

The Socio-economic impact of Tourism in the Karoo National Park

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Summary

Literature on ecotourism and sustainable tourism emphasises the responsibilities and opportunities in protecting national parks through appropriate tourism development. National parks assist in addressing the economic and social challenges facing local, and mostly small, rural communities adjacent to the national parks. Most of South Africa's national parks are situated in rural areas giving tourists access to villages and towns surrounding the park, contributing to the economic and social upliftment of local communities such as in the case with Karoo National Park (KNP). National Parks in South Africa are seen as major tourism assets due to the wildlife and various activities for international and local visitors, but little is known about the socio-economic impact (contribution) of these parks on their respective local economies and communities. This was first realised by Saayman and Saayman who developed a socio-economic impact model that can be used to do socio-economic impact studies on national parks. Tourists to national parks frequently visit local communities. These tourists then spend money on aspects such as crafts, lodging, food and entrance fees, thus enhancing the economy of the villages/towns in the area. These tourists also have a social impact which can contribute positively or negatively on the quality of life of the local community.

The aim of this research is to determine the socio-economic impact of the Karoo National Park in South Africa. The research was conducted from 27 March 2007 to 1 April 2007. To achieve the goal of the research, three surveys were conducted: a community survey (240 questionnaires), a business survey in Beaufort West (86 questionnaires) and a visitor survey (104 questionnaires) of tourists visiting the Karoo National Park.

The community survey included questions relating to demographic aspects, impact questions pertaining to specific park impacts in the community and personal impacts on residents. A descriptive analysis, statistical analysis and factor analysis was done to interpret the social data and to determine the most relevant social impact factors. The business survey asked questions regarding employment creation, leakages, and income changes as a result of the park. The visitor survey included questions relating to demographic aspects and expenditures.

The factors influencing the economic impact of tourism were identified in the study and include the following: production factors, politics, expenditure, inflated processes, leakages and seasonality to name but a few.

The results indicated that the Park has an impact on employment, production and general income in the region. Only 4% of businesses' existence is due to the Karoo National Park, yet many of these businesses rely on tourists spending. Guest houses and Bed and Breakfast

establishments indicated that they benefit most from the Park. Curio shops indicated that 8.8% of their business is due to the Park, with restaurants indicating 15%. Retailers and service stations also indicated that they give 8% and 20% respectively of their turnover to the Park and tourism and recreation services estimated this contribution at 15%. The results confirm that rural areas face high leakages. However, in terms of employment creation, the fact that 98% of all workers live in the area under consideration, is an indication that the benefits of the park reach the locals. The total economic impact of the Park on the local economy is R4 187 378.

The community felt that the park does have a positive to very positive effect on the quality of life of the community. The positive aspects of the Karoo National Park are the fact that the park attracts tourists and assists in conservation. The appearance and image of the town has improved due to property value increase, a significant drop in crime levels, an improvement in entertainment opportunities, an increase in interaction between locals and tourists which is perceived to be positive, an increase in social and moral values and an increase in pride among members of the community.

The results show that the park has a greater social impact than an economic impact on the community of Beaufort West. The Karoo National Park impact is not as significant as that of larger National Parks such as Addo Elephant National Park due to its size. From this it is learned that the smaller the operation the lesser the socio-economic impact. This research adds to the much needed research regarding socio-economic impacts of national parks in South Africa.

Keywords: socio-economic impact; national parks; Karoo National Park; ecotourism

Opsomming

Literatuur oor ekotoerisme en volhoubare toerisme beklemtoon die verantwoordelikhede en geleenthede wat die beskerming van nasionale parke deur toepaslike toerisme-ontwikkeling inhou. Nasionale parke help om die ekonomiese en sosiale uitdagings waardeur die meeste plaaslike, en meestal klein, plattelandse gemeenskappe aangrensend aan die nasionale parke in die gesig gestaar word, te oorkom. Die meeste van Suid-Afrika se nasionale parke is in plattelandse gebiede geleë, wat aan toeriste toegang gee tot klein dorpieë en dorpe wat in die omgewing van die parke lê, wat tot die ekonomiese en sosiale opheffing van plaaslike gemeenskappe bydra, soos in die geval van die Karoo Nasionale Park (KNP). Nasionale Parke in Suid-Afrika word beskou as van die belangrikste toerisme bates weens die wildewe en verskeie aktiwiteite vir internasionale en plaaslike besoekers, maar min is bekend wat betref die sosio-ekonomiese impak (bydrae) van hierdie parke op hul onderskeie plaaslike ekonomieë en gemeenskappe. Dit is eers deur Saayman en Saayman beseft dat 'n sosio-ekonomiese impakmodel ontwikkel het wat aangewend kan word om sosio-ekonomiese impakstudies op nasionale parke uit te voer. Toeriste na nasionale parke besoek dikwels plaaslike gemeenskappe. Hierdie toeriste bestee dan geld aan aspekte soos kunshandewerke, verblyf, voedsel en toegangfoorie, waardeur hulle die ekonomie van dorpieë/dorpe in die gebied 'n hupstoot gee. Hierdie toeriste het ook 'n sosiale impak wat positief of negatief kan bydra tot die lewensgehalte van die plaaslike gemeenskap.

Die doel van hierdie navorsing is om die sosio-ekonomiese impak van die Karoo Nasionale Park in Suid-Afrika te bepaal. Die navorsing is van 27 Maart 2007 tot 1 April 2007 uitgevoer. Om die doel van die navorsing te bereik is drie ondersoeke gedoen: 'n gemeenskapsondersoek (240 vraelyste), 'n sake-ondersoek in Beaufort Wes (86 vraelyste) en 'n besoekersvraelys (104 vraelyste) van toeriste wat die Karoo Nasionale Park besoek.

Die gemeenskapsondersoek het vroeë ingesluit wat verband gehou het met demografiese aspekte, impakvrae wat betrekking gehad het op spesifieke park impakte in die gemeenskap en persoonlike impakte op inwoners. 'n Beskrywende analise, statistiese analise en faktoranalise is uitgevoer om die sosiale data te vertolk en die toepaslikste sosiale-impak faktore te bepaal. Die sake-ondersoek het vroeë gestel rakende werkskepping, lekkasies en inkomste veranderinge as gevolg van die park. Die besoekersvraelys het vroeë ingesluit wat betrekking gehad het op demografiese aspekte en besteding.

Die faktore wat die ekonomiese impak van toerisme beïnvloed, is in die studie geïdentifiseer en sluit die volgende in: produksiefaktore, die politiek, besteding, inflasie prosesse, lekkasies en seisoenaliteit, om maar enkele te noem.

Die resultate het aangedui dat die Park 'n impak het op werkverskaffing, produksie en algemene inkomste in die gebied. Die bestaan van slegs 4% van sakeondernemings spruit voort uit die Karoo Nasionale Park. Nietemin maak baie van genoemde besighede staat op toeristebesteding. Gastehuse en Bed-en-Ontbyt-ondernemings het aangedui dat hulle die meeste baat vind by die Park.. Rariteitswinkels het aangedui dat 8% of hul besigheid aan die Park toegeskryf kan word, met restaurante wat 15% aandui. Kleinhandelaars en diensstasies het ook aangedui dat hulle 8% en 20% onderskeidelik van hul omset aan die Park gee, en toerisme- en rekreasiedienste het hierdie bydrae op 15% geskat. Die resultate bevestig dat plattelandse gebiede hoë lekkasies ondervind. Met betrekking tot werkverskaffing is die feit dat 98% van alle werkers in die gebied onder bespreking woon egter 'n aanduiding dat die voordele van die park die plaaslike inwoners wel bereik. Die totale ekonomiese impak van die Park op die plaaslike ekonomie is R4 187 378.

Die gemeenskap het gemeen dat die park 'n positiewe tot baie positiewe effek het op die lewensgehalte van die gemeenskap. Die positiewe aspekte van die Karoo Nasionale Park is die feit dat die park toeriste lok en ook help met die bewaring. Die voorkoms en beeld van die dorp het 'n hupstoot gekry weens, 'n styging in eiendoms waarde, 'n aansienlike afname in misdadervlakke, 'n verbetering in vermaaklikheidsgeleenthede, 'n verbetering in die interaksie tussen plaaslike inwoners en toeriste wat ingetree het en word as positief beskou, sosiale en morele waardes het meer prominent geword en trots onder lede van die gemeenskap het toegeneem.

Die resultate toon dat die park 'n groter sosiale impak op die gemeenskap van Beaufort Wes het as 'n ekonomiese impak daarop. Die impak van die Karoo Nasionale Park is nie so betekenisvol as dié van groter Nasionale Parke soos die Addo Olifant Park nie, weens die grootte daarvan. Hieruit word afgelei dat hoe kleiner die onderneming, hoe geringer die sosio-ekonomiese impak. Hierdie navorsing voeg by tot die broodnodige navorsing oor sosio-ekonomiese impak van nasionale parke in Suid-Afrika.

Sleutelwoorde: sosio-ekonomiese impak; nasionale parke; Karoo Nasionale Park; ekotoerisme

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LIST OF ABBREVIATIONS

AENP	Addo Elephant National Park
BW	Beaufort West
CGE	Computable General Equilibrium
GCIS	Government Communication and Information System
GDP	Gross Domestic Product
IMPLAN	Impact Analysis and Planning
IO	Input-output
KNP	Karoo National Park
NGOs	Non Government Organisations
NP	National Park
PE	Port Elizabeth
RSG	Radio Sonder Gense
SA	South Africa
SANParks	South African National Parks
TNP	Tsitsikamma National Park
WC	Western Cape
WTO	World Tourism Organisation
WTTC	World Travel and Tourism Council

CHAPTER 1: INTRODUCTION & PROBLEM STATEMENT

We wander for distraction, but we
travel for fulfilment.

~Hilaire Belloc

1.1 Introduction

Literature on ecotourism and sustainable tourism emphasises the responsibilities and opportunities to protect national parks through appropriate tourism development. National parks further help to address the economic and social challenges facing local, and mostly small, rural communities adjacent to national parks (**Eagles & McCool, 2002**). National parks, as a tourism destination, have considerable economic potential and benefits for the host community such as employment opportunities, improved socio-economic conditions and an opportunity to stabilise markets (**Mohapeloa, 2005**).

Tourists to national parks frequently visit local communities. These tourists then spend money on items such as crafts, lodging, food and village entrance fees, thus enhancing the economic condition of the villages/towns in the area. Most of South Africa's national parks are situated in rural areas giving tourists access to villages and towns surrounding the park and contributing to the upliftment of adjacent communities. One such park is the Karoo National Park (from here on referred to as the KNP) (**Eagles & McCool, 2002; Myburgh & Saayman, 2002**). One of the best ways for a region to increase its economic impact is to increase its tourism demand. The more visitors a region attracts, the longer they stay and, the higher the total expenditure on tourism-related products, the bigger the impact on the local community (**Saayman, 2001**).

This chapter will focus on the problem statement of the study, main goal, objectives and method of research as well as defining relevant terms.

1.2 Problem Statement

Tourism has been labelled the economic driver of the 21st century due to the multiplier effect of tourist spending and the linkage of this industry to many other industries (**Saayman & Saayman, 2006a**). According to **Mason (2003)** residents can benefit from tourism either through direct involvement in the tourism industry, such as restaurants and guide services, or through the manufacture and sale of craft products, the staging of cultural performances and food production for tourists' needs (**Mason, 2003**).

According to **Eagles and McCool (2002)** the link between communities and protected areas occurs on different temporal and social organisational scales and within differing functional areas. The economic foundation for a community-tourism-protected-area relationship involves at least four different linkages:

- Visitor expenditures that influence the economic viability of the local community.
- The protected area and its landscape serve as a scenic backdrop to adjacent communities. Backdrops serve as a component of the local area's quality of life.
- The expenditures of the park serve as part of the economic base for the community, which is a source for funding of the park management and development activities from outside the community, through fee revenue or central governmental appropriations.
- Employees of the park and tourists spend their salaries and wages on goods and services in the community (**Crookes & Milner-Gulland, 2006**).

Because of these four linkages, communities often have a very strong interest in how parks are managed. For the purpose of this study the Karoo National Park will be analysed. The KNP is situated close to the N1 highway between Cape Town and the hinterland, approximately 1000 km south of Johannesburg and 500 km north of Cape Town. The Karoo National Park is approximately 10 km from the town of Beaufort West. This park offers tourists accommodation in the form of chalets, cottages and family cottages as well as a well-developed camping area that accommodates 24 stands. In total, the park offers 138 beds (**Saayman & Bothma, 2007**). Because of the sparse vegetation, game viewing in the Karoo National Park is easily facilitated. Best viewing is achieved on the 13 km "Lammertjiesleegte" route on the plains. Large herbivores such as Red Hartebeest, Black Wildebeest, Eland, the two zebra species, kudu and springbok are all regularly seen. Klipspringer is regularly seen on the pass of the same name. Other species are less obvious due to their smaller size, nocturnal habits or restriction to the wilderness areas of the park. The park's best birding occurs in and around the campsite. Some birds to be on the lookout for include: *Booted Eagle, Pale Chanting Goshawk, Rock Kestrel, Red-eyed Bulbul, Karoo Scrub Robin, Cape Robin-chat, Chestnut-vented Tit-babbler and Layard's Tit-babbler* (**SANParks, 2008**).

It is difficult for protected areas to survive if local residents remain in poverty or are denied access to the resources inside (**Brechin, West, Harmon & Kutang, 1991**). When changes are made to park policy without the involvement of the local community, it can lead to conflict between the park and the local community (**Crookes & Milner-Gulland, 2006**).

The introduction of tourism is seen as an economic diversification strategy to reduce reliance on a singular economic sector, to capitalise on the designation of parks and protected areas, and to provide economic incentives for the local community to protect their resources in these parks. As the local economy integrates tourism into its economic base, reliance on employment in the traditional economic sectors declines as renewed service-based employment provides employment growth (**Eagles & McCool, 2002**). Positive economic impacts include foreign exchange earnings, revenues to government, the creating of employment opportunities, a sense of pride in the community, a contribution to regional development, and placing decision making in the hands of professionals (**Lickorish & Jefferson, 1991; Macleod, 2001; Eagles & McCool, 2002**). **Mason (2003)** identifies certain negative impacts of tourism, such as inflation, opportunity costs and over-dependence on tourism. Inflation relates to increased prices of land, houses and even food as a result of tourism (**Mason, 2003**).

Economic impact involves the local flow of goods and services within the economy. The economic impact of a park is primarily determined by visitation and spending within the park and surrounding area by tourists, and by the acquisition of supplies by the park agency within the local area. Economic impact is measured in changes in sales, employment and income in the immediate region of the park or protected area. Money spent by local residents does not produce any economic impact, as this spending is only a redistribution of money already in circulation in the local economy (**Eagles & McCool, 2002**). The study of economics is concerned with the satisfaction of unlimited needs, given the limited resources (**Saayman, 2007**).

The social impact of a national park includes a shift from a production industry to a service industry, changes in the nature and composition of employment in the area, more viable medical and transport services and a general change in the lifestyles of people in the surrounding areas (**Taylor, Gough, Warren & McClintock, 1999**). **Lindeque and Cloete (2005)** indicate that participation in higher socio-economic areas is based on the total effect of the development on the area as a whole. However, in an area with a lower socio-economic status, the focus of public participation tends to be on job creation and on the individual (**Rinne & Saastamoinen, 2005**). According to **Saayman and Saayman (2006a)** national parks have three fundamental spheres of focus:

- The *conservation of a representative sample* of the biodiversity of the country,
- Maintaining a *relationship of community upliftment and capacity building* among people living in and around a park and
- Providing a *recreational outlet* to experience and enjoy the wonders of the parks.

Various studies have been conducted on socio-economic impacts. Some of the researchers that have conducted studies on socio-economic impact are: **Loader (1994)**; **Macleod (2001)**; **Fauzi and Buchary (2002)**; **Saayman (2002)**; **Pelser (2003)**; **Govender, Jury, Mthembu, Hatesse and Bulfoni (2005)**; **Lindeque and Cloete (2005)**; **Mules (2005)**; **Rinne and Saastamoinen (2005)**; **Hjerpe and Kim (2006)**; **Saayman and Saayman (2006a)** and **Stoeckl, Greiner and Mayocchi (2006)**. These studies have been analysed and the findings of these studies are as follows:

Loader (1994) focused on the social involvement of SANParks to surrounding communities and argues that social involvement is an integral part of conservation in South Africa. **Fauzi and Buchary (2002)** analysed the intrinsic causes of the internal problems using a socio-economic perspective when they conducted the study at Kepulauan Seribu Marine Park. The authors suggest that the alleviation of poverty and the marginality of the park's residents should be prioritised, and that park management should be based on consensus building and participation of all stakeholders. **Govender et al. (2005)** indicate that with education, training and good planning, ecotourism can be beneficial to a town or community. The study conducted by **Govender et al. (2005)** on the socio-economic status and development potential for a rural community on the Maputoland Coast of South Africa indicates that it is critical to collaborate and co-operate with all stakeholders, with the support of government (NGOs) and the private sector. It was indicated above that **Lindeque and Cloete (2005)** found in their study of public participation by lower and higher socio-economic areas in South Africa that there are different driving forces for participation by the two socio-economic groups: higher socio-economic groups tend to be more concerned about the effect on the environment, whereas lower socio-economic groups tend to be more concerned about the effect on themselves.

