from Prodigy Business Services and Grant Thornton, 30 June 2007

Rivett-Carnac, K (2007). SMMEs and communities education and training task team final report including action plan, June 2007, a report for the dti

Robertson, P & Skordis, J (2004) International Trade in Services and Sustainable Development: The case of tourism in South Africa, Rashad Cassim, Wendy Jackson, and Lucille Gavara (eds), for Trade Knowledge Network, International Institute for Sustainable Development, April 2004

Powell, L & Hall, G (2004) Quantitative overview of the Further Education and Training College Sector: A sector in transition. Report commissioned by the Colleges Collaboration Fund: A project of the Business Trust and NBI, April 2004

Saayman, M, Saayman, A & Rhodes, JA (2001) Domestic tourist spending and economic development: the case of North West Province, Development Southern Africa, Vol 18, No 4, October 2001

SATourism (2007a) Tourism Growth Strategy 2008 – 2010, Gearing up to be Globally Competitive, Third Edition, South African Tourism, <www.southafrica.net>

SATourism (2007b).Indaba 2007 Factsheet: 2006 Performance, South African Tourism, May 2007, <www.southafrica.net>

SBP (Strategic Business Partnerships for Growth in Africa) (2006) Counting the cost of red tape for tourism in South Africa, November 2006

StatsSA (Statistics South Africa) (2005) Status of the tourism satellite account in South Africa, Discussion document – D9106, April 2006, Pretoria

StatsSA (2007) Labour Force Survey, September 2006, embargoed until 29 March 2007, Statistical Release P0210

the dti (Department: Trade and Industry, Republic of South Africa) (2006) Customised Sector Programme, Tourism Sector Strategy, August 2006, Pretoria

the dti (Department: Trade and Industry, Republic of South Africa) (2007a) Implementation of government's National Industrial Policy Framework: Industrial Policy Action Plan, August 2007, Pretoria

the dti (Department: Trade and Industry, Republic of South Africa) (2007b) A National Industrial Policy Framework, Final FIPF, January 2007 Cabinent Lekgotla

TNW (2007) Eight flights a day for EK, Travel News Weekly, No 1978, September 5, 2007, pg 1

THETA (Tourism, Hospitality Education Training Authority) (2007a) THETA Tourism Indaba 2007 <www.satasa.co.za/Downloads/THETA%20Tourism%20Indaba%202007.pps#5>

Thomson, N (2007) *Painting the full picture*, Southern African Tourism Update for Organisers of Tours, Issue 186, September 2007, pg 5

Tourism Tattler (2007a) Indaba 2007 An Overview, SATSA Tourism Tattler Trade Journal, Issue 4, 2007, pg 13

Tourism: The road to 2010 (2007) Airport changes will bring long term benefits, Tourism: The road to 2010, Cape Town and Western Cape, September 2007

Tourism Update (2007a) Tourists targeted by airport opportunists, Southern African Tourism Update for Organisers of Tours, Issue 186, September 2007, pg 6

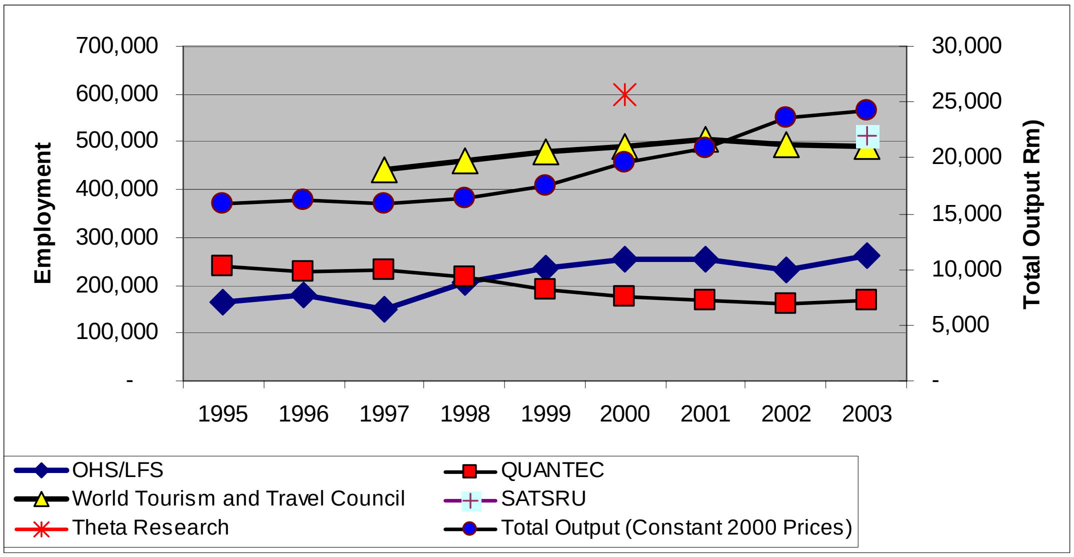
Tourism Update (2007b) South Africa loosing out to Asia, Southern African Tourism Update for Organisers of Tours, September 2007, pg 8

