

CHAPTER FIVE

TOURISM AND POVERTY REDUCTION

Introduction

This Chapter identifies and defines the role of tourism in economic growth and poverty reduction. The situational analysis of the tourism sector and its contribution to poverty reduction is presented and sector programs to grow the economy and reduce poverty are outlined.

The government's long-term vision for the tourism sectors is 'To ensure that Zambia becomes a major tourist destination of choice with unique features, which contributes to sustainable economic growth and poverty reduction'.

Role of Tourism in Economic Growth and Poverty Reduction

Tourism and Poverty Reduction

Tourism plays a vital role in economic growth, which is the main thrust of this poverty reduction strategy. These points are further elaborated below:

- ❑ Tourism is labour intensive and it provides jobs for local people in both urban and rural areas. In addition it stimulates entrepreneurship and creates opportunities.
- ❑ Since most tourist resources are in rural areas, the sector plays an important role in rural development. Large-scale investments have economic linkages, which can stimulate and strengthen the creation of small and medium scale enterprises such as food supply, service provision, construction and handicraft industries etc.
- ❑ As tourism develops, it encourages the development of infrastructure such as airports, accommodation facilities, roads, and telecommunications. This can attract investment in other sectors of the economy.
- ❑ Investors frequently contribute directly and indirectly to local social services such as health, education and other related services in areas where they operate through corporate social responsibility.
- ❑ Growth of tourism increases revenues, which enables government to increase expenditures in the social sectors thereby improving the social welfare of the local communities. Also arrangements for communities in the tourist areas to share in revenues generated through tourism can be made for them to benefit directly.

Situational Analysis

Zambia has considerable untapped natural resources for tourism development. They include abundant wildlife, rich cultural and natural heritage sites, abundant water resources, peace and tranquillity. The country has 19 National Parks, and 34 Game Management Areas covering 33 percent of the country, but only 5 percent of this has been developed for tourism. The National Heritage Conservation Commission (NHCC) has catalogued well over 1,700 potential sites for tourism development that remain unexploited. These sites comprise archaeological, geological, historical, natural and

traditional sites. Zambia has over 35 percent of the water resource in Southern Africa offering enormous tourist opportunities such as the world famous Victoria Falls

Tourism has recently experienced some positive growth with foreign exchange receipts increasing by an annual average of 13 percent between 1995 and 2000 or an absolute increase from US \$47 million in 1995 to US \$91 million in 2000. The sector growth averaged 5.1 percent between 1995 and 2000. The number of tourist arrivals, increased from 163,000 in 1995 to 430,000 in 2000. In terms of employment creation, the sector has contributed about 11,000 jobs to formal sector employment of about 475,000 up from about 6, 000 in 1995 (see table 1).

Table 1: Selected Performance Indicators in the Tourism Sector

Year	International Visitor Arrivals	Tourism Earnings (US million)	Jobs	Tourism Sector Growth Rate
1995	163,000	46.7	5,909	5.3
1996	263,986	59.8	6,792	8.4
1997	340,896	75.5	7,902	7.0
1998	362,025	74.4	8,991	3.9
1999	404,503	85.2	10,340	-6.1
2000	457,419	91.2	11,892	12.1

Source: Ministry of Tourism, Finance and Economic Development and CSO

However, the tourism sector can do more to grow the economy and reduce poverty. The SADC Regional Economic Review on tourism indicates that out of the total tourist arrivals to the region, Zambia accounts for only 3 percent, while Zimbabwe, Botswana and Mauritius together account for 77 percent. Between 1994 and 2000, the sector's contribution to GDP averaged only about two percent compared to 13 percent for the other countries mentioned above. In the wildlife sector, Zambia has enormous potential but despite that potential the returns in comparison with other countries like South Africa, Zimbabwe is meagre. Zambia with about 16 million hectares of land in national parks or Game Management Areas earns only about US\$0.75 per hectare while South Africa and Zimbabwe with 11.5 million and 10 million hectares earn about US \$17.5 million and US \$11.5 million respectively

There are programs that have been implemented on a pilot basis such as the Administrative Management Design (ADMADe). This programme encourages communities in the management of the wildlife and forestry resources and creates jobs. Replication of this and similar programs would significantly contribute to poverty reduction.

Constraints

Stronger growth of tourism has been constrained by several factors as follows.

- ❑ Underdeveloped transport and telecommunications facilities with lack of all weather roads within the parks, hampering year round access and thereby contributing to the country being a high cost destination since business opportunities are truncated.
- ❑ Zambia has lacked many world-class investments in the sector that could have assisted the country to be marketed through their global channels as well as act as role models to local investors in terms of handling international tourists.