Hjerpe and Kim (2006) indicate that outdoor recreation and other non-consumptive uses of resources were viewed as environmentally friendly alternatives to extractive-type industries. While outdoor recreation (a form of wildlife tourism) can be an appropriate use of resources, it generates both beneficial and adverse socio-economic impacts on rural communities, based on research conducted on regional economic impacts of Grand Canyon river runners (**Hjerpe & Kim, 2006**). **Saayman and Saayman (2006b)**, who conducted research on the Kruger National Park, indicate that surrounding towns have started focusing on offering additional tourism products, contributing to income and employment in the province. **Saayman (2002)** refers to this as the *carcass model* – when a lion kills an animal, the carcass draws other species such as jackal and wild dogs, who all benefit from the lion's kill. The carcass model translates to a major tourism development, like the Kruger National Park, that attracts many other forms of development that would not necessarily have taken place if it were not for this large

development. This notion will vary from park to park, due to the parks size (accommodation and land conserved), location and product offering. A study conducted by **Stoeckl et al. (2006)** in Northwest Queensland indicated that different types of visitors generate different economic and environmental impacts and that the current visitor mix contributes financially mostly to caravan parks and local stores. From the above literature, it is clear that only a few studies in this regard have been conducted. The most comprehensive study conducted in South Africa regarding the socio-economic impact of national parks was done by **Saayman and Saayman (2006a)** on the Addo Elephant National Park. This research only performed surveys on the visitors to the park and the local businesses, no surveys were conducted on the local community. The contribution of the study was in the form of a framework that was developed for determining the socio-economics impacts of national parks. The model of **Saayman and Saayman (2006a)** identified six issues of importance when assessing socio-economic impacts of parks: Firstly, the area must be specified as well as the main economic activities. Secondly, a determination of the magnitude of visitor spending and the distribution of the spending throughout the local economy should be conducted. Thirdly, the social impact of the park on the community must be determined. Fourthly, a complete picture of spending activities should be obtained. Fifthly, the values of the income and sales multipliers should be determined. Finally, the change in the nature of business and employment opportunities in the area due to the national park should be determined.

South Africa has some of the largest protected areas in the world, yet little is known about the socio-economic impact of these parks (**Saayman & Saayman, 2006a**). Therefore the problem of this research is to determine the socio-economic impact of the Karoo National Park on the local community of Beaufort West.

1.3 Goal of the study

The main goal and objectives of this study are as follows:

1.3.1 Main goal

The main goal of this study is to determine the socio-economic impact of the Karoo National Park.

1.3.2 Objectives

- To do a literature analysis of the social impact of tourism.
- To do a literature analysis of the economic impact of tourism.
- To conduct surveys to determine the socio-economic impact of the KNP.
- To determine the impact of the KNP on local businesses in Beaufort West.
- To make recommendations and conclusions regarding the study.

1.4 Research Methodology

1.4.1 Literature study

Literature pertaining to the social, economic and socio-economic impacts was used to define certain concepts and examine case studies. This analysis gave perspective of community expectations from development in national parks, as well as the way that the money flows in the community and the nearby towns. Various respectable and accredited sources were consulted to obtain this information: books, articles and Internet sources. These sources were not older than ten years. Older sources were used for the discussion of theories. Online databases such as Ebscohost Research Database - specifically the Academic Search Premier, Business Source Premier and Hospitality and Tourism Index - Nexus Database System, Sabinet online Science Direct and SAePublications were consulted to identify recent studies in the field of socio-economic impact.

The keywords included: national parks, park tourism, socio-economics, socio-economic impact, social impact, economic impact and tourism.

1.4.2 Empirical survey

The empirical analysis consisted of three surveys. Survey one focused on the community of Beaufort West, survey two on the businesses in and around Beaufort West (radius:30 km) and the third survey focused on tourists visiting the Karoo National Park. Each will be discussed separately.

1.4.2.1 Survey one: Community survey

1.4.2.1.1 Research design and method of collecting data

Quantitative research was conducted in the community of Beaufort West, which involved the collection of data from large numbers of individuals. According to **Slabbert, Saayman and Saayman (2006)** the advantages of a quantitative approach is, firstly, that it is suitable for collecting demographic information, for example gender, income and age. Secondly, it is inexpensive to conduct and, thirdly, it is relatively easy to analyse when using statistical programmes. The research was descriptive and causal in nature and a structured questionnaire served as the instrument to collect the data. Factor analyses were used to find latent variables among observed variables. Descriptive research primarily describes what is going on or what exists and causal research determines whether one or more variables cause or effect one or more outcome variables (**Trochim, 2006**). This survey was carried out between 27 March 2007 and 1 April 2007.

1.4.2.1.2 Selection of the sampling frame

According to the 2006 census (STATSSA, 2006), there are approximately 5000 structured households (house that are pre-build) within a 30 km radius of Beaufort West. The following

formula was used to determine the sample that was needed for the survey: $n \geq \frac{N}{1/Nd^2 / 10000}$

(n=sample; N=population and d=5% accuracy) (Tustin, Ligthelm, Martins & van Wyk, 2005).

$$n \geq \frac{N}{1/Nd^2 / 10000}$$

$$n \geq \frac{5000}{1/5000(5\%)^2 / 10000}$$

$$n \geq 300$$

Therefore 300 questionnaires were distributed in Beaufort West for the community survey.

1.4.2.1.3 Sampling method

A stratified sampling plan was followed to select 400 households in Beaufort West. This sampling method separates the population into different subgroups (Tustin *et al.*, 2005). The population was therefore divided into two subgroups (white and black) and regular intervals were chosen after a random start, every second house was selected in the various subgroups. If the selected household did not want to participate in the survey either the house on the right or the left was selected to participate. A total of two-hundred-and-forty (240) were returned that were usable.

Seven post graduate students were recruited to assist with the survey. The fieldworkers were trained by the researcher in the correct completion of the questionnaire as well as guiding the respondents where necessary in completing the questionnaire without influencing the response. The field workers distributed the questionnaires in the evenings and collected by them later in the evening. In some cases, the fieldworkers had to wait for the respondent to complete the questionnaire and therefore, if there were questions with regard to the questionnaire, they were handled immediately and in a professional manner. This led to a higher number of completed questionnaires.

1.4.2.1.4 Development of the questionnaire

The social impact measuring instrument (questionnaire) that was used was developed by Fredline, Jago and Deery (2003). It was designed using statements from previous event and tourism literature as well as additional information from social capital literature. Slightly different versions of this questionnaire had already been tested by these authors at the Australian Formula One Grand Prix (2002), the 2002 Melbourne Moomba Festival and the Horsham Art Festival in 2002. The questionnaire was used by Slabbert, Saayman and Saayman (2006) at

the Aardklop National Arts Festival and the Klein Karoo National Arts Festival (2006). Since this study focused on a permanent constructed tourism product the questionnaire was adapted to focus on the needs of the study.

The main variables (residents' perceptions of the impacts of the National Park) were measured using a scale. The scale included 35 impact statements. These statements referred to positive and negative social impacts of the Park, in relation to which respondents were asked to, indicate their degree of agreement or disagreement on a 3 or 4-point Likert scale. Questions were used to measure the independent variables and demographic information as well. These variables included participation, community attachment and demographics (**Fredline et al., 2003**).

Since this questionnaire had been tested successfully in previous studies (**Fredline, 2000; Fredline & Faulkner, 2000; Slabbert et al., 2006**) it was considered that there was no need to employ an extensive pilot testing phase.

1.4.2.1.5 Data analysis

Microsoft Excel was used to capture the data. SPSS (Version 15) was used to calculate and analyse the data. The descriptive statistics focused on the demographic profile of the community, where frequencies were used. It provided preliminary insight into the nature of the responses obtained, as reflected in the distribution of the values of each variable of interest. The data is presented in a transparent manner with tables and graphs; and it provided a summary of 'typical' responses as well as the extent of variation in responses for a given variable (**Tustin et al., 2005**). Causal statistics were used in the form of factor analysis and correlation tables to find latent variables among observed variables and to determine whether previous visits or culture had an influence on the social impact.

1.4.2.2 Survey two: Business survey

1.4.2.2.1 Research design and method of collecting data

Quantitative research was carried out. A structured questionnaire served as the instrument to collect the data. The research was therefore descriptive in nature. The survey was done from 27 March 2007 until 1 April 2007.

1.4.2.2.2 Selection of the sampling frame

According to the Beaufort West Municipality, there were approximately N = 757 businesses in the area (**STATSSA, 2007**). **Scholtz (1993)** indicated that 5% is a representative percentage for a research population. Therefore, 250 questionnaires were distributed (n=250), of which 86 questionnaires were returned that were usable – indicating a response rate of 34%.

1.4.2.2.3 Sampling method

Convenience sampling was used for the business survey. In a convenience sample, the sample members are chosen on the basis of being readily available/accessible. Thus selection was done on the basis of convenience (Tustin *et al.*, 2005). Trained field workers were used to do the survey. Field workers went from business to business to handout the questionnaires to the owners/managers who were willing to complete a survey. The field workers went from business to business and collected the data afterwards.

1.4.2.2.4 Development of the questionnaire

The questionnaire was developed by Prof Melville Saayman and Prof Andrea Saayman, from the Institute for Tourism and Leisure Studies, Potchefstroom. The questionnaire was used during a survey that was carried out to determine the socio-economic impact of the Addo Elephant National Park (Saayman & Saayman, 2006a:16). The questionnaire was altered to suit the Karoo National Park situation. Research boundaries were determined for the survey, which were as follows: a 30 km radius around the Karoo National Park, which included Beaufort West. Most of the businesses that were surveyed were located in Beaufort West due to its isolated location from other towns (See Map 1: Western Cape).

1.4.2.2.5 Data analysis

Microsoft Excel was used to capture the data. SPSS (Version 15) was used to calculate and analyse the data. The statistical techniques that were used include an input-output analysis and descriptive analysis. The descriptive analyses helped to provide preliminary insight into the nature of the responses obtained, as reflected in the distribution of the values for each variable of interest; it helped present the data in a transparent manner with tables and graphs; and it provided a summary of 'typical' responses as well as the extent of variation in responses for a given variable (Tustin *et al.*, 2005). The business and tourist data were used to conduct an input-output analysis.

1.4.2.3 Survey three: Tourist survey

1.4.2.3.1 Research design and method of collecting data

The Institute for Tourism and Leisure Studies at the North West University, Potchefstroom campus had done previous research regarding visitors' profiles. In Table 1.1 a summary is given of the total number of questionnaires that were received over the past six years (2001-2006) (Saayman & Bothma, 2007). Saayman and Fouché (2007) did an analysis of research conducted in national parks in South Africa, indicating that all surveys conducted since 2001 at national parks in South Africa revealed that the profile of visitors to national parks stayed

consistent. The profile of visitors to the KNP is consistent with all the other research; therefore the sample can be seen as representative of the total population. Limited accommodation units, unwillingness to complete the questionnaire, limited length of survey and budgetary implications made it difficult to administer more questionnaires.

Table 1.1: Number of questionnaires from 2001-2006

Year	Month	Total
2001	May	41
2002	June	30
2003	December	50
2004	November	32
2005	November	26
2006	July	38

The research was descriptive in nature and a structured questionnaire served as the instrument to collect the data. A total of 104 questionnaires were received in the period 27 March to 1 April 2007.

1.4.2.3.2 Selection of the sampling frame

An average of two nights was used to capture the data, giving 18 questionnaires per night on average. According to **Saayman and Fouché (2007)** this number is sufficient because the data revealed a similar pattern each year. Therefore, a total of 110 ($18 \times 6 = 108$) questionnaires were distributed in the 2007 survey over six nights. From these reports, it is clear that an average of 36 questionnaires over a period of two nights were sufficient to determine the tourist profile. To be safe, a total of 170 questionnaires ($n=170$) were distributed over the six-night period. A total of 217 questionnaires were distributed during this time, which gives an average of 36 questionnaires per survey. A total of 101 questionnaires were used.

1.4.2.3.3 Sampling method

An availability study was drawn from the visitors to the KNP for the period. Postgraduate students were recruited to help with the census. Field workers went from chalet to chalet to hand out the questionnaires in the evenings at 19:00. The questionnaires were then collected an hour later during the evening. A record was kept and, as soon as there were new visitors, they received a questionnaire as well. These field workers were trained in research methodology and the analysing of questionnaires.

1.4.2.3.4 Development of the questionnaire

The questionnaire was developed by Prof Saayman and Prof Saayman from The Institute for Tourism and Leisure Studies at the North West University, Potchefstroom (**Saayman & Saayman, 2006a**). The questionnaire was developed to determine the tourist profile of visitors to National Parks since 2001 (**Saayman & Saayman, 2006a**).

1.4.2.3.5 Data analysis

Microsoft Excel was used to capture the data. SPSS was used to calculate and analyse the data. The statistical techniques that were used include descriptive analysis, various multipliers and input-output analysis. The descriptive analyses helped to provide preliminary insight into the nature of the responses obtained, as reflected in the distribution of the values for each variable of interest; it helped present the data in a transparent manner with tables and graphs; and it provided a summary of 'typical' responses as well as the extent of variation in responses for a given variable (**Tustin et al., 2005**). The business and tourist data were used to conduct an input-output analysis.

1.5 Terminology

The following concepts are used regularly throughout this dissertation and therefore need clarification:

1.5.1 Social impact

Social impact focuses on the community, and therefore the changes in societal, collective and individual value systems, behaviour, social relationships and lifestyles, modes of expressions and community structure (**Page, Brunt, Busby & Connell, 2002:276; Douglas, Douglas & Derrett, 2001 & Fredline et al., 2003; Sims & D'Mello, 2005**).

1.5.2 Economic impact

The Economist's Dictionary of Economics defines economics as "The study of the production, distribution and consumption of wealth in human society" (**Moffatt, 2008**). The economic impact entails the effect that the production, distribution and consumption of wealth in the human society have on one another.

1.5.3 Socio-economic impact

Socio-economics is the study of the relationship between economic activity and social life. The goal of socio-economic study is generally to bring about socio-economic development, usually in terms of improvements in metrics such as Gross Domestic Product (GDP), life expectancy, literacy and levels of employment,. According to **Ashford (2005)**, socio-economics is dedicated to the empirical, reality testing approach to knowledge and it respects both inductive and

deductive reasoning. It recognises the policy relevance of teaching and research; and seeks to be self-aware of normative implications rather than maintaining the mantle of an exclusively positive science. Socio-economics does not entail a commitment to any one paradigm or ideological position, although it sees questions of value inextricably connected with individual and group economic choices. It is open to a range of thinking that treats economic behaviour as involving the whole person and all facets of society within a continually evolving natural context. Socio-economics is a positive and normative approach that aspires to present a factually rigorous, holistic understanding of economic behaviour that is both paradigm-conscious and value-conscious yet, at the same time, largely, though not entirely, paradigm- and value-neutral (Ashford, 2005). The socio-economic impact goes beyond the income generated by the park, and also involves the contribution of the park to the community (Saayman & Saayman, 2006a).

1.5.4 Tourism

Tourism may be described as the total experience that originates from the interaction between tourists, job providers, government systems and communities in the process of attracting, entertaining, transporting and accommodating tourists (Saayman, 2001). The World Tourism Organisation (from here on referred to as the WTO) defines tourism as the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to exercise or an activity remunerated from within the place visited. Tourism refers to all activities of visitors, including both 'tourists' (overnight visitors) and 'same day visitors' (Page, 2003).

1.5.5 Tourist

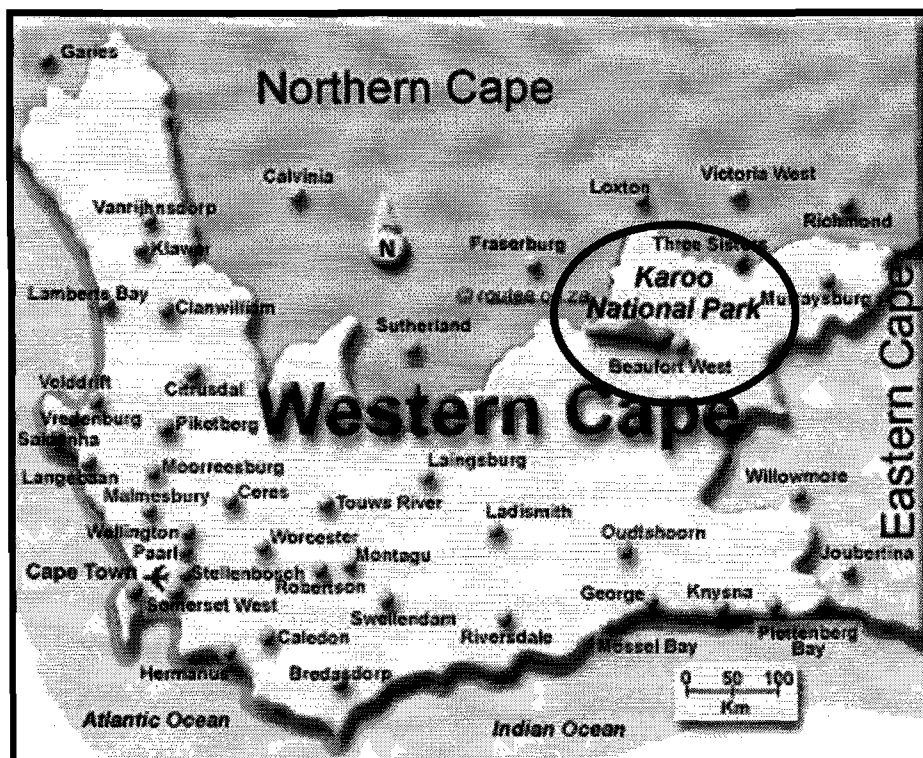
A tourist is a person who makes an economic input with regard to any area other than that in which he/she generally lives and works or a tourist is a person who voluntarily visits a place, away from his/her normal abode, for a period of at least 24 hours (Saayman, 2007).

1.5.6 The Karoo National Park

The Karoo National Park is located alongside the N1 and mainly serves as an overnight park for visitors and tourists (see Map 1). During the late 1950s, Mr William Quinton, a local farmer and keen bird watcher, began campaigning to have a conservation area declared in the vicinity of Beaufort West. In the 1970s, the South African National Parks put forward plans to establish a National Park that would be representative of the Karoo Biome. After considering a number of possible suitable areas it was decided to establish this new park in the vicinity of Beaufort West. This new park was to be 100 000 to 120 000 ha in extent and would be made up of four fifths of Karoo plains and one fifth of mountain terrain (SANParks, 2007).