Viljoen, J & Tlabela, K (2007) Rural tourism development in South Africa: Trends and challenges, Occasional Paper from the Urban, Rural and Economic Development (URED) Research Programme of the Human Sciences Research Council (HSRC), HSRC Press, Cape Town

Appendix 1: Inconsistencies of tourism data

The following is a direct extract from a paper by Lowitt (2006, p23 - 25) to illustrate the challenges encountered with data (collection and analysis) in the tourism sector, particularly around the issue of sectoral employment.

Employment in Tourism



Source: Altman et al, 2005 in Lowitt (2006)
NOTE: OHS/LFS , Quantec and total output represent only SIC 64 which is catering and accommodation; WTTC, SATRU and Theta data is for all employment in the travel and tourism industry.

Taking 2003 as an example, the graph shows the highest employment figure to come from SATourism at 512 thousand. This is closely followed by the WTTC employment figure of 492 thousand, which is substantially larger than the LFS figure of 262 thousand, with the Quantec data estimating only 168 thousand jobs in the tourism sector. With variances of up to 100 percent it is immediately obvious that pinpointing the exact quantum of employment generated by tourism in SA is a very difficult task.

Starting with the WTTC data it is obvious that these figures are higher than those of the Labour Force Survey or Quantec data. This is to be expected given that the LFS and Quantec data relates only to the catering and accommodation sector. The WTTC data relates not only to the entire travel and tourism industry but the broader travel and tourism economy as a whole. Even if the broader economy wide jobs are stripped out of this data set and only travel and tourism jobs counted, the WTTC data (see WTTC 2006) shows higher industry figures than other data sources due to their inclusion of jobs created in input industries to the tourism industry (e.g. Laundry, fuel, catering)[49]. As mentioned earlier the WTTC employment data is the result of a modelled simulation, the assumptions of which are not transparent. The highly bullish forecasts of employment growth in this model have made it the most commonly cited employment data source, but as will be seen it appears as though performance has not

[49] Many researchers and analysts are not sufficiently careful in noting the construction of the WTTC employment figures. The WTTC differentiates between employment within the *tourism industry* as well as employment within the *tourism economy*. But crucially the tourism industry employment figures include not only direct job creation in the industry (face to face with tourists) but also indirect jobs in the industry such as laundry, fuel and catering. As such even the narrowly defined tourism industry employment data will be higher than other aggregations of face to face employment.

matched these forecasts between 2003 and 2006 and hence expectations based on the WTTC data may be overly optimistic.

The Quantec and LFS/OHS[50] data relates only to catering and accommodation and as such the lower employment estimates are to be expected. What is not expected, however, are the disparities between the two with Quantec showing a downward trend in employment while the LFS shows an upward trend. The contradictory trends between Quantec and the LFS data is difficult to explain, and the Presidential Review characterize the Quantec data as "improbable" (Altman et al 2005, p.135).

Finally there are two data computations undertaken by THETA and the SATourism Strategic Research Unit.