- ❑ Inadequate and poorly structured marketing of Zambia as a Tourism destination. Zambia currently spends about US\$ 350,000 per annum in promotion and marketing, which is not adequate.
- ❑ Local investors have problems to access medium to long-term finance.
- ❑ Effective implementation of programs requires involvement of the community in project identification, planning and implementation. This participation would encourage sustainable management and use of resources that would in turn ensure poverty reduction.
- ❑ There is a lack of professionally trained workers at all levels in the sector. This affects the hospitality industry adversely as client expectations are not always met.
- ❑ Zambia needs to diversify its tourism portfolio in order to exploit niche markets. In order to derive maximum benefits from tourism, there is need for the country to develop a wide product base. This will increase the number of tourist arrivals, reduce industry unit costs and encourage longer stays.
- ❑ The private sector are often faced with several cumbersome procedures such as bureaucratic delays in obtaining licenses, uncoordinated procedures on the part of the authorities and the excessive number of licensees required to run business.
- ❑ Zambia is a high cost destination, which discourages long stay. Cumbrous visa procedures, poor flight connections, poor local flight routing and reduced operations due to impassable roads during the rain season reduce tourist arrivals and potential length of stay of tourists.
- ❑ The lack of International Standard health facilities, drugs and a system to inform tourists of health requirements before their arrival in Zambia has a negative impact.
- ❑ Difficulties in acquiring land for infrastructure development reduce the flow of investors in the Zambian tourism sector.
- ❑ The lack of a 'One stop shop' to advise would be tourism investors reduces the prospects of investment.
- ❑ Within the existing tourism policy framework, government's focus on poverty reduction is the enhancement of the role of rural Zambians and their participation and ability to benefit from growth in the tourism sector.

Through the Zambia Wildlife Authority (ZAWA), the Government has, within the broader framework of managing the country's wildlife resource, set the objective of improving conservation and utilisation of wildlife and other resources in national parks and Game Management Areas. The Wildlife Act envisages to improve the quality of life in the communities living in Game Management Areas (GMA) through Community Resource Boards (CRB¹) that are registered with ZAWA and are permitted to access the revenues from licences issued and hunting concessions granted by ZAWA. A mechanism for sharing the revenues was worked out under the ADMADE as follows. About 35 percent of the revenues were ploughed back to the communities, 40 percent for the conservation of GMA's and 25 percent for ZAWA operations. During the period 1995 and 2000, on average about K 33 million and US \$ 0.4 million per annum was ploughed back to the communities. These revenues are used for community development programmes such as putting up health facilities, education requirements etc. Apart from

¹ A local community along geographical boundaries contiguous to a chiefdom in a Game Management Area or an open area with common interest in wildlife and natural resources in that area may apply to ZAWA for registration as a community resource Board.

the revenues that are ploughed back, the communities also derive benefits from employment as scouts and also working in the safaris.

Difficulties in maintaining high incremental rate in revenues derived from hunting and concessions are largely attributed to reduced promotional activities in the prime source markets and the inadequate recapitalisation of ZAWA.

Programmes and Their Relation to Poverty Reduction and Priorities

As with other economic sectors, the government's roles are as follows:

To facilitate private sector development of the tourism sector, through investment promotion, marketing, provision of key infrastructure and provision of regulations and Legistilation.

The planned interventions are primarily two: development zones and national programs. They both aim at facilitating higher investment in the sector, leading to growth and poverty reduction. Consultative meetings to be held in various regions will facilitate the prioritisation of particular projects and activities within a region.

Development Zones

There aren't enough resources for government to play its supportive role at the same time in all areas with some tourist potential. Resources would be spread thinly resulting in little impact. For this reason, initial emphasis will be directed to high growth areas that will contribute to national income expansion, which will assist to create resources for other areas to be developed over time. Even then, however, Zambia will rehabilitate and maintain basic infrastructure, especially roads, in all the tourist areas.

The development zones contain priority opportunities (products or projects) that require further development and enhancement. In the short-term, five zones were identified by stakeholders in the industry according to the following order of priority; Livingstone, Kafue National Park and surrounding Game Management Areas, Lower Zambezi including Siavonga (through to Feira), Lusaka and Luangwa. Others will follow in subsequent PRSPs.