The Town Council of Beaufort West donated 7 209 ha of communal land northwest of the town to the South African National Parks. This formed the nucleus of the Karoo National Park, proclaimed in 1979. Since then, additional land purchases have increased the Park to its present size of 96 000 ha (Saayman & Bothma, 2007). The Great Karoo is a vast and unforgiving landscape of which the Karoo National Park is but a small portion. Being the largest ecosystem in South Africa, the Karoo is home to a fascinating diversity of life, all having adapted to survive in these harsh conditions. The lofty Nuweveld Mountains dominate The Karoo National Park and rolling plains, where many species that originally occurred here now occupy their former ranges.

The Klipspringer Mountain Pass not only provides visitors with spectacular views, but the pass is also an example of the toil and precision of civil engineering. Other reasons why tourists visit the park include its magnificent birdlife, fossil trails, 4x4 and hiking trails and the larger herbivores, like the Red Hartebeest and Eland (South Africa Nature Reserve, 2007).



Map 1: Western Cape (Source: South African National Parks, 2007)

1.6 Chapter classification

Chapter 1: Introduction and problem statement

Chapter 1 focuses on the problem statement, goal and objectives, method of research and definitions of relevant terms.

Chapter 2: Analysing the social impact of tourism

Chapter 2 analyses social impact and its application in tourism. Various theories are compared such as Butler's model, Doxy's Irridex and the social exchange theory. The host community is also examined, including the stakeholders and some of their responsibilities. The positive and negative social impacts and, lastly, the factors influencing social impact are also discussed. Through this chapter the aspects influencing social impact are determined for inclusion in the questionnaire and measurement thereof.

Chapter 3: Analysing the economic impact of tourism

Chapter 3 focuses on the following: factors influencing economic impact (positive and negative), previous research with regard to economic impact, impact on tourism, various methods that can be used to measure the economic impact and lastly socio-economics as a whole.

Chapter 4: Empirical research

This chapter is divided in three main sections. Firstly the results of the three surveys are revealed, with the emphasis on the community survey (survey one, which focuses on the demographical profile, overall impact of the KNP and the factor analysis for the social impact), business survey (survey two, in specific business information, employee information, stock, services and operational cost) and, lastly, the tourist survey (survey three where the profile of the tourists is discussed and the economic impact of these tourists on the area). Secondly, a partial input-output analysis was conducted in which the economic impact is described and lastly conclusions are drawn for the chapter.

Chapter 5: Conclusions and recommendations

In this chapter, conclusions and recommendations are made regarding the research as well as possible future research.

CHAPTER 2: ANALYSING THE SOCIAL IMPACT OF TOURISM

Society is always engaged in a vast conspiracy to preserve itself - at the expense
of the new demands of each new generation.

- John Haynes Holmes -

2.1 Introduction

Myburgh and Saayman (2002) indicated that sustainable tourism development at a destination is based on three pillars. The first pillar focuses on the promotion and enhancement of the natural and cultural environment. The second pillar focuses on the effective planning and sustainable management of the environment and the third on the participation of the local community. **Swarbrooke (1999)**, **International Energy Agency (I.E.A.) (2001)**, **Hobson and Essex (2001)** and **Pigram and Wahab (1997)** define sustainable tourism development as the forms of tourism that meet the needs of tourists, the tourism industry and host communities today without compromising the ability of future generations to meet their own needs. In negotiating land acquisition and planning the future operation and management of a national park, it becomes of fundamental importance for the government authority to be able to demonstrate specific benefits, especially for the local communities, by way of commercial opportunities and employment (**Rovinski, 1991 as quoted by Son et al., 2002**).

Although many national parks still centre on the conservation and preservation of wilderness, the national park idea has more recently sought to embrace a wider set of objectives and, in particular, reconciles the tensions between society and nature (**Barker & Stockdale, 2008**). **Barker and Stockdale (2007)** indicated that despite international commitment to promote sustainable development as a framework for national park management, the effectiveness of national park initiatives worldwide has been mixed. Based on the findings of the 5th International Union for Conservation of Nature (IUCN) World Parks Congress, the **IUCN (2004)** suggested that many national parks have failed to engage with the principles of sustainable development. In particular, it was observed that protected areas frequently operate without a set of widely shared principles and objectives; decision-making systems are often inadequate; many national parks have failed to become a practical reality; and indigenous people and other members of civil society are frequently marginalised (**Baker & Stockdale, 2007**). The last two pillars are acknowledged in socio-economics and great emphasis has been placed on the economic impact of tourism, but recently the social impact has received increased attention (**Slabbert, 2007**).

Social impact focuses on the community and, more specifically, on the changes in societal, collective and individual value systems, behaviour, social relationships and lifestyles, modes of expressions and community structure (Page *et al.*, 2002; Douglas *et al.*, 2001 & Fredline *et al.*, 2003; Sims & D'Mello, 2005). Because the value systems of community members differ, the way in which they interpret phenomena in the world around them will also differ (Fredline & Faulkner, 2001). The host community plays an important role in the tourism industry and is one of the most important measuring instruments for determining the success of the tourism industry in surrounding communities (Arthur & Andrew, 1997; Derrette, 2001; Fredline & Faulkner, 2001; Jago, Chalip, Brown, Mules & Ali *et al.*, 2003). Therefore, involving the broader community will ensure fewer problems and greater community acceptance than if only the business community or others outside the community are involved (Dimmock & Tiyce, 2001).

It is therefore the purpose of this chapter to analyse the social impact of tourism. Chapter 2 will identify the origins of sociology and the elements of social impact. Various theories will be compared such as Butler's model, Doxy's Irridex and the social exchange theory. The host community will also be examined further, including the stakeholders and some of their responsibilities. The chapter goes further in discussing the positive and negative social impacts and lastly an overview of factors influencing social impact will be given.

2.2 Origins of sociology

The term *sociology* was formed from the Latin and Greek words "socius" (social, being with others - Latin) and "logos" (study of – Greek) to describe a new science that would engage in the study of society (Kendall, 2006). According to Schaefer and Lamm (1997) sociology is the systematic study of social behaviour and human groups. It focuses primarily on the influence of social relationships on people's attitudes, behaviour and on how societies are established and change. Several of the early social philosophers predicted that systematic studies of human behaviour would one day emerge. A summary of these early social philosophers is presented in Table 2.1 together with modern philosophers' philosophies concerning human behaviour. One aspect on which all the researchers concurred is that behaviour has an important role to play in shaping beliefs and reasons for acting in a certain way in a community. Added to this is the fact that behaviour is influenced by group activity (family, friends and close community).

From Table 2.1, it is apparent that the core aspects of sociology include families, religion, friends and government. Robert Merton (2003) as cited by Kendall (2006) made a valid point when he suggested that sociology should strive to bring together the "macro-" and "micro-level" approach to the study of society. Since sociology focuses on families, friends, community and

the attitudes of people, it can thus be said that the study of the host community forms part of sociology.

Early theorists focused more on the psychological aspects of sociology but, as time passed, new foundations and findings became part of research and researchers like Butler, Doxey and Ap applied sociology to the tourism industry. Today, more and more research is being conducted on the social impact of tourism, especially tourism products such as National Arts Festivals like the Klein Karoo National Arts Festival (Oudsthoorn, South Africa), the Grahamstown National Arts Festival (Grahamstown, South Africa) and the Aardklop National Arts Festival (Potchefstroom, South Africa) (**Slabbert, Saayman, Saayman & Viviers 2007; Viviers, Slabbert, Saayman & Saayman, 2007**). More recently, ecotourism products also started to receive attention, for example national parks in South Africa such as the Addo Elephant National Park and the Karoo National Park (**Saayman & Saayman, 2006a; Saayman, Saayman & Ferreira, 2008**). As indicated earlier in Chapter 1, the Addo Elephant National Park served as a case study for developing a framework for socio-economic impact studies in National Parks.

By studying the various theories of early philosophers, one acquires a better understanding of how different these theories are. The next section will focus on theories of social impact to improve the understanding of how the social impact and tourism are interlinked with one another. The theories of Doxey, Butler and Ap, which are seen as the fundamental theories, will be discussed in more detail. This will be followed by a discussion of the involvement of the host community and the importance of the main role players in the host community.

Table 2.1: Early theorists philosophies (Source: Adapted from Schaefer & Lamm, 1997; Calhoun, Rojek and Turner, 2005 and Kendall, 2006).

THEORIST	YEAR	CONTRIBUTION
Auguste Comte	1798-1857	Believed that a theoretical science of society and a systematic investigation of behaviour were needed to improve society . Comte coined the term sociology to apply to the science of human behaviour and insisted that sociology could make a critical contribution to a new and improved human community . Comte is seen as the father of sociology.
Harriet Martineau	1802-1876	Martineau's writings emphasised the impact that the economy, law, trade and population could have on the social problems of contemporary society.
Karl Marx	1818-1883	<i>Marx emphasised the group identifications and associations that influence an individual's place in society</i> . For Marx the most important change were economy-related.
Herbert Spencer	1820-1903	According to Spencer's theory of General Evolution, society, like a biological organism, has various interdependent parts (such as family; the economy and the government) that work to ensure the stability and survival of the entire society . Spencer suggested that societies are bound to change ; therefore one need not be highly critical of present social arrangements or work actively for social change .
Émile Durkheim	1858-1917	Durkheim will be remembered for his insistence that behaviour cannot be fully understood in individualistic terms and instead must be understood within a larger social context .
Max Weber	1864-1920	Weber pointed out that, to fully comprehend behaviour , one must learn the subjective meanings people attach to their actions – how they themselves view and explain their behaviour . Weber is also credited for a key conceptual tool: the ideal type. An ideal type is a construct, a model that serves as a measuring rod against which actual cases can be evaluated. Weber acknowledged that economic interests are important in shaping human action . According to Weber, rational bureaucracy , rather than <i>class struggle</i> , is the most significant factor in determining the social relations between people in industrial societies .
Charles Horton Cooley	1864-1929	Cooley preferred to use the sociological perspective to look at smaller units such as families, gangs and friendship networks . These groups were seen as seedbeds of society in the sense that they shape people's ideals, beliefs, values and social nature .
Robert Merton	1910-2003	Merton has produced a theory that is one of the most frequently cited explanations of deviant behaviour. Merton noted ways in which people attempt to achieve success in life . In his view, some may not share the socially agreed-upon goal of accumulating material goods or the accepted means of achieving this goal. Merton also emphasised that sociology should strive to bring together the "macro-level" and "micro-level" approach to the study of society .

2.3 Social Impact Theories

Considering that there is a lack of understanding of the socio-cultural impacts of tourism in the developed world (Brunt & Courtney, 1999), comparative studies of different communities have contributed to theoretical development (Fredline & Faulkner, 2000), relationships between tourism impacts and community support for tourism development. Tourism affects everyone who lives or works in the community and it is a major component of the local economy. There are, however, three theorists (Doxey, Bulter and Ap) who made fundamental contributions to tourism with regard to social impact. These theories will be discussed next.

2.3.1 Doxey's Irridex

According to Doxey's Irridex, the host community passes through stages of euphoria, apathy, irritation and antagonism (Slabbert, 2007; Page et al., 2001 and Saayman, 2000). The model supposes that impacts of tourism on the host community may be translated into degrees of the community's irritation. It is based on the four stages of response which increase through time in sequence (Figure 2.1).

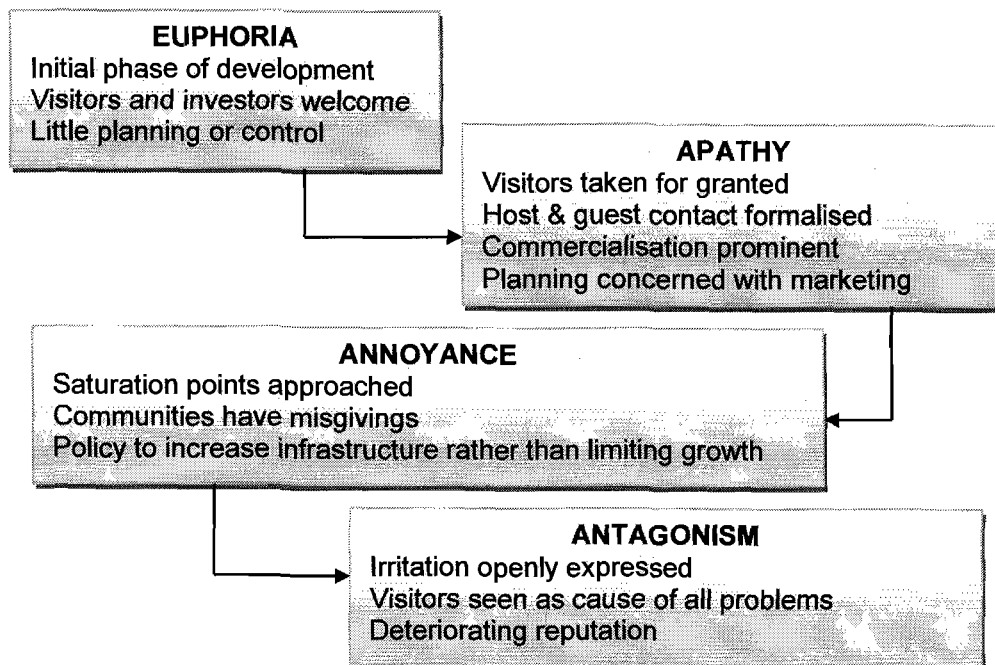


Figure 2.1: Level of host irritation (Source: Page et al., 2001, Slabbert, 2007 and Saayman 2000).

The initial stage – euphoria – arises at the outset of tourism and describes the scenario where a small number of travellers arrive in a location. There is minimum tourist

infrastructure and the tourists make use of the accommodation and services of the local community. There is interaction between tourists and the local community, with high economic benefits as local people benefit directly from tourist activities. Tourists are welcomed and the host population feels euphoric. As time progress and tourism development starts, the host community is starting to regret the development that is taking place (apathy). This is because investors are taking control of the industry and local people are being used for servile roles. The annoyance stage is reached when a destination reaches saturation point – tourism has become a dominant force in the environment and adaptation is necessary to cope with the number of tourists. The final stage of the Irridex – antagonism – is an extreme point where the host population blames tourism for all the negative aspects of life in the area (Page *et al.*, 2001; Slabbert, 2007 and Saayman, 2000).

In conclusion, Doxey's model illustrates that community members will welcome tourists in the beginning, thus increasing tourism. As tourism increases so do their irritation levels and this tends to lead to negative attitudes towards tourism. Therefore the community tends to be more negative as the process gets "worse", because they are deprived of their "home". This shows the importance of their involvement in decision making and the management of tourism in a sustainable matter. If the community is involved in decision making they have the opportunity to give their insight concerning positive and negative aspects that might arise. This insight is of importance for the sustainable management of tourism.

2.3.2 Butler's Tourism Area Life Cycle Model

According to **Butler's (1980)** model, the tourist destination passes through six phases, exploration, involvement, development, consolidation, stagnation, decline and rejuvenation. Each of these phases has specific characteristics (Figure 2.2).

The basic idea of Butler's *Tourism Area Life Cycle (TALC) model* is that a destination begins as relatively unknown and visitors initially come in small numbers restricted by lack of access, facilities, and local knowledge, which is labelled as *Exploration* in Figure 2.2 (Miller & Gallucci, 2004).

As more people discover the destination, the attractions become known and the amenities are increased and improved (*Development*). Tourist arrivals then begin to grow rapidly towards some theoretical carrying capacity (*Stagnation*), which involves social and environmental limits. The rise from *Exploration* to *Stagnation* often happens very rapidly, as implied by the exponential nature of the growth curve. The possible trajectories indicated by

dotted lines A-E in Figure 2.2 are examples of a subset of possible outcomes beyond *Stagnation*.

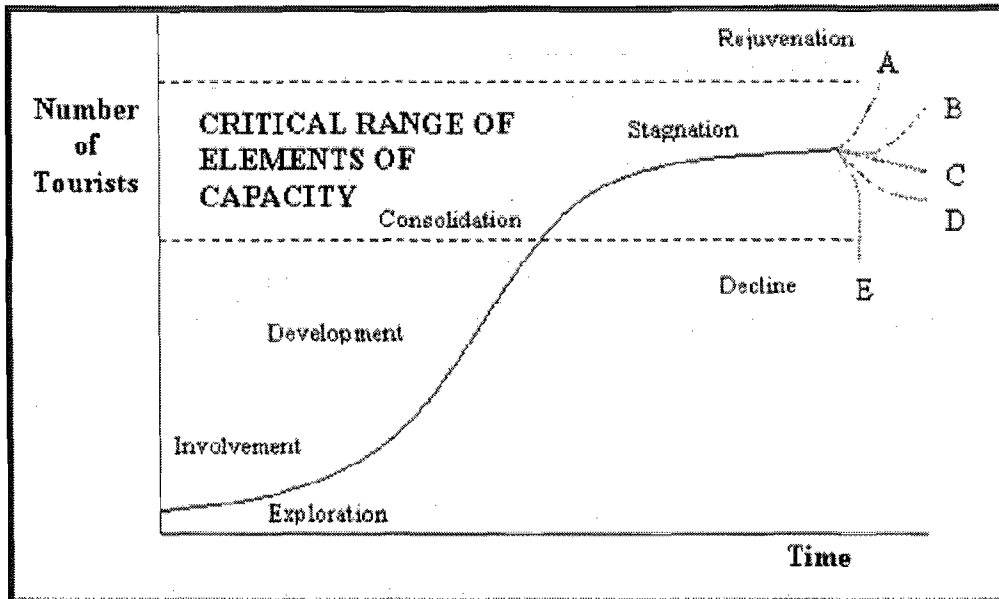


Figure 2.2: Hypothetical Evolution of a Tourist Area (Adapted from Miller and Gallucci, 2004)

Examples of aspects that could cause a destination to follow trajectories A and B toward *Rejuvenation* are technological developments and infrastructure improvements. These lead to an increased carrying capacity of a tourism region. Examples of aspects that could cause a destination to follow trajectories C and D are increased congestion and unsustainable development, causing the resources that originally drew visitors to the destination to become corrupted, or to cease to exist. It is also important to point out that the Law of Diminishing Returns could cause a destination to follow trajectories similar to those of C or D, and that the concepts and practices of destination recovery, as applied to destinations recovering from a disaster, could easily be applied to a destination in *Decline* as a result of the Law of Diminishing Returns (Miller & Gallucci, 2007). In 2000, Butler revised the model that was developed in 1980s and found that it is still relevant in the new millennium.