The THETA employment data is by their own admission "distillations and extractions of estimates and surveys and is of questionable validity" (THETA, 2005,p.10) and "should be treated with caution." While the final figure arrived at may well be dubious the motivation for undertaking the exercise and some of the general findings of this bottom up approach are interesting. THETA chose not to utilize the LFS and OHS data because it was not sufficiently aligned to their area of operation but more importantly because they believed that much of the employment within SIC 64 was due to resident demand and not tourism demand. As such they commissioned Grant Thornton Kessel Feinstein (GTKF) to develop an alternative employment database. GTKF started by assembling a list of the 42 000 enterprises or employers who currently operate in the direct travel and tourism sector. 600 surveys were then completed across all related industries and an average number of employees per employer was calculated. The average number of employees per employer were then multiplied by the number of employers in that sector and hence employment for the sector established. On the basis of this calculation THETA concluded that there are 600000 employees in the tourism industry and that the vast majority of these jobs fall within the hospitality industry (476 000). The total THETA employment figure is 115 000 or 24% higher than the more broadly composed WTTC estimate of employment thus suggesting an over estimation of employment in the sector.

Finally we have the SATourism employment estimate for 2003. The tourism employment figure of 512 000 tourism employees in 2003 was calculated using simple ratios. The SATourism SRU simply calculated to proportion of economic activity attributable to the tourism sector and applied this proportion to total employment within the economy to arrive at employment for the tourism industry.

From the above it becomes clear that we are unable to definitively state the size of the tourism sectors contribution to employment. In terms of absolute size, taking a middle point between the narrow WTTC estimate and the LFS estimate we are probably talking about a sector whose direct employment is in the order of approximately 400 000 direct jobs. This figure is important in light of the expectations of policy makers set out in Table 1. The expectation that tourism employment could double in the next 8 years has been voiced by DEAT and the Presidency. In terms of growth trends we can see that by and large there is a slow general upward trend in the WTTC and LFS data sets with the strongest growth trend coinciding with the ramping up of tourism investment between 1994 and 1997 and subsequently slowing down or consolidating. By way of a summary to the tourism section of the presidential Review of Employment Trends, the report argued that "although the order of the magnitude of growth is uncertain the upward trend in tourism employment seems certain" (HSRC 2005, p.136) They go on to argue that there is general agreement that between 1994 and 1999, 15 to 20 thousand jobs were created per annum, although there appears to be no agreement on these growth figures since 2000.

---

[50] The October Household Survey (OHS) was a publication presented by StatsSA based on panel household surveys looking at demographic, social and economic indicators, especially those related to poverty. In 1999 the OHS was replaced by the Labour Force Survey (LFS) and General Household Survey. The LFS is designed specifically to measure the dynamics of employment and unemployment and is regarded as a substantial improvement on employment data than its predecessor the OHS. Quantec data is provided by a private sector consultancy which specializes in economic data and intelligence. The data is based on StatsSA data but modified based on additional intelligence and modeling.

Appendix 2: List of critical skills identified by high level tourism stakeholders

Critical Skills	Travel & Tourism	Hospitality	Conservation & Tourist Guiding
Tourism awareness			
Understanding the value of tourism internationally	X	X	
Knowing South Africa	X	X	X
Management/Strategic			
Management multi-sectoral planning	X	X	X
Management skills for existing managers	X	X	X
Owner manager skills	X	X	X
Union manager collective bargaining, lobbying skills	X	X	X
Communication and language			
Following instructions: interpreting and implementing oral and written instruction	X	X	X
Communication (manner/content: client interaction)	X	X	X
Multi-lingual foreign languages: French, Mandarin			X
Spoken English and understanding (coherency)	X	X	X
IT			
IT skills	X	X	X
Travel software skills	X	X	X
Service excellence			
Service culture	X	X	X
Customer service	X	X	X
Attending to detail and accuracy	X	X	X
Professionalism from a global perspective	X	X	X
Frontline skills	X	X	X
Soft skills			
Conflict management	X	X	X
Team work	X	X	
Cognitive			
Ability to conduct research and develop travel plans	X	X	X
Problem solving	X	X	X
Numeracy	X	X	
Personal management/responsibility			
Ability to work independently			X

