

CDS POLICY

Lekgotla



SMALL TOWN CHANGE

SMALL TOWN TOURISM DEVELOPMENT RISKS: LESSONS FROM CLARENS AND DULLSTROOM

Executive summary: This CDS Policy Lekgotla argues that small town tourism development has a number of key risks which, if not addressed adequately, will result in these towns losing their competitive edge.

TOURISM GROWTH IN CLARENS AND DULLSTROOM



Small towns in South Africa have experienced rapid transformation over the past two decades. This transformation has been assisted by South Africa's re-entry into global markets, changes in transport systems and infrastructure, a greater degree of mechanisation in the farming industry, government policy and global economic change. The result has been that many small towns have experienced an economic decline and the historical links between commercial farming communities and these small towns have become less prominent. At the same time, many small towns have experienced the in-migration of low-skilled farm workers from nearby farms. This influx has placed considerable pressure on the existing infrastructure as most of these towns are ill-prepared to address such needs.

WHAT ARE THE RISKS?

Despite the overall concerns related to small towns, a fair number of them have benefited from tourism since the mid-1990s. Clarens and Dullstroom are two such cases. The rapid development in Dullstroom has, however, largely evaporated, while a number of risks present themselves in Clarens.

RECOMMENDATIONS

Methods: This CDS Policy Lekgotla is based on a range of qualitative interviews in both towns, followed by a questionnaire survey amongst second home owners (also in both towns), as well as questionnaire interviews with tourists (400) and business owners (60) in Clarens.



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Tourism growth in Clarens and Dullstroom

Both Clarens and Dullstroom have experienced extensive tourism growth since the early 1990s, mainly as a result of an increasing demand for weekend tourism. This has not only benefited local businesses but has gone hand-in-hand with an increasing number of farmers who have diversified their farming practices to include tourism activities, as well as new land developments in and around these towns.

By the end of 2010 however, tourism growth in Dullstroom had come to a standstill. Although tourism has continued to grow in Clarens, there are a number of risks that should be addressed drawing on lessons derived from Dullstroom.

Key statistics on tourism and second homes in Clarens and Dullstroom:

- Estimated annual number of tourists visiting Clarens: **200 000**
- Estimated tourism expenditure per annum in Clarens: **R200 million (2010)**
- Total economic value of second homes in Clarens: **R12 million (2008)**
- Total economic value of second homes in Dullstroom: **R23 Million (2008)**

What are the risks?

Research reveals five prominent risk factors present in Dullstroom and Clarens to varying degrees.

Risk 1: When small towns lose their smallness and their natural beauty

These towns' small size, along with the beauty of their surrounds, has been instrumental in the growth of their tourism industries. Clarens's scenery and associated air of tranquillity have been primary factors attracting visitors to the town. And yet, almost one in ten tourists interviewed in Clarens said they did not intend returning to the town. Half of these respondents cited its over-commercialisation as the reason for their decision.

There are a number of elements to the over-commercialisation affecting Clarens. In the first instance, the undue preponderance of weekenders visiting the town contributes significantly to the problem. Secondly, new land developments for housing have become commonplace. These tend to occur against the northern mountains overlooking the town thereby impacting on the scenery and natural beauty. Thirdly, there is an increasing tendency on the part of national chains and accommodation establishments to invest in areas such as Clarens. The danger of this is that local control over the tourism industry is lost and the distinctive small-town architecture is compromised by standardised building designs.



Risk 2: Deterioration of access routes

A key reason for the decline of the tourism industry in Dullstroom is that the access routes to the town have deteriorated. Although this was caused by the transport of coal in Mpumalanga, the lack of road maintenance, and a poor understanding of the strategic importance of road infrastructure for tourism, have also played a role. While road access to Clarens is still significantly better than is the case with Dullstroom, it was nonetheless rated very low by tourists and is a medium- and longer-term risk which should be addressed. The problem from a tourism industry point of view is that transport infrastructure is something over which there is very little control at the local level. To a large degree then, the tourism destination is a victim of other role players not doing their work.

Risk 3: Local public services

It is commonly accepted that tourists are large consumers of basic services. Many small towns have been developed in the context of providing services to a fairly limited number of people. Tourism development in these towns has played a major role in increasing the number of inhabitants over weekends to the extent that basic service requirements over weekends are generally two to three times greater than during the week. The situation in Dullstroom, where for a number of weekends tourists were without water, contributed to the overall decline in the area. Clarens has also experienced one or two such weekends over the past two years and, although not on the scale of the Dullstroom experience, this is something which must be avoided if Clarens is to maintain its status as the main tourism destination in the Free State.

Risk 4: Service quality

Granted that the quality of the service tourists experience within a town is uneven, it is nevertheless the case that Clarens tourists report major concerns with this in general. Tourism service in Clarens has been mainly locally developed with the result that levels of service vary considerably. There is no benchmark standard for service quality in the local industry. The danger of this state of affairs is twofold. Although on the one hand it might deter tourists from returning to Clarens, on the other hand it could serve as an argument for encouraging more national and international tourism establishments into the town. But this in turn runs the risk of aggravating the already undesirable levels of commercialisation in the town even though it might simultaneously elevate standards.

Risk 5: Ensuring that benefits reach a wider group of people

Although tourism is often associated with positive local development outcomes, international experience has shown that this is not invariably the case and that special efforts should be made to ensure that benefits also accrue to the more marginalised communities. The initial 'dividends' derived from tourism in Clarens in the late 1990s were used to service stands with water and sanitation in the former black township. Notwithstanding ongoing benefits by virtue of job creation, there is always the danger that a significant number of the poor in the area might not experience any benefit at all from tourism. Although this is no easy task, initiatives in this regard are vital for sustainable tourism development in Clarens.

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Recommendations

This policy brief assessed the potential risks associated with tourism development in two small towns. Given these pitfalls, it is recommended that small towns should consider two crucially important processes in order to avoid these risks.

Firstly, some form of public-private partnership or institution is required to steer tourism development in appropriate directions in small towns. Secondly it is suggested that these towns try and arrive at a commonly agreed on understanding of the type of tourism they would like to engage in. Such a process should of course ensure that they do not compromise their competitive advantages of 'smallness' and, where applicable, natural beauty.

Acknowledgements:

The empirical input for this policy brief has been derived from:

Centre for Development Support (CDS). 2010: Clarens tourism profile, *CDS research report, LED and SMME development, 2010* (1) Bloemfontein, University of the Free State.

Hoogendoorn, G. 2010: *Second homes and local economic impacts in the South African post-productivist countryside*. Unpublished PhD thesis. Department of Geography, University of the Free State.