To conclude, Butler identified six stages a destination can pass through (exploration, involvement, development, consolidation, stagnation, decline and rejuvenation). For a destination *not* to reach the decline stage, it is important to manage tourism facilities, infrastructure and, most importantly, the local community. If the local community is involved in the management of tourism, it will help in the upliftment of the destination and keeping it sustainable, thus avoiding the decline phase and working towards the rejuvenation stage.

2.3.3 Social exchange theory

According to the social exchange theory, individuals will engage in exchange if the resulting rewards are valued, but if the costs do not exceed perceived rewards, individuals will withdraw (Jurowski & Gursoy, 2004). These rewards or benefits are favourable impacts and costs can be described as unfavourable impacts. Factors that influence these rewards or costs to the residents towards tourists are frequently described as economic, social/cultural and environmental impacts such as tax revenues and traffic congestion, perceived economic gain and level of usage of the recreation resources (Milman & Pizam, 1987; Perdue, Long & Allen, 1990; Gursoy, Chen & Yoon, 2000 and Jurowski & Gorwoy, 2004). These factors also have a direct effect on the support that the community gives for tourism interaction (Jurwski & Gorsoy, 2004).

According to Slabbert (2007) this theory provides a basis for the identification and definitions involved in measuring the perceptions held by residents of the impact of tourism. The social exchange of resources related to tourism may provide opportunities for satisfying exchange. Residents would evaluate tourism development in terms of expected benefits or costs obtained in return for their services – that is “social exchange”. Residents, who therefore perceive tourism development as offering them personal benefits, will express a positive attitude towards it and those who have a negative attitude will have a negative perception. The same results were reflected in the studies done by Stitt, Nichols and Giacomassi (2005); Andereck and Vogt (2000), Ap (1992); Noblet and Rodwell (2007); Haley, Snaith and Miller (2004); Williams and Lawson (2001); Chen (2000). Study results of Pizam (1978) as revealed by Lee and Back (2006); Haley *et al.* (2004) indicated that residents who were employed in the tourism industry expressed the most positive attitude towards tourism. On the other hand, residents who were not employed in the tourism industry expressed the most negative attitudes towards tourism.

The study of the local community's perception mainly involves the identification of the characteristics that contribute to the positive, negative or ambiguous sides of tourism development. A positive perception is suggested to occur only when both the tourist and the resident perceive benefits from the exchange; whereas a negative perception is related to an unequal exchange between the two parties (Figure 2.3) (Waite, 2003). The advantage of using the social exchange theory is that it can accommodate explanations of both the positive and negative perceptions and can examine relationships at the individual and collective level (Ap, 1992).

This theory is particularly important to the study because the researcher wishes to determine the community benefits from the Park and whether the Park is of any importance to them as a community in terms of employment and of educational value, thus being sustainable. According to **Slabbert (2007)**, it is important to recognise the impact of tourism on the host community and for the community to own and participate in tourism. This community can include residents, traders and public authorities such as council, transport and ambulance services. What characterises residents' attitudes, according to **Kuvan and Akan (2005)**, any time along the development cycle within a community, are the prevailing perceptions and attitudes of the majority. The host community will be discussed in more detail in the following section.

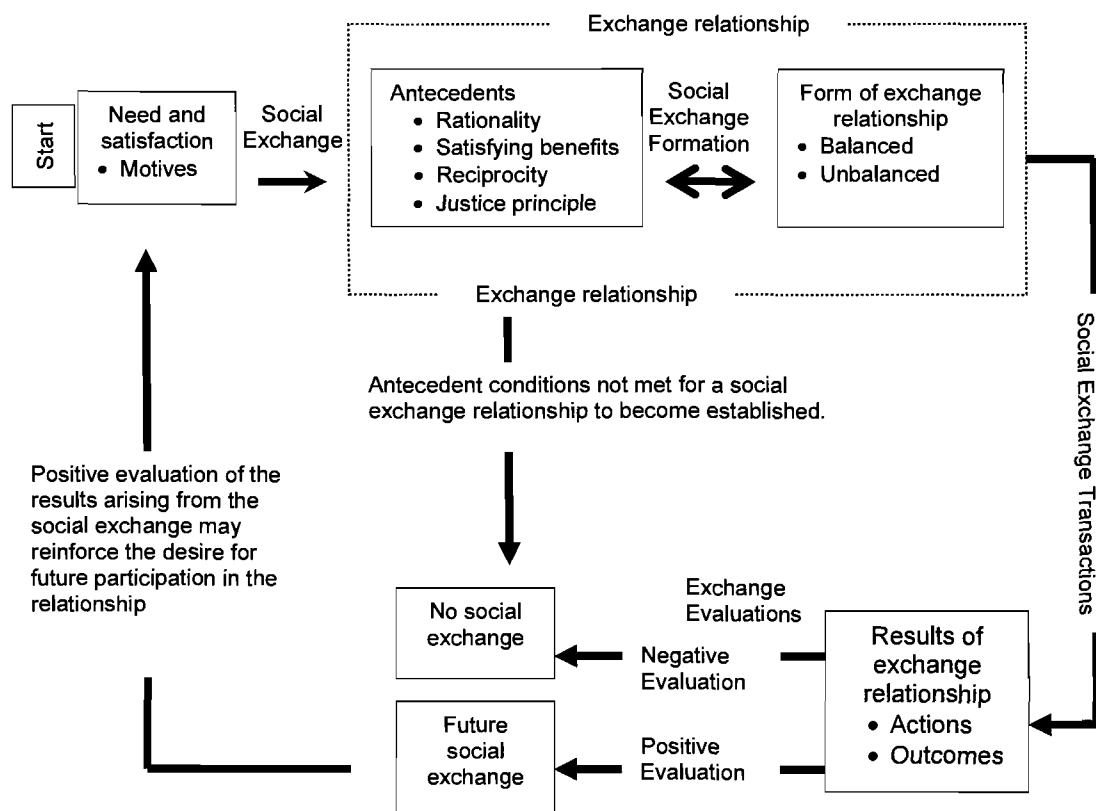


Figure 2.3: Social Exchange Process Model (Source: Waite, 2003)

To conclude, **Doxey's** model indicated that community members will welcome tourism in the beginning but tend to get irritated as the level of tourism increases. This negative attitude towards tourism can be because the community feel that they are deprived of their "home" and of that which is familiar to them. **Butler** identified six stages a destination can pass through (exploration, involvement, development, consolidation, stagnation, decline and rejuvenation). For a destination *not* to reach the decline stage it is important to manage

tourism facilities, infrastructure and most importantly the local community. The **social exchange theory** indicates that the community will encourage tourism if they get some benefits from it. In other words, people working in the industry will experience it positively and those that don't might experience tourism negatively.

2.4 Tourism and the host community

For the local government, tourism can demand constant attention as those in the industry call for improved services and planning approvals; visitors call for improved infrastructure such as public toilets, signage and tourism information centres. Local ratepayers make contrary demands and complain that their rates are supporting private enterprises (**Bushell, 2001**). The success of any tourism project is threatened to the extent that the development is planned and constructed without the knowledge and support of the host population. The success of tourism requires the hospitality of the local residents (**Gursoy, Jurowski & Uysal, 2002**). According to **Kuvan and Akan (2005)** there is a consensus in the literature that the support of the host communities is essential for the successful development of tourism in a community.

Communities organise themselves to share resources, manage the resources and, in so doing, achieve a common goal in relation to a better quality of life. Community leaders must be involved in the planning of tourism development. The community can only be involved if they have the desire and are given the opportunity to be involved, to the extent that they can contribute to a successful and sustainable tourism industry (**Slabbert, 2007; Kuvan & Akan, 2005**). It is the local community according to **Slabbert (2007)** that bear the social impacts of mass tourism:

- Disruption of established activity patterns;
- Antisocial behaviour;
- Crime and overcrowding caused by tourism developments;
- Even an impact on local lifestyles and
- Quality of life (**Wearing, 2001**).

Local government structures, community groups and businesses work together on environmental, physical, cultural, social and economic aspects of that community. These aspects of the community include living and working conditions (income, physical environment, public policies) and social support (caring communities, education, health services, family and friends). A healthy community shares a broad vision of quality of life and health – the need for clean air and water, safety, housing and a sense of belonging and protection of the natural and social heritage, as well as the need for economic development

(Bushell, 2001). According to Urtasun and Gutiérrez (2005) the impacts of tourism on the residents' quality of life vary depending on which dimension of quality of life is considered. The tourism evaluation function always has a negative impact on environment quality. With regard to per capita income, as well as to culture and leisure service, coexistence and citizen security, the study results show that tourism impacts are positive in regions with a low level of development in economic activities other than tourism, but negative in regions with a high level of non-tourism economic development.

A new development may offer economic benefits but at the cost of reduced open spaces or impaired air or water quality. The community vision helps to determine what changes are acceptable and what is considered to be in the best long-term interest of the whole community. Development is a process of change, but does not have to be physical. It can be attitudinal or cultural and it does not have to be measured in economic terms. The attributes of a healthy community include:

- Meeting the basic needs of the community (food, water, housing);
- The well being and health of the community (physical, mental and social);
- Access to public and private services;
- The efficient use of material resources;
- The involvement of the community in decisions that affect them and
- The vitality, strength and integrity of the economy (Bushell, 2001).

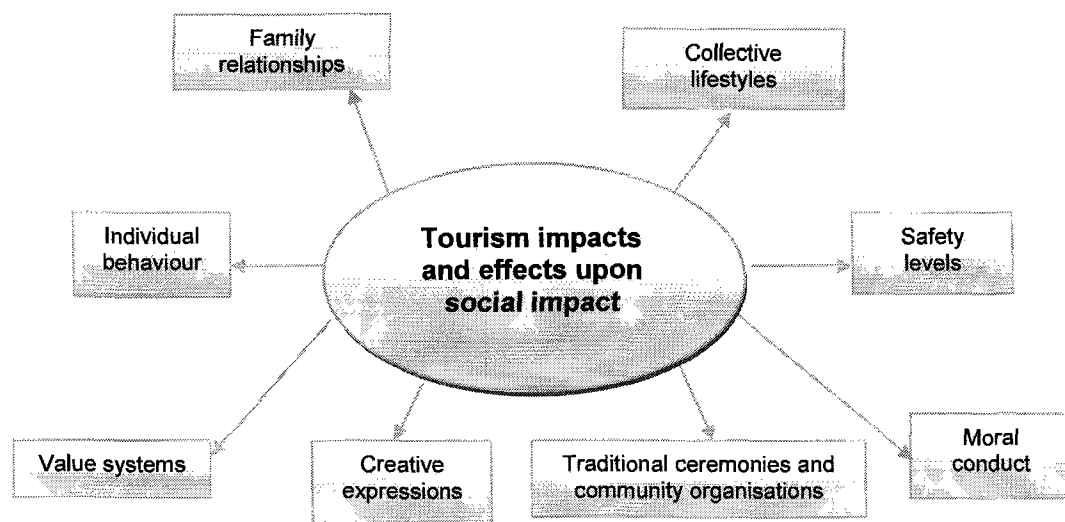


Figure 2.4: Elements for social impact in tourism (Source: Page, 2007)

The Karoo National Park commitment to the upliftment of the local communities is captured by including the statement about the park working together with the community so that all may benefit from it (Karoo National Park, 2006). The attitudes of the host community

towards tourism represent an important way that stakeholder groups contribute to policy and public support or dissent towards tourism. At a simplistic level, the community's attitudes may be one barometer of an area's ability to absorb tourists. However, the analysis of tourism's social impacts are related to the way in which they affect or change a number of elements, as shown in Figure 2.4 (Page, 2007).

These elements include family relationships, collective lifestyles, safety levels, moral conduct, creative expressions, value systems and individual behaviour. Traditional ceremonies are being influenced by tourism, because the culture groups involved lose their traditional way of life for the exchange of money. Cultural pride is lost. Community organisations are too focused on "catering" for tourists that local prices are increased. This affects the local community negatively; family relationships are being influenced as well as the community's moral conduct and value systems. Due to the change in living, some families must work overtime or take more than one job to sustain a family.

Tourists interact with community members and certain lifestyles are then examined. This interaction can have a positive or a negative effect on the collective lifestyle of the community members. Individual behaviour is tested in these interactions with the tourists. Tourists and members of the community may act differently in each encounter. This may lead to positive and negative impacts, which will be discussed in more detail later in the chapter.

The focus of any analysis of host-guest impacts is a function of the interaction between these two groups and will be dependent upon:

- the nature and extent of social, economic and cultural differences between tourists and hosts;
- the ratio of visitors to the host community;
- the distribution and visibility of tourist developments;
- the speed and intensity of development and
- the extent of foreign employment (Derrett, 2003).

The public sector is interested in tourism because it improves the balance of payment in the region, thus improving and diversifying the development of the local economy. Tourism also increases state revenue from taxation; generates new employment opportunities for the local community; increases the income level in the region and, in so doing, helps to promote the development of tourism in less developed countries. Lastly, tourism helps to achieve political

goals in relation to promoting a country's political acceptability as a place to visit (**Page et al., 2001**).

It is essential to consult the local community as part of the tourism planning process for tourism to be sustainable (**Bushell, 2001**). It has been recognised that planners and entrepreneurs must take the views of the community into consideration if the industry is to be sustainable (**Williams & Lawson, 2001**). The host community support for tourism development can be modelled by using six factors: the level of community concern; the use of the tourism resource base by local residents; the level of egocentric values of local residents; the state of the local economy; the perceived costs and the perceived benefits of the tourism development (**Gursoy et al., 2002**). Planners and stakeholders need to develop a shared vision and common ground on the future development and nature of a place and on the role that tourism might play in the vision. The goals of tourism planning should reflect the benefits to include less tangible but nonetheless important improvements to the residents' (community) quality of life (**Bushell, 2001**). While some social and cultural change is inevitable, it seems more appropriate for local communities to control the rate of change through tourism (**Page et al., 2001**).

Community members often fail to see that improvements made for tourism also bring benefits to the local community (**Bushell, 2001**). That is why it is important for the community to have their own vision to achieve sound development. Sound community development recognises the need for a balance between environmental, social and economic needs. Everyone needs to be encouraged to think about what they want collectively. Therefore there are various stakeholders to consider when planning is done. These stakeholders are summarised in Figure 2.5. The challenge for the public and private sector stakeholders is to try to control and direct tourism – constraining it if necessary – to meet local social, environmental, economic and political objectives while ensuring it does not escalate too quickly and get out of control (**Page 2007**). The interaction between the various groups is influenced by the individuals involved, the organisational structures in place, traditions inherent in each community's socio-cultural exchange, the history of public engagement by public authorities and the appeal of the region to potential visitors (**Derrett, 2001**).

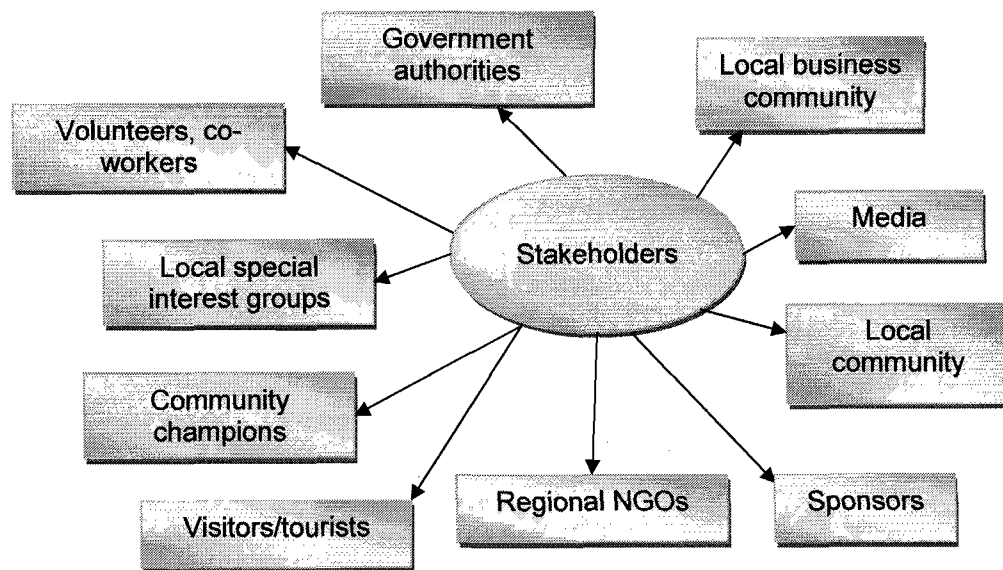


Figure 2.5: Stakeholder group model (Source: Bushell, 2001:41 and Derrett, 2001)

Some of the roles of these stakeholders include local problem solving; bringing goodwill and external recognition to the area; acting as host for visitors; attracting respect and loyalty from organisation members and the wider community; providing funding for projects; improving amenities for residents and visitors; encouraging initiatives with regional outcomes such as collaborative tourism promotion; providing feedback to organisations on economic impact; brand share and offering educational workshops (Derrett, 2001). SANParks and the Karoo National Park management also have roles to fulfil in terms of stakeholder duties. It is also essential for SANParks to have policies in place concerning community involvement, because park managers do not always realise that they have certain social responsibilities (improvement of quality of life and life skills) towards the surrounding communities. The operating principles below reflect the values of individuals in the Karoo National Park Stakeholder Group which includes SANParks and Karoo National Park management:

- A work ethic that values honesty, humility, diligence, loyalty and professionalism.
- Transparency with the surrounding community.
- Treating guests as individuals.
- Respect for cultural diversity.
- Maintaining a good staff team.
- Conservation through high standards and respect for nature.
- Recognition that ecosystems change, are complex, and management must deal with uncertainty (Karoo National Park, 2006).