Source: Adapted from Prodigy-Grant Thornton, 2007

Appendix 3: List of scarce skills identified by high level tourism stakeholders

Scarce Skills	Travel & Tourism	Hospitality	Conservation & Tourist Guiding
Management			
Public sector managers (all tiers)	X	X	X
Managers and operators	X	X	X
Black experienced and/or qualified middle managers	X	X	X
Supervision and team leaders		X	X
Union managers		X	X
Languages			
Spanish: Limpopo (relative scarcity)	X		
Sector specific technical			
Site guides at specific tourist sites	X		
Tour operators (Limpopo)	X		
Adventure guides (especially black)			X
Adventure instructors			X
Environmentalists			X
Chefs: executive to griller		X	

Source: Adapted from Prodigy-Grant Thornton, 2007

Appendix 4: Recommendations arising from other major tourism sector studies

The Global Competitiveness Project report (Monitor, 2004)

- Support transformation of the sector through improving partnerships with private sector and utilising a range of legislative and other government tools
- Improve market access for the industry as a whole as well as for emerging enterprises specifically
- Improve air access to South Africa through increasing airlift capacity in peak seasons from major source countries and by reducing the cost of air travel both from international destinations as well as domestically
- Improve public transport facilities through developing an integrated tourism transport plan; promoting investment in tourism related transport services; and reviewing regulations around charter tourism services, especially in relation to route determination of unscheduled services and provincial licensing restrictions
- Address tourists' safety and security concerns by reducing the overly negative perceptions of crime in South Africa through the use of accurate and well-disseminated data, and by reducing the actual levels of particularly tourist-related crime through the use of 'prevention information' and focussed police crime prevention in high tourism-density areas
- Improve the availability and accessibility of relevant information throughout the value chain. This must include improved information for tourists; the development of a Tourism Satellite Account; and the sharing of information between the various departments and agencies that make up the governance cluster of the sector
- Promote innovation, product development, investment and SMME development through focussing on developing new, and upgrading existing, products and in particular cultural and historical products; opening up new areas for tourism development that are in line with market demand; and establishing platforms for support of investment, enterprise development and innovation
- Increase the focus on skills development and quality assurance of tourism products. This needs to be done through expanding the activities of the South African Grading Council; through gaining a better understanding of the skills gaps by undertaking a skills audit; through achieving some alignment between the various agencies providing leadership in the skills development arena (THETA, the CHE and Umalusi); and through revitalising THETA as a leader in this domain
- Improve the role of government in leading the tourism sector and as part of this, support the building local tourism industry clusters

The Customised Sector Programme: Tourism Sector Strategy (the dti, 2006)

- Improve the availability of information for decision-making through:
  - Developing a Tourism Satellite Account
  - Developing a real time product and tourism information system
- Improve the transformation of the sector through:
  - Implementing the Tourism Charter
- Improve product development and investment through:
  - Targeting investment to drive strategic product development
  - Developing a system that determines which tourism products through be incentivised and where gaps exist that through support may be filled
- Improve tourist transportation through:
  - A dedicated airlift programme to increase capacity
- Improve employment, productivity and skills through:
  - Building a skills partnership across the cluster – industry, associational bodies, the DoL, the DOE, THETA, educational institutions, DEAT, SATourism and the dti
- Address issues of safety and security through:
  - Addressing tourist safety and security in particular

The Skills Audit (Prodigy-Grant Thornton, 2007)

- Improve collaboration in the sector between all key national and provincial government departments, organised labour as well as research and education players such as the CHE, UMALUSI, HSRC and STATSA
- Develop a customer care programme to address the lack of service ethos which prevails across the board of those working within the sector (as well as those serving the sector), which should also be included as part of every tourism qualification. It should include skills such as being able to listen actively, empathise, work as part of a team and to be competent in problem solving
- Train managers in both general and operations management
- Transform the sector so that more black people are in management positions
- Establish work experience programmes for young people – especially prior to graduation from training. Industry wants graduates who are work-ready
- Develop specific support for SMMEs that recognises their need for generic business and marketing skills, but also their challenges in respect of time and business focus
- Review the state of training in the sector – updated and additional curricula are required to address skills delivery
- Develop a THETA turnaround strategy – to re-visit THETA's operational mode. The resources allocated to skills delivery in the sector are clearly insufficient against the magnitude of the challenges