The chosen zones, given their endowment like the falls, wild life prevalence and close proximity to one another, create the possibility of an extended loop for visitors, and are judged to have the best chance of responding quickly. Hence, for example, tourists primarily coming to see the Victoria Falls will have the opportunity of travelling to nearby Kafue National Park if they wish to see large game in an extensive wilderness setting.

Livingstone, Victoria Falls and the Surrounding Area

Given its endowment, this area will remain the prime tourist attraction for Zambia.

The priority activities in Livingstone in terms of infrastructure are as follows:

- ❑ Rehabilitation of the airport run way to take bigger planes like Boeing 767.
- ❑ Access roads to and within the Musi o Tunya Park,

- ❑ Rehabilitation of the airport road
- ❑ Establishment of a visitor centre.
- ❑ Rehabilitation of town water works
- ❑ Rehabilitation of town roads.
- ❑ Enhanced personal security

In terms of economic opportunities and livelihood the following are planned

- ❑ The community will earmark land for further tourist development, taking into account the present and future land requirements of the people. More on this on rural development.
- ❑ The government will survey the earmarked land, put in basic roads and power (rural electrification) and advertise it to credible developers
- ❑ The government, the community and tourist developers will design and implement a scheme to enable and support local farmers to increase their share by ten percent each year of the foodstuffs required by operators. Most of this is currently imported.

The Kafue National Park

The Kafue National Park is an excellent extension for visitors who have seen the Victoria Falls and would like to stay longer in Zambia to see wildlife in a large park. The two are adjacent and not too far apart. The planned interventions for the area are initially limited in view of the scarce resources. The proposed interventions for now are as follows:

- ❑ Construction of a trunk road linking Kalomo with Itezhi-tezhi in the Kafue National Park
- ❑ Rehabilitation of the Mumbwa Itezhi-tezhi road
- ❑ Construction of a tourist and commercial centre at Itezhi-tezhi
- ❑ As minimum finding a credible investor of the like of Sun International to put up a resort in Kafue
- ❑ Developing and implementing a program for investment of smaller lodges to complement the bigger resort
- ❑ Designing and implementing a program for farmers in the vicinity to produce, on an incremental scale per year, some food requirements for the planned new and existing resorts.

Lower Zambezi

In recent years, this area has been attracting increasing investment to take advantage of the abundant wild life and water resources there.

- ❑ In Lower Zambezi the priority interventions are in the following order:
- ❑ Rehabilitation of access roads, pontoons, telecommunication, and airstrips
- ❑ In Siavonga it is in the following order, the rehabilitation of access roads and upgrading of the airstrip
- ❑ Water and sanitation,

- ❑ Creation of the visitor centre and community development.

Lusaka City and Surrounding Area

Although the initial emphasis will be in Livingstone and Kafue National Park Areas, some tourists visiting these areas may wish to see the capital city. Further, Lusaka being the capital can capture official related tourism such as international conferences and seminars. The Interventions for Lusaka are as follows:

- ❑ Improve city roads and street lighting,
- ❑ Airport terminal.
- ❑ Improve the feeder road network in the surrounding areas of Lusaka and urge farming communities to set up agro-tourist and recreation centres.

National Programs

These are programs that have a national characteristic as opposed to zonal development. They will run concurrently with zonal programmes. They include the following, in their order of priority:

- ❑ A strategy for attracting serious investments, both foreign and local especially in the development zones indicated above. At minimum there should be one world-class investor in each zone with good international marketing skills and smaller investors will also be encouraged to ride on the marketing successes achieved.
- ❑ A strategy for marketing of Zambian tourism will be agreed upon with stake holders and implemented
- ❑ Setting of and adherence to performance standards for assisting investors to set up
- ❑ Rehabilitation of museums and heritage sites:
- ❑ Develop the human resource in the tourism industry in all the development areas.
- ❑ Routine maintenance of all infrastructures in all the tourist areas will be done regularly. This will ensure that some tourist activity will continue even in areas, which are currently not in the priority zones for intensive development.
- ❑ Natural Resource Conservation: This programme targets the broader aim of maintaining Zambia's rich biodiversity and enhancing economic development of the wildlife sub-sector, the local communities living in the GMA's and overall protection and management of the wildlife resource base. The focus in the first PRSP cycle will be to build capacity at ZAWA in terms of both human and equipment to enable the authority to operate at some appreciable level of efficiency. This is important if sustainability to secure sustainability in the future years in terms of revenue generation by ZAWA. The other sub programme is that of Wild Development, which is aimed at conserving and protecting the wild life such as monitoring and policing will still be undertaken