According to **Kraus and Curtis (2000)** the process of community relations includes a total effort to work closely with community groups and organisations to obtain understanding, support and assistance, and to join forces in solving mutual problems. If the local community see themselves as an integral part of the industry and if they are interested, their support will have a positive affect on the way that tourists view the destination (**Jago et al., 2003**). Factors important to the host community according to **Gursoy et al. (2002)** are the determinants of the perceptions of the impact of tourism and the support for tourism. The factors that directly influence support for tourism actually influence the perceptions of its costs and benefits. Such perceptions, along with those on the state of the local economy, influence residents' support for tourism development.

Community relations may include varied approaches such as developing neighbourhood or centre advisory committees or district councils, recruiting volunteers to assist in agency operations, and having synergetic relationships in sponsored programming or other forms of coordination in community-based leisure services (**Krause & Curtis, 2000**). For the community to be more involved, it is important to keep the public fully informed of all major plans or policies. The local municipality plays an important role in presenting a positive image of the community itself by promoting events and publicising activities that feature neighbourhood vitality, community pride, entertainment attractions and economic stability (**Krause & Curtis, 2000**). The local municipality is also responsible for the following services, to name but a few:

- Safe drinking water;
- Public transport and transit;
- Electricity;
- Roads and footpaths;
- Parks and recreational facilities;
- Hospitals and
- Police and fire protection.

Community leaders and various stakeholders need to be involved in the planning and management of tourism, because being involved contributes to a successful and sustainable tourism industry. A health community shares a broad vision of quality of life. This vision helps to determine what changes are acceptable and what is considered to be in the best long-term interest of the whole community. The analysis of tourism's social impacts is, however, affected by a number of elements such as collective lifestyles, individual behaviour and family relationships. Planners and stakeholders need to develop a shared vision and

common ground on the future development and nature of a place and the role that tourism might play in the vision. Community members often fail to see the importance of tourism to the local community and it is therefore important for the community to have their own vision to achieve sustainable development. To achieve the community's vision it is important to work closely together with community groups, organisations, the local municipality and other stakeholders (SANParks) to obtain a common understanding and main goal to solve problems that might exist. This can have a positive or negative affect on the social impact. In the following section the positive and negative social impacts will be examined.

2.5 Positive and negative social impacts

According to Doxey's theory the host community passes through various phases that will have an impact on tourism (c.f. 2.3.1). The more tourists that visit the area, the more negative the community gets. **Ap (1992)** also made reference to the impact of tourism on the host community in his social exchange theory. **Ap (1992)** stated that if the community gets 'something' back in return, they will encourage tourism in the community (c.f. 2.3.3) - thus having a positive impact on the community and their social well-being. If there are too many tourists in the host community, the community tends to become negative once again (Doxey's theory). Social impacts should be regarded as important, according to **Sims and D'Mello (2005)**, since these impacts have long-term consequences for the community. These impacts can be either positive or negative, as indicated. **Pearce (1994); Saayman (2000); Slabbert (2007); Sims and D'Mello (2005); Haley, Snaith and Miller (2004); Green (2005); Delamere (2001)** cited a range of positive social impacts resulting from tourism which include the following:

- Education – The host community and tourists can learn from one another: for example, the locals can show tourists how to create artefacts.
- International peace – Communities and tourists can understand each other better and learn people's behaviour and customs and, in so doing, break down cultural barriers.
- Country and community pride – members of the community get the chance to travel to other countries to represent the country: for example, students going to an international conference.
- Social interaction – residents and tourists get to socialise and interact with other cultures, for example cultural dances.
- Upgrading of facilities – old structures are renovated to keep tourists satisfied but, in so doing, facilities for communal use are upgraded as well for example ATKV

(Afrikaanse Taal- en Kultuurvereniging) stage at the Aardklop and roads to destinations.

- Increased volunteers – the community wants to get involved and thus doing volunteer work for example distributing flyers to let people know what is going on in the towns during festivals.
- Community group activity – communities get the chance to engage in activities such as the fencing project at the Wilderness National Park in the Western Cape.
- Employment opportunities – more businesses develop because of tourism, thus creating more employment opportunities, for example new tour operators in provinces such as Mpumalanga.
- Improvement of the quality of life – additional work opportunities are created as tourism expands, bringing an additional income to homes – improving the standards of living.
- Opportunity to experience new activities, for example cultural dances, languages and nature activities.
- Promotion of cross-cultural understanding – various cultures get the opportunity to interact with one another. This is not just with tourists, but also in the various culture groups in the community.
- Tourism is conducive to increasing social wellbeing and stability. Communities get the opportunity to enhance their social skills with tourists and other community members.
- Higher income levels due to the impact of migration from rural areas to urbanised tourism resort areas to secure employment in service industries.
- Changes in occupational structure, as the demand for low-skill, female and seasonal labour expands.
- Changes in social values, with greater levels of community turnover.
- The impact of gentrification in inner city districts where urban regeneration with a strong tourism element transforms the local housing market.
- A decline in the use of negative language because the universal method of conversation in tourism is in European languages (English and French).

According to **Saayman (2000); Slabbert (2007); Sims and D'Mello (2005); Haley et al. (2004); Green (2005); Delamere (2001)** negative impacts of social contact between the host community and tourists include the following:

- Stereotyping of the hosts and guests.

- Xenophobia – due to previous encounters with tourists, the host community tends to be negative towards tourists even before their arrival at the destination.
- Social pollution – local people leave the specific tourist destination, due to the number of people that visit the local town, for example community members leave their home town during the festive seasons of Aardklop, KKNK and the Grahamstown festival because the tourists are 'invading' their home town.
- Commodification and exploitation of cultural and traditional ways – the culture tends to be common and not special. For example, native community members must do cultural dances for money.
- Culture differences – particularly where there are very obvious cultural differences between tourists and the community. For example, the bushmen and their nakedness that is being exposed for money.
- Undesirable activities such as gambling, prostitution and sex tourism develop and expand where there are many people together, including child sex, gangsterism and drugs. For example, in cities like Johannesburg and Cape Town where gangsterism is increasing every day.
- Crowding in public areas – because there are more people in the community area, large stores, such as Pick 'n Pay, become crowded and space in shopping centres and parking areas becomes a problem for the community. This leads to frustration amongst community members.
- Route disruptions, traffic congestion and parking limitation – this aspect can be linked with crowding in public areas. Traffic officers must control route disruptions during National Arts Festivals such as KKNK, Grahamstown and Aardklop.
- The so-called demonstration effect of local people wanting the same luxuries and imported goods as the tourists, for example MP3 players, designer clothing and fancy cars.
- Conflict tends to develop due to differences in value and belief systems between community members and tourists.
- Crime levels increase – for example break-ins, vehicle theft and drug usage.
- Aesthetic modifications – more and more structures are being built - for example shopping malls and housing, and these cause visual pollution to the community in the area and people passing through the tourist destinations.
- Displacement and relocation, due to new tourism developments.
- Increased rent and prices of goods and services – when high seasons approach, prices of goods increase, for example food prices. Many companies see the opportunity to get the economic benefit from tourism when tourists arrive in the area.

- Social dislocation – this negative aspect can be linked with social pollution. Tourists interrupt the social activities of community members in their daily routine, for example reading the local paper at the lagoon is now interrupted by tourist activities.
- Negative community image – as tourism increases, the community tends to become more negative towards tourism, Doxey's theory can be acknowledged here (c.f.2.3.1).
- Increased levels of crime when special events and hallmark events, such as the Olympics, are held.
- Lack of proper waste management.
- Community recreation facilities are overused - for example, national parks such as Tsitsikamma, Wilderness and Karoo National Parks.
- The impact of migration from rural areas to urbanised tourism resort areas to secure employment in service industries due to the higher income levels. This can often modify the population structure in destinations, putting pressure on services.
- Changes in social values, with greater levels of community turnover. Social values change as the community strives to become like the tourists.
- The impact of gentrification in inner city districts where urban regeneration with a strong tourism element transforms the local housing market and leads to the communities having to move to accommodate development.

To conclude, there are various aspects that can have positive and negative impacts on the local community, but it is important for all stakeholders and the community to work together to reach a common goal (sustainability). It is important to manage these impacts to develop a positive attitude towards tourism and tourists. These positive and negative impacts are influenced by factors that influence the social impact as a whole. In the next section, these factors will be discussed in more detail.

2.6 Factors influencing social impact

To analyse the social impact of tourism, it is important to know the factors that will have an influence on the social impact. These factors need to be kept in mind when measuring the social impact in the community and thus will be tested. They are as follows:

- Culture

Fredline and Faulkner (2002) indicated that different cultural groups in a community have different value systems, which underpin the ways in which they interpret phenomena in the world around them and this influences the social impact with regard to decisions that need to be made. **Brunt and Courtney (1999)** indicated that this aspect must not be overlooked;

culture can influence tourism development and tourist-host interaction. There are various cultures in a community and each has its own beliefs and perspectives on life. Therefore beliefs and perspectives have an influence on the overall outlook on life of each person as well as what is considered as right or wrong. Gaining knowledge and respecting different cultures is a necessity. This factor will be tested in the questionnaire.

- Involvement in the industry

When the local community is positively involved and/or benefits from the tourism industry, their attitudes tend to be more positive in general (see social exchange theory). The community wants sustainability in their future earnings within the towns where they reside. Better working opportunities provided by local tourism initiatives improve earning potential and thereby encourage community involvement and support. **Andriotis (2006)** state that government involvement in the promotion of tourism is important for they can allocate funds for organising and developing the industry, and for providing financial assistance to the private sector.

- Location

The location of tourism products plays an important role in determining the influence it will have on the surrounding community. When Arts Festivals are held in a community area, problems such as complaints regarding noise levels, parking arrangements and vandalism arise. This makes the community feel negative towards the event, especially when it is their homes or home town suffering these impacts. When these events repeat themselves, as in the case of festivals, the community becomes increasingly frustrated. This results in tourism taking the blame for an overall negative experience. **Williams and Lawson (2001)** and **Jurowsk and Gursoy (2003)** concluded in their study that those who live closest to the attraction had less favourable attitudes toward tourism. Although the Karoo National Park is situated outside of town), this aspect can also influence the attitude of the community and will be tested in the survey.

- Community attachment

According to **Gursoy et al. (2002)** attached citizens are more likely to perceive the benefits of tourism positively, to minimise the negative impact, and to perceive a need to improve the local economy. This factor will be tested in the questionnaire.

- Contact with tourists

The more a community comes into contact with tourists, the stronger the influence that tourists have on the community. This could lead to the community taking ownership of behaviour and attitudes similar to those of the tourists. This influence can have either a positive or negative impact on the community. An advantage of the contact between the community and tourists could be bridging, better understanding, and greater tolerance and acceptance of cultural differences. On the other hand, disadvantages could entail the loss of cultural identity of the host community, such as poor language use, slang, practising behaviour or habits belonging to tourists and the commercialisation of cultural or religious rituals (c.f. 2.3.1).

- Demographic characteristics (age, race, education, gender)

This factor can also be associated with culture. Different ages reflect certain habits, behaviours and mindsets. **Fredline and Faulkner (2002)** concluded that the demographic profile of the community can have an influence on perceptions, involvement and the development of tourism. The younger generation are usually more open-minded and are more prone to look at the positive side of matters. Older generations, on the other hand, have set standards and ideologies and few influences can persuade them to be otherwise. The younger generation are also likely to influence the older generation. Conflict can develop between these groups, because the younger generation are “protesting” against the norms and values that their parents (the older generation) have taught them. Demographic characteristics will be tested in the questionnaire.

- State of the local economy

Gursoy et al. (2002) indicated that, because of the perceived monetary benefits, reactions of local residents of economically depressed regions are likely to be favourable. “Therefore, the more negatively the state of the local economy is perceived, the more positive the local reaction will be. A poor economic situation is likely to result in a maximisation of the benefits and a minimisation of the costs” (**Gursoy et al., 2002**). **Urtasun and Gutiérrez (2005)** indicated that tourism impacts are positive in regions with a low level of development in economic activities other than tourism, but negative in regions with a high level of non-tourism economic development. Should the economy of the local community reflect low overall activity or growth; the community will be more prone to welcome initiatives for an economic boost and earning opportunities. Issues regarding unemployment will also be confronted. It is, however, likely that, should the local economy of a community be in an

advantageous position, the urgency of bettering the economy is less. This factor will be tested in the questionnaire.

- Stage in destination area life cycle

Should the destination be in the first phase of its life-cycle, the community will be likely to welcome more tourism to the area, since the benefits still to be reaped at this stage are plentiful. However, should the destination be in the 'consolidation' phase, the community has a limited say with regards to the tourism development in the area, since the existing tourism products are relatively established. As indicated in Butler's model, a destination goes through various phases. As soon as the destination is dependent on tourism, tourism becomes the main industry that the community depends on for work and support (c.f. 2.3.2).

- Level of knowledge

The more knowledgeable the community, the less vulnerable they are to being excluded from important decision-making processes associated with tourism development in the area. Knowledge therefore empowers the community to make informed decisions that will benefit the community as a whole and which will ultimately result in a more sustainable tourism destination. According to **Andereck, Valentine, Knopf and Vogt (2005)** community members who have knowledge, as well as those who have a moderate or large amount of contact with tourists, tend to perceive greater positive influences on impact dimensions with respect to community life, image and economy and they showed no differences in their perception of community problems, environment and services. This factor will be tested in the questionnaire.

- Level of dependence on tourism

Tourism is widely viewed as having the potential to provide rural communities with local employment opportunities, tax revenues and economic diversity (**Long, Perdue & Allen, 1990**). **Hester (1990)** indicated that a small dying town takes an economic u-turn by capitalising on its smallness, intimacy, natural beauty, village character and rural past. Unfortunately, for many communities, this turnaround spells the demise of community traditions, destruction of values, and their replacement by a phoney folk culture. **Long et al. (1990)** concluded in their study that community residents' perceptions of negative tourism impacts increased with greater levels of dependence on it. The study indicated that support for tourism actually increased up to the point where 30% of the community's total retail sales were derived from the industry. This factor will be tested in the questionnaire.

Allen, Hafer, Long and Perdue (1993) found in their study that residents, regardless of their level of tourism dependence, agreed that their communities should attract more tourists because this would lead to a higher quality of life. **Allen et al. (1993)** also found that communities with both high levels of tourism dependence and high levels of economic activity, and with low levels of tourism dependence and low levels of economic activity, were most favourable to expanding the industry. The only negative consistently mentioned was increased traffic from tourism. The greater the community's dependence on tourism in the area, the more difficult it becomes for the community to draw benefits from an alternative industry. Therefore, should tourism be identified as the means through which the community can be sufficiently benefited, community members will contribute to the improvement and further growth of the industry. However, should the further development of this industry not be managed appropriately, undesirable tourism practices can become apparent.

Some literature also stresses the need to distinguish between a *community's* versus an *individual's* dependence on tourism; some studies suggest that individuals who personally benefit from tourism perceive greater economic benefits and fewer negative social and environmental impacts from its development than others (**Getz, 1994; Smith & Krannich, 1998**).

- Type and number of tourists

The number and type of tourists visiting a certain area can influence the attitudes of the host community. Mass tourism, for instance, poses more problems than elite tourism. Infrastructures and facilities are greatly impacted if the destination is a popular and highly visited area. This results in problems such as parking shortages, overcrowding, traffic and noise pollution, to name but a few. The type of tourist visiting the area also makes a difference, since informed and educated tourists that respect the host community seldom cause problems. However, uneducated tourists that disrespect the community cause negative feelings amongst community members and this results in xenophobia. For example, **Brunt and Courtney (1999)** argue that local residents may welcome some of the changes caused by tourism such as employment opportunities, increased income and so forth. However, other effects may be less welcomed, such as changes in social and family structure, and cultural practices adapted to suit the needs of tourists (**Dyer, Gursoy, Sharma & Carter, 2007**).

- Level of tourism development (size and pace of development)

The level, size and duration of a tourism initiative in an area determine the potential impact on the community's attitude. For example, the smaller the tourism development, the less the

potential impact will be on the host community, or the longer the duration of a festival, the greater the impact on the community. **Fredline (2000)** indicated in her study that conceivably, lengthy exposure to tourism, over multiple generations, will result in a degree of tolerance to its impacts through adaptation and selective migration.

- Egocentric attitude

Egocentric attitudes of communities and/or tourists can influence their perceptions of the tourism industry. Problems arise when parties act in ways that portray selfish motives and disregard for others. Taking the opinions of all role-players into account will result in a sense of unity and a shared vision of tourism to the area. **Chen (2000)** also found that egocentric attitudes of residents have an influence on the future of tourism development. This will have a negative impact, especially for a destination such as Beaufort West, which is semi-dependent on tourism.

- Community satisfaction

According to **Choi and Sirahaya (2005)**, **Teye, Sanmez and Sirakaya (2002)**, **Nash (2006)** and **Dyer et al. (2007)** residents should be the focal point of development for tourism to be sustainable. Communities must be content about decisions made regarding matters that affect them. Should a community not be content with decisions, matters could lead to community members rebelling against authorities (for example the municipality). A satisfied and content community will result in a positive contribution to tourism in that area. Fairness towards the community with regards to training and earning opportunities for the community will, in the end, benefit the local economy and the tourism industry as a whole.

- Perceptions of participation

Nash (2003) indicated that the participation of the community is of importance when tourism is to be sustainable. Every community member has his/her own idea and perception concerning their community involvement and contribution to tourism. Some specifically want to manage a tourism product, while others prefer making a financial contribution. It is important to capture the ideas and initiatives of community members by means a community forum. This will also assist in identifying the capabilities of each community member to ensure that the person is skilled in taking on the task they are interested in. Should there be a lack of skills and knowledge; training could be provided to future and existing product owners to ensure that tourism in the area is of an acceptable or high quality. It will also eliminate the possible risk of 'losing' their business to better qualified candidates.

- Proximity

The closer the proximity of tourism activities, the greater the impact these activities will have on the surrounding community. Therefore, it can be said that a park situated within the boundaries of a town/community will have a greater influence than a park situated outside the boundaries of a town. **Fredline (2000)** noted that residents who live close to an event perceive the short-term negative impacts more strongly, and disagree more with the international profile and economic benefits. Residents were in a better position to make more accurate estimations of impacts than those residents who had little or no contact with the event or park. **Perdue, Long and Allen (1990)** suggested that the perceptions of both positive and negative impacts increase as distance from tourist activity decreases. Thus residents who live close to where tourists are interactive are more likely to have strong opinions, while those further away are more likely to be ambivalent. **Fredline (2000)** concluded that proximity is not straightforward and consistent. However, the location of the event (or, in this case, a national park), facility, infrastructure requirements and management issues will affect the extent and intensity of exposure within a community.

2.7 Conclusions

The purpose of this chapter was to analyse the social impact of tourism. The analysis is very important to the host communities of tourist destinations as well as for tourism to be sustainable. Theories that have been discussed include those of Doxey, Butler, and Ap.

Doxey's model illustrates that community members will welcome tourism in the beginning but their irritation level will increase as tourism increases. The community tends to get negative towards tourism as the process gets "worse", because they are deprived of their "home" and of that which is familiar to them. Butler identified six stages a destination can pass through (exploration, involvement, development, consolidation, stagnation, decline and rejuvenation). For a destination *not* to reach the decline stage, it is important to manage tourism facilities, infrastructure and, most importantly, the local community. The social exchange theory indicates that the community will engage in tourism if they get some positive benefits from it. The advantage of using the social exchange theory is that it can accommodate explanation of both the positive and negative perceptions and can examine relationships at the individual and collective level.

The host community is essential for the sustainable development of tourism. Community vision helps to determine what changes are acceptable and what is considered to be in the best long-term interest of the whole community. This vision can be reached if community

groups, organisations, the local municipality, and other stakeholders work closely together to achieve an understanding and main goal in solving problems. The analysis of tourism's social impacts is, however, affected by a number of elements, for example: collective lifestyles, individual behaviour and family relationships. Planners and stakeholders need to develop a shared vision for future development. Community members often fail to see the importance of tourism to the local community and it is therefore important for the community to have their own vision to achieve sustainable tourism development.

Various aspects that can have a positive and negative effect on the local community were discussed, among which are educational opportunities, community group activities and changes in social values. Negative aspects were identified as cultural tension, social pollution, and the increase in crime levels, among others. Factors influencing social impact included involvement in the industry, community satisfaction, type and number of tourists and the stage of the destination area life cycle.

CHAPTER 3: THE ECONOMIC IMPACT OF TOURISM

Money does not pay for anything, never has, never will.

It s an economic axiom as old as the hills that goods and services can be paid for only with goods and services.

-Albert Jay Nock, 1943-

3.1 Introduction

Tourism has been labelled as the leading global economic driver of the 21st century (**Saayman, 2000**) and contributed over 10.3% to the global Gross Domestic Product (GDP) during 2000-2001, while the South Africa's tourism industries contributed between 3.3% and 7.1% to the local economy for the period 2006-2007. (**WTTC, 2006; GCIS, 2007**). The contribution of tourism to the economy can be divided into the following categories: employment, production of goods and services (measured in the Gross Domestic Product) and the country's so-called "invisible side" in balance of payments (**Saayman, 2000**). The relevance of tourism lies in the generation of income, jobs and foreign exchange to support developmental goals for some countries, while facilitating the economic regeneration of regional areas within other countries (**Croes & Severt, 2007**). Previous studies suggest that the majority of residents view tourism as a tool for economic development, and therefore, support it as an economic development strategy (**Gursoy et al., 2002; Walpole & Goodwin, 2000**).

The Economist's Dictionary of Economics defines economics as "*The study of the production, distribution and consumption of wealth in human society*" (**Moffatt, 2008**). **Van der Merwe, Lotriet and Viviers (2003) and Saayman (2000)** indicated that economics is the branch of social science that studies the production, distribution, and consumption of goods and services. Economics involves the analysis of markets and includes four key sectors for human society (the consumer, the producer, the government and the foreign sector). Economic studies entail the satisfaction of unlimited needs, given the limited resources that exist. These resources are referred to as factors of production and include natural resources, labour, capital and entrepreneurship (**Saayman, 2000**).

The purpose of this chapter is to analyse the economic impact of tourism. This is done to determine the socio-economic impact of the Karoo National Park on the local economy of Beaufort West (the main objective of the study). Therefore this chapter will begin by assessing the general impact of tourism on the economy of a country. Secondly, factors influencing the economic impact

in general will be discussed (positive and negative). Lastly, various methods used in measuring the economic impact of tourism are reviewed.

3.2 Impacts of tourism

When tourists spend money on tourism products and services, it influences the economy in a number of ways. For example, it increases the economic growth (when money is spent on local goods), helps with employment (people are needed to keep tourists happy) and helps to distribute income amongst the community. The amount that tourists spend is thus the important factor (**Saayman, 2000**). The more those tourists spend in the local community, the bigger the impact on the economy and tourism. According to **Page (2007)** there are four main aspects regarding the impact of tourism. They are as follows:

- The direct impact of tourism on GDP.
- Tourism expenditure expressed as a percentage of GDP.
- The level of tourism employment in the economy.
- The proportion of international travel-related expenditure as a percentage of total travel expenditure.

There are four important factors that need to be examined when determining the economic impact of tourism:

- The *total number of tourists* visiting the region – the more tourists that visit the region, the more likely they are to spend money in the region.
- *Duration of stay* – when tourists' length of stay is increased, they tend to spend more money on activities and other entertainment in the region.
- The *average expenditure per tourist* - this is in line with the previous two factors.
- The *circulation of tourist expenditure* throughout the economy (**Wilson, 1984**).

Tourism influences the six goals of the macro-economy which are: high economic growth, high and sustainable employment, lower inflation, development, balance of payments stability and equilibrium, and income distribution (these are also referred to as macro-economic objectives). As indicated above, economic impact studies normally focus on the GDP/growth component and/or employment. Yet, since the impact of tourism is much broader, its effect on all six macro-economic goals is reviewed in the following section.

3.2.1 The impact of tourism on economic growth

According to **Saayman (2000)** economic growth is the growth in real GDP. Therefore every component of the GDP is influenced by tourism expenditure. Firstly, for example, the consumption of food and, drink by tourists is seen as consumption expenditure. When roads and bridges to the

tourism destination are upgraded, investment in capital goods takes place. Thirdly, government spends money on the promotion of South African tourism products such as SANParks and the expenditure can then be classified as government consumption expenditure. When tourists buy tourism services such as tours and souvenirs, it can be classified as exports and, finally, tourism influences imports when special products are imported to satisfy tourists' needs. Taxes are the main source of government income and are influenced via personal consumption expenditure. Without taxes, government consumption expenditure would be limited (Saayman, 2000). The longer tourists stay and the more they visit a destination, the higher the total spending on tourism related products, thus influencing the magnitude of tourism spending in the host community (Saayman, 2000). Therefore it is very important for any tourism product (national parks) to provide opportunities for tourists to spend money on activities (such as game drives and walking safaris) as well as to extend their length of stay in the area and thus increase their spending (economic impact) (Figure 3.1).

Tourism-induced expenditure leads to new incomes and outputs in the host community. This induces another round of expenditures and incomes. Mathieson and Wall (1982) describe this in a "simplified" hypothetical example. Tourists spend money to fill up their cars with petrol. The petrol station operator must pay for the supply of petrol which is brought in from outside the region. This means that some of the capital leaves the region, which is known as leakage. If operating expenses are ignored, the remainder of the initial tourist expenditure is income to the petrol station owner. The owner, in turn, buys food from the local store. Again, some of the money leaks out to pay for imported produce, but some remains as income to the store owner. As long as a demand exists for locally produced goods and services, each successive round of spending will generate new income. The process of responding continues until all the money has leaked away. The responding of incomes, thereby creating additional incomes, is known as the multiplier effect. The tourist multiplier can be defined as the number by which initial tourist expenditure must be multiplied to obtain the total cumulative income effect for a specific period (Figure 3.1).

3.2.2 The impact of tourism on employment

The tourism industry is an important source of employment. According to Foster (1985) growth in tourism causes growth in tourism employment, although it is difficult to determine employment derived from tourism. The employment opportunities due to tourism can be divided into three main categories:

- *Direct employment opportunities* such as employment in hotels, parks and accommodation sector.
- *Indirect employment opportunities* such as restaurants, theatres and public transport services.

- *Induced employment opportunities* such as private tour guides (**Saayman, 2000; Harrison, 1992**).

Employment in tourism may be high at some point during the year due to relative labour intensity; many low-wages occupations; much part-time and casual employment, and seasonality (**Saayman, 2000; Bull, 1993; Mathieson & Wall, 1982**). According to **Son, Pigram and Rugendyke (2002)** many of the jobs created are temporary or insecure and may be seasonal, and dependent on tourism flow.

3.2.3 The impact of tourism on the balance of payments

The balance of payments of a country indicates how the international transactions of a year have influenced the foreign exchange position of the country (**Saayman, 2000**). Tourism does not only influence the current account of the balance of payments, but also the capital account. When foreign investors invest in tourism products such as the Hilton Hotel Group or by buying shares in tourism related products, foreign capital enters the country and has a positive effect on the capital account of the balance of payments (**Saayman, 2000**). According to **Saayman (2000)**, exports and capital inflows increase foreign exchange earnings, while imports and capital outflows decrease the foreign exchange reserves of a country. It is important to have enough foreign exchange because imports must be paid in foreign exchange and if the supply of foreign reserves is insufficient, the exchange rate of the currency is affected negatively. An increase in tourism receipts increases the “invisible” side of the balance of payments. By increasing a country’s foreign exchange earnings via tourism, more money is available to pay for the import of products and services from other countries. When South Africans travel abroad, their expenditure in foreign countries can be regarded as imports, causing an outflow of foreign exchange (**Saayman, 2000**).

3.2.4 The impact of tourism on inflation

Due to the increase in imports and the additional demand in the economy, prices may increase in the host country (**Saayman, 2000**). This creates an inflationary situation where the inhabitants of the country have to pay more for goods and services (**Gee, Makens & Choy, 1989**). The inflationary pressure also affects the poorer members of the community in that they now have to compete with local hotels for food and other basic needs (**Smith, Dams, Mostert, Oosthuizen, van der Vyver & van Grass, 1996**).

3.2.5 The impact of tourism on income distribution

The tourism industry comprises a number of different service industries including accommodation, transport, and entertainment. It is an important user of local resources and generator of local income and spending (**Patton, 1985**). Some areas of the tourism industry are relatively labour-intensive, requiring vast amounts of labour. Many of these jobs only require a low level of

education (**Saayman, 2000**). Most of South Africa's provincial and national parks are situated in rural areas, creating the only source of income for many through the sale of souvenirs, art, and community projects. Employing young people and women from the local community in an attempt to increase the income of the region may have a positive influence on the very skewed income distribution between rural and urban areas (**Saayman, 2000**).

3.2.6 The impact of tourism on economic development

Besides a skew distribution of income, South Africa faces enormous development challenges. Tourism may create job opportunities for low-skilled workers, especially in the rural areas, and backward linkages with other non-tourism industries; it most certainly has the ability to influence economic development positively (**Saayman, 2000**). According to **Kuvan and Akan (2005)** residents, in general, welcome tourism development in an area, mainly because of its economic contribution.

Turner (1972), as quoted by **Boaden (1981)** indicated that housing problems should be viewed as part of the broader problem of underdevelopment within low-income communities. This can be improved if the community has its own local economy which interacts with the economies of other communities (**Boaden, 1981**). According to **Boaden (1981)**, the size of the cash flow and the degree to which it circulates in the economy before it flows to other parts of the greater economy are critical factors when it comes to the economic wellbeing of the community. Potential economic benefits from a housing scheme include employment opportunities, entrepreneurial opportunities, and capital formation if the scheme is driven by the community (**Boaden, 1981**). As a consequence, if the economic position of a community is to be improved, not only must the amount of money within the local economy be maximised – by increasing outside earnings and reducing outside expenditure – but also the number of transactions that occur within the local economy must be increased, i.e. circulation must be maximised. This will result in increased commercial activity which, in turn, will increase consumption and savings. Expenditure on housing by individuals within the local economy has the potential, through the multiplier mechanism, to benefit the entire community (**Boaden, 1981**).

In conclusion, there are various factors that tourism can influence. These impacts include economic growth, employment, balance of payments, inflation, income distribution and economic development. These impacts must be measured to determine the impact on the tourism destination and on the host community. Before the impact can be measured, it is important to identify the factors influencing economic impact. These factors will be discussed in the following section.

3.3 Factors influencing economic impact

According to **Getzer (2003)**, national parks are generally situated in peripheral regions or rural areas, for example the Karoo National Park close to Beaufort West (South Africa). Among the objectives of SANParks is educating visitors, offering a variety of recreational possibilities, maintaining a positive impact on the regional economy and the conservation of nature. Communities surrounding national parks often face several economic problems such as taxation and exploitation due to disadvantages in their economic structure, out-migration and a consequent rise in the ratio of elderly to total population. These problems lead to below-average productivity and a relatively small contribution to the GDP (**Getzer, 2003, Myburg & Saayman, 2002**).

For a community to obtain the maximum benefits from the tourism sector, it is essential for developers and planners to do a proper analysis of the local economic, socio-cultural, political and environmental impact of such a development (**van der Merwe & Saayman, 2003**). Studies conducted in Austria indicate that national parks can significantly contribute to the local and regional economic development based on calculations of products (value added) and new jobs created. While there is little doubt that money inflows to a local or regional economy from provincial or federal budgets increase production and employment within the communities of a national park (multiplier effect), only a few studies have been conducted on the local and regional economic impact of the establishment of national parks in the hosting communities (**Getzer, 2003**). One of the first studies was conducted by **Saayman and Saayman (2006a)** on Addo Elephant National Park in South Africa (hereafter referred to as the AENP) with regard to economic impact and the way that it affects the local community. The end result of their study was a framework for conducting socio-economic impact studies for National Parks. Although a framework was created, the study didn't include the local community as part of the survey. Therefore the study did not measure the local communities' views and perceptions of the park. This study, on the other hand, includes the views and perceptions of the community about the KNP.

Local amenities stimulate the local economy consistently with the conventional economic base view of the economy in that bringing additional income into the economy from the outside, that can then circulate within the local economy and have a multiplier effect for businesses (**Power, 2005**). Amenities can be defined broadly as those qualities of a region that make it an attractive place to live and work (**Power, 1988**). In many cases, amenities are immobile, non-substitutable and provide direct and/or indirect benefits to people. Examples include natural or wildlife areas and parks (**Green, Deller & Marcouiller, 2005**).

Politicians identified a way to offer renewed opportunities for work and to provide income and revenue for local economies. There is a prevailing perception among national and local governments that economic benefits accrue to tourism destinations, which then create employment opportunities and stimulate the development process in resorts and localities (Page, 2007). Figure 3.1, depicts the economic development process and the way that tourism is often used to regenerate initiatives in declining areas (e.g. the inner city). Figure 3.1 highlights the interrelationships between tourism, tourist spending, and other sectors of the economy. Figure 3.1 can be used to explain the economic cycle in a local economy.

There are three types of expenditure, according to Page (2007) that has an impact on tourism spending, they are as follows:

- *Direct expenditure* by tourists on goods and services consumed (e.g. hotels, restaurants and tourist transport services), although this is not a definitive account of expenditure because of leakages of tourist spending to areas and corporations outside the local economy.
- *Indirect expenditure* by visitors is often estimated by identifying how many tourism enterprises use the income derived from tourists' spending. This revenue is then used by enterprises to pay for services, taxes and employees, which then recirculates in the urban economy. In other words, tourist expenditure stimulates an economic process which passes through a series of stages (or rounds).
- *The induced impact*, which calculates the impact of expenditure from those employed in the tourism industry and its effects on the local economy.

These three impacts are then used to estimate the nature of tourists spending, as illustrated in Figure 3.1. Figure 3.1 also explains the concept of leakages, in which expenditure is lost from the local systems to other areas. According to Stynes (1997); Loomis and Walsh (1997); Achana and O'Leary (2000); Magnan and Seidl (2004); Hjerpe and Kim (2006) "a leakage is viewed as a loss of expenditures from the local area. In most cases, this is interpreted as expenditures that have been paid in the region and are then immediately leaked from the region due to margins and outside employment". Economic capital and control frequently stem from outside sources resulting in leakages, external dependency and an unequal distribution of benefits and costs (Walpole & Goodwin, 2000). Expenditures for a recreational visit that are translated outside of the region and are not able to be transacted within the region (for example purchase of airline tickets and preparation at home) are not considered as leakages. But when entire trip expenditures accrue outside the region and most costs are incurred locally, the regional economic benefits are critically reduced. The only positive regional economic impacts resulting from all inclusive resorts would be payments made to local labourers and taxes (Walpole & Goodwin, 2000).

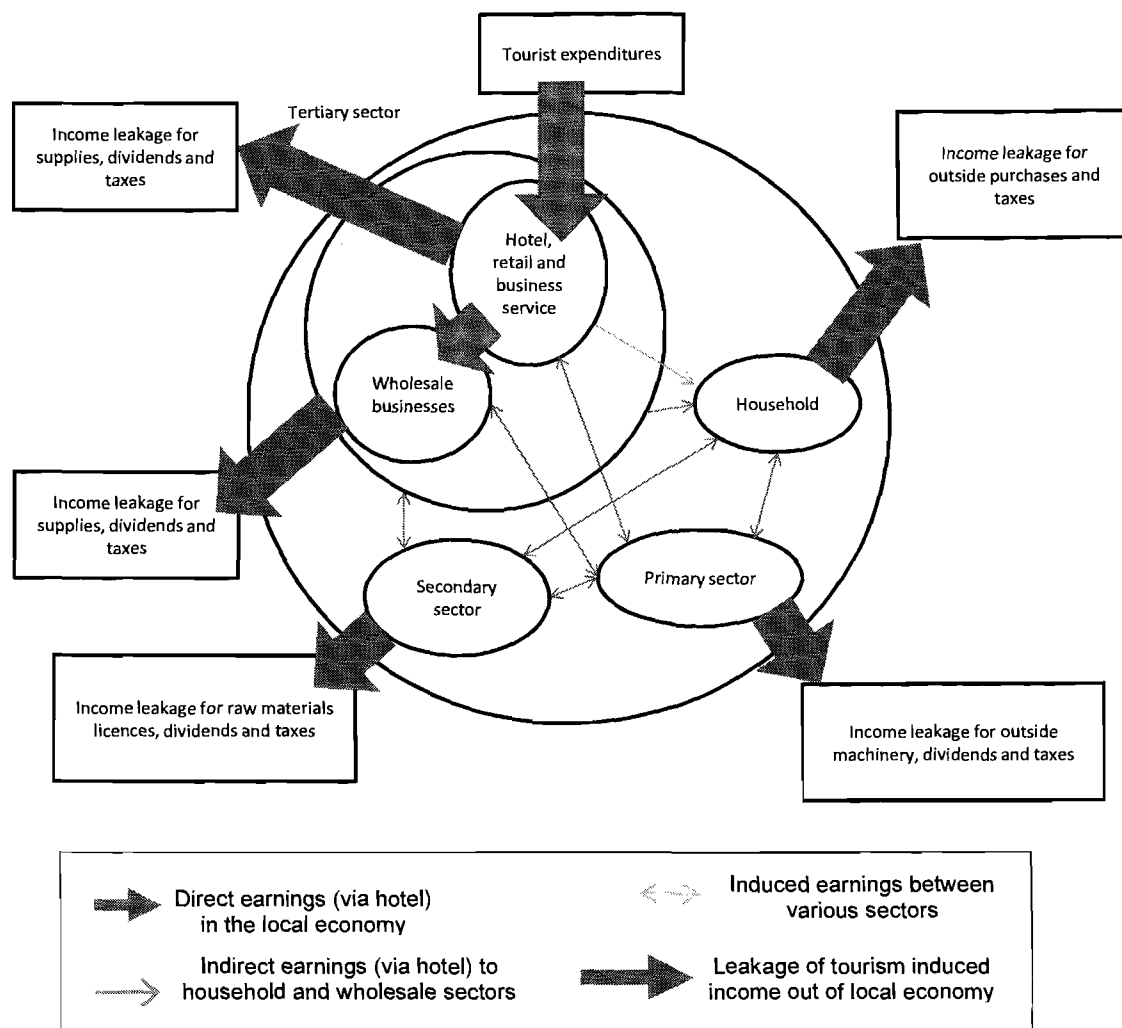


Figure 3.1: The economic impact of tourist spending (Source: Page, 2007)

For planners and managers, maximising local economic linkages (e.g. buying local produce and employing local people) can enhance the benefits of tourism to a locality. Where the local economy is very vulnerable, and is dependent upon a large number of imports (e.g. labour, goods and services) (Page, 2007), the leakage will be high. Therefore reducing the openness of the tourism economy will help to improve the impact locally. Many rural areas are characteristically open economies and high levels of leakage in tourism occur within these areas, whereas in urban countries and island nations that depend upon tourism, the leakage is also high due to external control by multinational companies and a reluctance of tourism businesses to use local products. Instead, high-volume imports reduce the beneficial local effects of tourism. Economists use various tools to measure tourism demand in local economies, one such as the Multiplier Analysis, where a formula expresses changes that tourism spending can generate.

For the local population, it is often argued by proponents of tourism development that investment in tourist and recreational facilities provides a positive contribution to the local economy of an area (Page, 2007). Policies directed towards improving the region as a tourism destination, new incentives for innovative service and investments, and encouraging co-operation between the community and the national park administration, increase the chances for economic success of the national parks (Getzner, 2003).

From this, one can see that there will be positive and negative impacts on a certain area due to tourism. Tourist characteristics can influence host destinations in various ways, such as the increase in tax revenue, higher yield and destination promotion (Mathieson & Wall, 1982). Positive and negative economic impacts of tourism will now be discussed.

3.3.1 Positive economic impacts of tourism

The following are positive economic impacts of tourism:

- The generation of income for the local economy. For example, tourists come to visit the Karoo National Park and buy their groceries at the local supermarket in Beaufort West.
- The creation of new employment opportunities - locals get the opportunity to work for the Karoo National Park and other tourism related businesses.
- Improvements to the structure and balance of economic activities within the locality.
- The encouragement of entrepreneurial activity, guesthouses started in Beaufort West because of the park.
- Higher yield.
- New infrastructure development such as roads and communication networks.
- Multiplier effect.
- Increased tax revenue.
- Destination promotion and increased tourist visits (Allen, O'Toole, McDonnell & Harris, 2005; Page, 2007).

3.3.2 Negative economic impacts of tourism

The following are negative economic impacts of tourism:

- The potential for economic overdependence on one particular form of activity such as white water rafting on the Zambezi.
- Inflationary costs in the local economy as new consumers enter the area, and the potential increase in property prices as the tourism development cycle begins and tourism competes with other land uses.

- Depending on the size and nature of the local economy, a growing dependence on imported rather than locally produced goods, services and labour as the development of facilities and infrastructure proceeds.
- Seasonality in the consumption and production of tourism infrastructure and services leading to limited returns on investment. For example, tourists that only visit the Karoo National Park during school holidays.
- Leakages of tourism expenditure from the local economy. Leakage can be described as a constraint on positive economic impacts, and the amount of leakage depends heavily on the defined size of the study area. A certain amount of leakage is unavoidable, particularly in rural areas where tourists often desire goods and services not produced in the area (Hjerpe & Kim, 2006).
- Additional costs for city authorities.
- Community resistance to tourism.
- Loss of authenticity.
- Damage to reputation.
- Overexploitation of local attractions and services.
- Inflation process.
- Opportunity costs (Allen et al., 2005; Page, 2007).

These positive and negatives impacts are important for this study, and it is also important to look at previous studies conducted on economic impacts. In the following section, previous research regarding economic impacts are discussed to give the reader an overview of similar research conducted in this field of study.

3.4 Previous research on economic impact

Various studies have been conducted on economic impact and are summarised in Table 3.1. Only studies from the last nine years were listed. This was done to enable the researcher to obtain a holistic view of research conducted in the field of study. There were two studies of particular importance for this research, which were conducted by Getzner (2003) on the economic impact of 46 national parks in Austria and the research conducted by Saayman and Saayman on the socio-economic impact of two national parks in South Africa, the Kruger National Park (economic impact) (Saayman & Saayman (2006b) and the Addo Elephant National Park (socio-economic impact) (Saayman & Saayman, 2006a).

Table 3.1: Summary of previous economic impact studies

Author	Year	Title	Findings
Getzner & Jungmeier	2002	Conservation policy and the regional economy: the regional economic impact of Natura 2000 conservation sites in Austria	The research focused on the assessment of the potential regional economic impact of Natura 2000 conservation sites in Austria. Some of the findings included that the regional economic implications of Natura 2000 areas, strongly interact with regional development concepts and are based on such concepts. Close co-operation between regional representatives and stakeholders (local and regional economic policy, nature protection policy, industrial locations policy) is essential to recognise opportunities offered by a Natura 2000 label. Opportunities and possible risks are fundamentally based on regional and local activities, particularly regarding the presentation of the region as an interesting location for economic activities and as an attractive tourist destination. Due to the money inflow to the region, the establishment of Natura 2000 conservation areas can be regarded as a distributive instrument for the benefit of peripheral regions . However, the distributive effects in peripheral regions may not be great, depending on the relative importance of expenditure.
Getzner	2003	The economic impact of national parks: the perception of key actors in Austrian national parks	In this paper, a survey of mayors as key actors in 46 Austrian national park communities is presented. The results of the survey show that the economic impact of national parks on communities is perceived as contributing to economic development. Econometric estimations of ordered profit models exhibit the sources of economic success, which lie mostly in tourism and in the primary sector, in new investments and the foundation of new enterprises. Furthermore, there are a number of crucial elements of the planning and decision process which contribute to the economic success of national parks. The involvement of local and regional stakeholders is particularly important, as well as the co-operation between the national park administration and the communities .
Hjerpe & Kim	2006	Regional economic impacts of Grand Canyon river runners	The purpose of this study was firstly to ascertain the previously unknown regional economic impacts of Grand Canyon river runners and, secondly, to examine the attributes of these economic impacts in terms of regional multipliers, leakage, and types of employment created . Results showed that many of the jobs created are lower wage jobs and bring little diversity to a regional economy already saturated with tourism and recreation-related industries. Substantial leakage from the region of rafting-related expenditures also hinders the maximising of local benefits and is a constraint on overall positive economic impacts.
Saayman & Saayman	2006b	Estimating the economic contribution of visitor spending in the Kruger National Park to the regional economy	To determine the economic value, methods such as contingent valuation and hedonic pricing are often used, but to determine the economic impact of tourism, most studies use input-output analysis. This study focuses on the latter and the major reason for measuring economic impact is to demonstrate the financial contribution to the local community. The literature showed that the input-output model is one of the most trustworthy methods for determining the economic impact of tourist spending . One obstacle had to be overcome in the study, though, this being the fact that no

			<p>regional input-output models or more detailed firm data are available in South Africa. This research attempts to deal with this difficulty by weighting the indirect contribution of tourist spending with the regional distribution of production in South Africa. The research showed that tourist spending is an important economic stimulator in a region and, if wisely managed, financial support for conservation can be a sustainable investment. For a province and its surrounding areas to benefit properly from conservation areas, it is important to try to limit the leakages and establish linkages within the area. Employing local people, offering local products and giving contracts for rendering services to people living in the area as far as possible, will increase the benefits accruing to the province or region. If this can be achieved, conservation of wildlife will expand to include the improvement of living conditions of people, thereby benefiting more than just fauna and flora.</p>
Dwyer, Forsyth & Spurr	2005	Economic impacts and benefits of sport events: a CGE perspective	<p>This paper argues that there are three serious weaknesses in the way sport events are assessed. Firstly, use of the standard Input-output (I-O) technique of assessment yields exaggerated economic impacts of sport events, resulting in support for events which do not deliver the projected changes in output and jobs. Secondly, there is a failure to distinguish between the impacts on output and jobs, and the net benefits brought by this increased economic activity. Thirdly, since the benefits to one region are often at the expense of other regions, it may well be the case that events are supported that produce benefits locally but disbenefits to a wider area. The best practice approach to measuring the impact on economic activity and, in particular, on output (GDP) and employment is to use a CGE approach regardless of the size of the event, and for analysing impacts on both the nation as a whole and on the host state. It is important to use a CGE approach to estimate the impacts on the rest of the host state and the nation – the effects outside the local area should not be ignored.</p>
Frechtling & Horváth	1999	Estimating the Multiplier Effects of Tourism Expenditures on a Local Economy through a Regional Input-Output Model	<p>The purpose of the study was to explore the estimation of the total contributions to a local economy attributable to tourism spending through the use of a regional input-output model that can produce multiplier estimates for any single or multi-county region of the U.S. Pursuant to this, the study examines several types of economic multipliers useful to tourism analysis, including partial multipliers, normal multipliers and ratio multipliers, each of which can be used to estimate sales transactions, output, income and employment attributable to tourism spending in a local area. The RIMS II regional input-output system of the U.S. Department of Commerce can be applied to summarise the direct, indirect and induced effects of tourism expenditures on any single county or multi-county economy in the U.S. The system provides output, earnings and employment multipliers in either the final-demand (i.e. normal) form, or the direct-effect (i.e. ratio) form for 37 industries and the household sector. Tourism expenditure categories can be coded into five RIMS II industries to produce composite tourism multipliers. These can be compared to other industries in a region to rank tourism in power to produce indirect and induced contributions to the regional economy. Tourism demand in the city produced output and</p>

			<p>earnings multipliers higher than three-quarters or more of the local industries. The employment multiplier was low relative to other industries, suggesting tourism linkages produce relatively few but highly paid jobs in industries helping supply tourism demand. Overall, the tourism multipliers estimated for the city of Washington were low relative to other areas of the world studied. The city is a relatively small geographic and population component of a large, highly industrially-integrated metropolitan area. Its internal inter-industry linkages are relatively weak, and the primary tourism industries import a large portion of their goods and services inputs from outside the city. The city government and other organisations concerned with growing the Washington city economy would do well to strengthen such internal linkages through policies to encourage the location of suppliers to tourism businesses within the city limits.</p>
Walpole & Goodwin	2000	Local economic impacts of dragon tourism in Indonesia	<p>This study examined employment and revenue generation, and the distribution of benefits at local and regional scales. Results indicated that enlarged levels of contact are associated with increasingly modern and foreign styles of development, together with the need for substantial capital investment. Secondly, besides a lack of capital, local people are disadvantaged by a lack of relevant skills or the opportunity to undergo training. As a result, employment opportunities are based on existing skills and capacities, as seafarers are equipped to become involved in the charter boat sector, while traders and entrepreneurs are able to reorient themselves towards tourism. The third factor limiting local benefits, besides lack of capital and skills, is a rareness of linkages between the industry and traditional production sectors of the local economy.</p>
Saayman & Saayman	2005b	Does the location of arts festivals matter for their economic impact?	<p>This study aimed to show that the location and size of the town/city plays an important role in the impact of the event on the town. It has been established that the location of an arts festival, to a large extent, determines the origin of festinos at the festival. Secondly, festinos from different provinces spend different amounts at a festival and therefore influence the magnitude of the economic impact of the festival on the town. Thirdly, the size of the location in terms of its infrastructure and superstructure is important, for the better the infrastructure and superstructure, the easier it becomes to host other events, thereby attracting a wider audience. Fourthly, regional governments in developing countries should focus on establishing new events in small towns, since this contributes significantly towards income generation in these towns. Preferably, these towns should be easily accessible from high-income areas to attract high spending individuals. Lastly, it is evident that location is only one aspect that influences the magnitude of the economic impact. Other aspects that have a great influence on the economic impact of an event include: the size of the festival in terms of ticketed shows, the length of the festival and corresponding length of visitor stays at the festival, since spending more time at the festival means spending more money at the festival, and the magnitude of sponsorships, since these festivals are good examples of how private sponsorships can be used to sustain and grow the arts.</p>

Loomis & Caughlan	2006	The importance of adjusting for trip purpose in regional economic analyses of tourist destinations	Loomis and Caughlan studied the importance of distinguishing between visitors and their expenditure and the purpose of the trip when estimating the tourism effects of a national park on a local economy. Loomis and Caughlan found that the length of stay , the purpose of the visit to a destination, and the type of tourists have an influence on the income and employment of a national park.
Crompton, Lee & Shuster	2001	A guide for understanding economic impact studies: The Springfest example	This study's intent was to offer a generalisable model for undertaking economic impact studies that tourism professionals can use to conduct similar studies in their own communities. It was found that the study sample emphasised the importance of identifying those who were time-switchers and casuals. The jobs' economic impact should be carefully interpreted and the output numbers emerging from the IMPLAN model viewed with some scepticism. Furthermore, the model assumes (1) there was no spare capacity to absorb the extra services and products purchased with this inflow of new funds and (2) that no out-of-town residents took any new jobs that did emerge. In fact, the existing staff at hotels, restaurants, retail establishments, and so on are likely to have spare capacity to handle these visitors, and it is possible that some of the temporary part-time positions may be filled by non-Ocean City residents. Finally, it has become commonplace for tourism agencies to report economic impact in terms of sales generated.
Saayman & Saayman	2006a	Creating a framework to determine the socio-economic impact of national parks in South Africa: A case study of the Addo Elephant National Park	The purpose of this study was to develop a framework for assessing the socio-economic impact of national parks in South Africa. Saayman and Saayman found that the AENP had a significant impact in terms of production, income generation and employment in the area. A proposed framework was also suggested, which was used in the study of the Karoo National Park.

From Table 3.1 the researchers indicated that the following aspects are of major importance for tourism to have an economic impact on the region:

- Leakages must be limited.
- Length of stay, the longer tourists stay in an area the bigger the economic impact.
- Must have local stakeholders.
- Employing local people.
- Offering local products and giving contracts for rendering services to people living in the area.
- Must create opportunities for tourists to spend money in the area
- The type of tourist.
- The size of the attraction (in this case the size of the park which include number of accommodation facilities, wildlife offering and activities provided).
- The infra and suprastructure provided.

Articles that were found relevant to the study of the Karoo National Park include those of **Getzner and Jungmeier (2002)**, **Getzner (2003)**, **Hjerpe and Kim (2006)**, **Saayman and Saayman (2006b)**, **Walpole and Goodwin (2000)** and **Loomis and Caughlan (2006)** (Table 3.1). These authors pointed out that the regional economy strongly interacts with regional development and that the community is perceived to contribute to economic development. The involvement of local and regional stakeholders is just one of the crucial elements of the planning and decision-making process that contribute to the economic success of national parks. This point is valid for the study of the Karoo National Park as tourists come to visit friends and family in Beaufort West and during this time they might visit the park as well. **Walpole and Goodwin (2000)** indicated that local people are disadvantaged by a lack of relevant skills or the opportunity to undergo the necessary training that is needed. This is important for the Beaufort West community, as the park can offer employment as well as training opportunities for the local community. Substantial leakage from the region expenditures also hinders the maximisation of local benefits and is a constraint on overall positive economic impacts. It is important to try to limit the leakages and to establish linkages within the area. If businesses in Beaufort West can provide services to one another, leakages in the area will decrease and the economic impact will increase. Employing local people, offering local products, and giving contracts for rendering services to people living in the area as far as possible, will increase benefits to the local community.

Crompton et al. (2001) noted that the expenditure at a park by those who reside within the impact area (boundaries of the research area) is only the recycling of money that already exists there. Only if the local recreation site had no substitutes in the economic area, and locals found

it worthwhile to travel to another site in another economic region, would the locals' spending while visiting the park count as money in the local economic impact area. **Loomis and Caughlan (2006)** cited that the heterogeneity of visitors has been long recognised as the multi-destination trip problem and that this problem is particularly common at recreation sites along major travel corridors, for example Beaufort West (Beaufort West is a stopover destination for tourists travelling between Gauteng and Cape Town). This problem has received less attention in tourism economic impact analysis, and what little research there has been, has focused on the impact of specific events rather than sites per se. The only aspects that borders on trip purpose is "visiting friends and relatives/family" this may involve visiting a recreation site as part of the trip, and tourism spending may take place by either party. The incremental costs of visiting the park by the "out-of-town" visitors would likely be considered expenditures attributable to the park for purposes of economic impact studies (**Loomis & Caughlan, 2006**). According to **Loomis and Caughlan (2006)**, accurate estimates of the regional economic effects of the continued operation of visitors will depend on identifying the proportion of visitors for whom the park represents the sole or primary purpose of the trip.

Saayman and Saayman (2006a) created a framework to assess the socio-economic impact of national parks in South Africa (see Figure 3.2). Saayman and Saayman identified six issues of importance when assessing the socio-economic impacts of parks. Firstly, there must be an understanding of the area and the main economic activities in the area – the spatial area must therefore be specified and all the communities in the specified area should be included in the research. Secondly, the magnitude of visitor spending and the distribution of the spending throughout the local economy should be determined. This could be done via visitor (demand) and business (supply) surveys, especially in local areas where business and spending information is not readily available. If possible, these should be complemented with a community survey. Thirdly, the spending by the national park on employees and local products should be included in order to get a complete picture of spending activities due to the park. Fourthly, the social impact that the park has on the community must be determined. Fifthly, in areas where there is no local input-output model available (which is usually the case) a proportional multiplier analysis could be used to determine the values of the income and sales multipliers and to estimate the economic impact of the national park on income and employment. Finally, the change in the nature of business and employment opportunities in the area due to the national park should be determined by comparing it to previous business surveys of the area (**Saayman & Saayman, 2006a**). The framework is diagrammatically illustrated in Figure 3.2.

This framework will be used to determine the economic impact of the Karoo National Park. An input-output model will be used because the assumption of freely available resources is closer to the truth in the local case, because labour and capital can flow to the area from other areas.

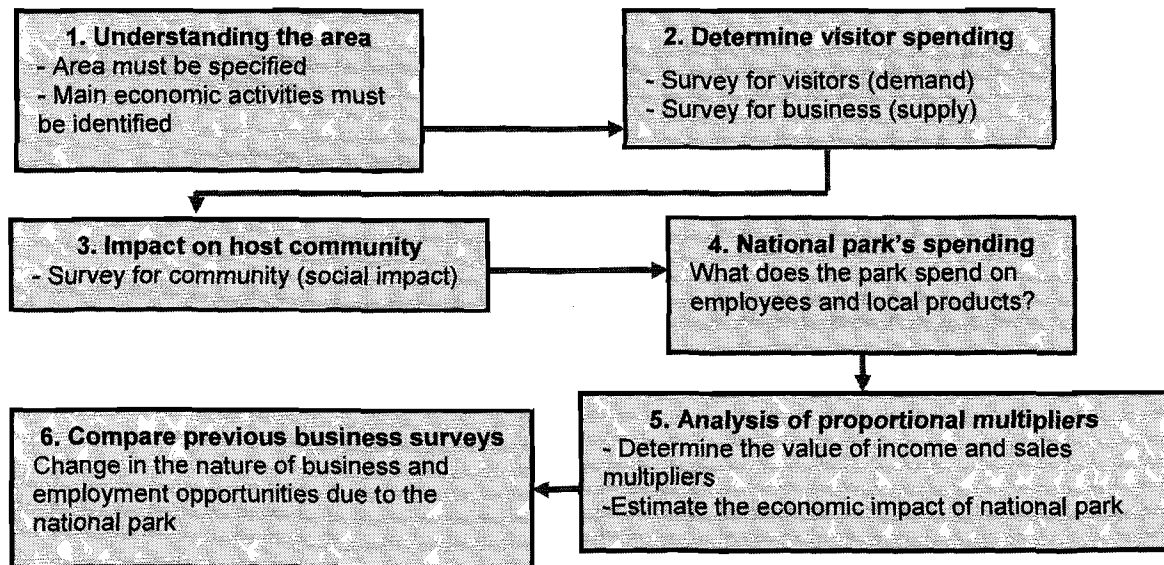


Figure 3.2: Framework for socio-economic impact (Source: Saayman & Saayman, 2006a)

3.5 Economic Impact Measuring Instruments

There are a number of different economic models that can be used to estimate the economic impact of a destination. While input-output models (I-O models) were traditionally used, there has been a move in Australia towards more sophisticated computable general equilibrium models (CGE). The issue of which model to use is one of some technical difficulty. However, **Mules (1999)** stressed that the cost (in terms of either in-house resources or payments to a consultant) of constructing, using, and interpreting the results of a computable general equilibrium model vastly exceeds the cost of using an input-output model for the same event. Various measuring instruments for determining economic impacts used by different researchers have been analysed and summarised in Table 3.2. From Table 3.2 it is clear that there is no clear indication of which model is best. Some authors used the CGE model, others used the linear programming model and one has used the input and output model. From this, it seems that every economic impact study needs to be treated according to its own specific qualities. A summary of the most relevant research regarding economic impact models are provided in Table 3.2 to give an overview of the different models that can be used in determining the economic impact of tourism. This will provide enlightenment on which method is most applicable to this study. In 3.5.1 some of these models will be discussed in full.

Table 3.2: Summary of previous research conducted regarding economic measuring methods

Authors	Title	Model tested
Dwyer, Forsyth, Spurr and VanHo (2003)	Tourism's contribution to a state economy: a multi-regional general equilibrium analysis	General equilibrium model is used to estimate the effects of increased tourism on the economy of New South Wales, Australia.
Dwyer, Forsyth and Spurr (2004)	Evaluating tourism's economic effects: new and old approaches	The authors evaluated the old and new approaches and present arguments in support of CGE modelling as the preferred technique in analysing the economic impacts of tourism, and discuss its potential to drive future research in this area that is more relevant to real world tourism destinations.
Chumacero and Schmidt-Hebbel (2005)	General Equilibrium Models: An overview	The authors give an overview of the CGE models.
Yao and Liu (2000)	Policy Analysis in a General Equilibrium Framework	The authors develop a computable general equilibrium (CGE) model to describe a multiregional, multi-market, and multi-agent agrarian economy.
Jatoe, Yiridoe, Weersink and Clark (2008)	Economic and environmental impacts of introducing land use policies and rotations on Prince Edward Island potato farms	A linear programming model was developed, and then used to evaluate the economic impacts of introducing land use policies and crop rotations.
Llop and Pié (2008)	Input-output analysis of alternative policies implemented on the energy activities: An application for Catalonia	The authors analysed the economic impact of alternative policies implemented on the energy activities of the Catalan production system. The input-output price framework made it possible to evaluate how the alternative measures modify production prices, consumption prices, private real income, and intermediate energy uses.
Saayman and Saayman (2006a)	Creating an socio-economic framework	The authors created a framework that can be used when determining the socio-economic impact of national parks
Vaughan, Farr and Slee (2000)	Estimating and interpreting the local economic benefits of visitor spending: An explanation	This paper focuses only on the economic benefits of tourism and the use of multiplier analysis to measure those benefits. This paper, using an illustrative case study provides an understanding of the basis and interpretation of one type of economic impact analysis - the Proportional Multiplier Analysis (PMA), and demonstrates its application.
Croes and Servert (2007)	Research report: Evaluating short-term tourism economic effects in confined economies - conceptual and empirical considerations	This report discusses the three types of analyses that can be used to ascertain the effectiveness of money spent to promote a tourism destination. The shortcomings and benefits for each method are discussed. The authors used the I-O model in their case study for the context of the area and time horizon was short.

3.5.1 The Multiplier Effect

The process of spending and re-spending is often described as multiplier effect. The final change in output in an economy relative to the initial change in visitor expenditure is central to any measure of the economic impact of tourism. In other words, the larger the multiplier, the greater the impact of visitors spending on the region's economy (Pao, 2005). Multipliers are generated in most of the models that are used for measuring economic impact. According to Archer as quoted by Pao (2005), the economic impact analysis for tourism relies on the *Keynesian multiplier*

$$\text{Multiplier} = \frac{1}{1-c+m}$$

where c is the marginal propensity to consume discretionary income (thus income after tax) and m is the marginal propensity to import. The basic model shows that the multiplier is calculated by dividing a unit of visitor expenditure by the proportion of it "leaking" out of the economic system due to taxes, savings and spending on imports (Pao, 2005; Saayman, 2000). According to Stynes (2007) "multipliers capture the size of secondary effects in a region as a ratio of the total change in economic activity in the region relative to the direct change. Multipliers may be expressed as ratios of sales, income or employment, or as ratios of total income or employment changes relative to direct sales. Multipliers express the degree of interdependency between sectors and therefore vary considerably across regions and sectors".

Tourism multipliers are determined by the region's specific economic properties. Factors that influence the multiplier are imports, purchasing of goods and services from outside the region, and the tendency to save. The more imports, the higher the leakage will be, thus the multiplier will decrease. A region or town will have a low multiplier if the region is characterised by a small economic base and is not very self-sufficient, because much of the re-spending will take place outside the region. Internal economic structures also influence the size of the multiplier. If strong links exist between sectors, this will improve the distribution of tourist expenditures between sectors, ensuring that fewer purchases are made outside the economic base, thus increasing the size of the multiplier (Mathieson & Wall, 1982).

Mathieson and Wall (1982) quoted Archer (1976) on his definition of the income multiplier: "The ratio of direct, indirect and induced changes in an economy to the direct initial change itself". The concept of the income multiplier is often confused with other types of tourism multiplier, with a resulting misinterpretation of their implications. In addition to the income

multiplier, there are three other types of multiplier (Archer 1977, as quoted by Mathieson & Wall, 1982):

- The sales transaction multiplier. This measures the effect of an extra unit of tourist expenditure on activity levels in the economy; i.e. the increase in business turnover created by the tourist expenditure.
- The output multiplier. This relates a unit of extra tourist expenditure to the increase in the level of output in the economy. The output multiplier differs from the sales multiplier in that, in addition to sales generation, the output multiplier also includes changes in the level of inventories.
- The employment multiplier. This is the ratio of direct and secondary employment generated by additional tourism expenditure, to direct employment alone. Occasionally it is calculated as the amount of employment generated per unit of tourist expenditure.

The multiplier is a helpful means of portraying the short-term influences of tourism on the economy. Multipliers can aid the process of:

- Highlighting weak links in the economy.
- Providing information that indicates to what extent certain goals are met. These include: maximising income and employment and minimising losses to foreign exchange.
- Identifying economic areas that flourish and which are beneficial to the economy as well as areas that need stimulation (Mathieson & Wall, 1982).

3.5.2 Input-output model (I-O model)

An input-output model can also be used to analyse economic effects in demand and supply for an industry. According to Stynes (2007), the input-output model is a representation of economic activity between sectors within a region. The model captures what each business must purchase from every other sector to produce a rand's worth of goods or services. The fundamental contribution of input-output in economics is the transformation of Francois Quesnay's *Tableau Economique* into an analytical framework that facilitates economic projections and analyses. The *Tableau Economique*, which was first printed in 1758 (Philips, 1955), is a descriptive device showing sales and purchases relationships between different producers and consumers in an economy. It assumes that the inputs used in producing a product are related to the industry output by a linear and fixed coefficient production function (at least in the short run). Under this assumption, input and output relationships are transformed into technical relationships, with each column in an input-output coefficient table representing a technique of production (UN, 1999). According to Pao (2005) "an input-output analysis is a method of tabulating an economic system in matrix form (I-O table) to show as rows the sales

made by each sector of the economy to other sectors and as columns the purchases made by each sector from each of the other". The effects of tourism are analysed by charting the movement of initial visitors' expenditure through different sectors of an economy. A simplified I-O (input-output) model is illustrated below:

$$X - AX = Y$$

where X and Y are the respective vectors of output and final demand and A is the matrix of technical coefficient. By restoring an identity matrix I to the equation, it can be written as:

$$(I - A)X = Y$$

$$\text{Or } X = (I - A)^{-1} Y$$

where $(I - A)^{-1}$ is the Leontief Inverse Matrix or called Inter-industry Interdependence Coefficient Matrix.

The elements of the matrix represent the purchases from one industry to others to produce another unit of output for the final demand. Since multiplying this matrix by a vector of final demand Y will produce output X , this matrix also represents the multiplier effect. If regions are more self-sufficient and purchase goods and services from within the region, the higher the multiplier would be for that region. The use of the input-output model has become popular because of its ability to provide accurate and detailed information (Pao, 2005). Loomis and Walsh (1997) also indicated that the model provides detailed information on direct, indirect, and induced effects of visitor spending on all economic measures for different industries in the local economy.

Some industries make use of IMPLAN. IMPLAN (Impact Analysis and Planning) is an economic modelling tool used in many different settings and for a variety of reasons, which include:

- Describing the likely effects of an economic stimulus (change event) in the community.
- Describing the contribution of a particular sector of the economy to the whole.
- Providing objective data to economic development officials about a proposed project.
- Documenting the effects of a proposed or on-going project or programme.
- Meaningful public participation when used as part of a larger effort (Dane, Marcouiller & Deller, 2007).

Stynes (2007) defines IMPLAN as "a micro-computer-based input-output modeling system. With IMPLAN, one can estimate 528 sector I-O (input-output) models for any region consisting of one or more counties. IMPLAN includes procedures for generating multipliers and estimating impacts by applying final demand changes to the model". The IMPLAN software package allows the estimation of multiplier effects of changes in final demand for one industry on all other industries within a local economic area. Multipliers may be estimated for a single country, for

groups of contiguous counties, or for an entire state, they measure total changes in output, income, employment, or value added. For a particular producing industry, multipliers estimate three components of total change within the local area:

- *Direct effects* represent the initial change in the industry in question or the production changes associated with the immediate effects of changes in tourism expenditures.
- *Indirect effects* are changes in inter-industry transactions as supplying industries respond to increased demands from the directly affected industries (i.e. industries supplying products and services to tourism industries).
- *Induced effects* reflect changes in local spending that result from income changes in the directly and indirectly affected industry sectors as a result of tourism spending (**Mulkey & Hodges, 2000; Stynes, 2007**).

3.5.3 Computable General Equilibrium (CGE) model

The Computable General Equilibrium (CGE) model was a development of the Monash MMRF multi regional model. This model was adapted to enable detailed modelling of tourism issues. It consists of a New South Wales (state) model, a Rest of Australia (RoA) model, and an Australia wide (i.e. NSW plus RoA) model (**Dwyer, Forsyth & Spurr, 2005 and Dwyer, Forsyth, Spurr & VanHo, 2003**). CGE models essentially incorporate input-output sectors, but also incorporate the other parts of the economy, thereby addressing the failings of I-O analysis (**Dwyer, Forsyth & Spurr, 2005 and Dwyer, Forsyth & Spurr, 2004**). The CGE model consists of two databases, tables of transaction values elasticities. The tables of transaction values are usually presented as an input-output table or as a social accounting matrix. In either case, they cover the whole economy of a country and distinguish a number of sectors, commodities, primary factors and perhaps types of households. Although the CGE-models are descended from the I-O models, the CGE models assign a more important role to prices. Compared to the I-O model, development planning models focused more on constraints or shortages of skilled labour, capital or foreign exchange (**Wikipedia Contributors, 2008**). Some of the features of the CGE model include the household consumption of nonmarket (or home) commodities, explicit treatment of transaction cost for commodities that entail the market sphere and separation between production activities and commodities that permit any activity to produce multiple commodities and any commodity to be produced by multiple actions (**Lofgren, Harris & Robinson, 2002**). According to **Yao and Liu (2000), Dwyer et al. (2004) and Harrison, Jensen, Petersen and Rutherford (2000)**, CGE models are now used extensively in many economies to measure the impacts on economic activity of policy changes, such as tax reforms, or external shocks, such as export booms.

Dwyer et al. (2005) made a comparison summary of the CGE and I-O models (Table 3.3). Neither the CGE nor the I-O models produce, as part of their normal outputs, measures of net economic benefits. "Net benefits" are a measure of the value of the gain in economic activity less the cost needed to enable this extra activity. Both the models report changes in the gross value of output, as measured by GDP. The models do not subtract the additional cost of factors needed to produce this additional output. CGE models, however, can be constructed to handle this additional output. Some are constructed with an explicit measure of economic welfare, which forms an integral part of the model. Alternatively, a standard model can be adapted to produce, as part of its output, an estimate of net benefits. The cost of additional inputs is subtracted from the value of the additional output (**Dwyer et al., 2005**).

Table 3.3: Comparison between CGE and I-O models (Adapted from Dwyer et al., 2005)

CGE models	I-O models
The net impact of an event or park can have a negative effect on the economic activity in other destinations.	A greater impact on real output and Gross Product in both the event or park host destination and land as a whole.
Employment increases are less in both host destination and the nation. Larger job losses in the rest of the land.	Employment increases are higher in both host destination and the nation. Increase in employment in the rest of the land.
Reduced output and employment in several industries in the host destination including some industries that might be regarded as closely associated with tourism, for example transport companies, communications and insurance.	A positive or zero change in real output and employment in all industries.

It is often stated that CGE analysis is inappropriate for evaluating small, local events, and the input-output analysis is sufficient for that purpose. The input-output assumption of freely available resources is closer to the truth in the local case, because labour and capital can flow to the area from other areas (**Dwyer et al., 2004**).

Aspects that need to be considered when measuring the socio-economic impact are illustrated in Figure 3.3. There are five main aspects to consider:

1. Understanding the needs of the community and the local economy (the area);
2. Communication;
3. Management;
4. Improvement of quality of life and
5. Sustainability of the area.

Understanding the needs of the community and the local economy (the area)

It is important to understand the needs of the community and the local economy when measuring the socio-economic impact. This has an influence on the way that the community will respond to changes in the area and the economy. Aspects that have an impact on the understanding of the area include education, housing problems, leakages, economic instability and employment issues.

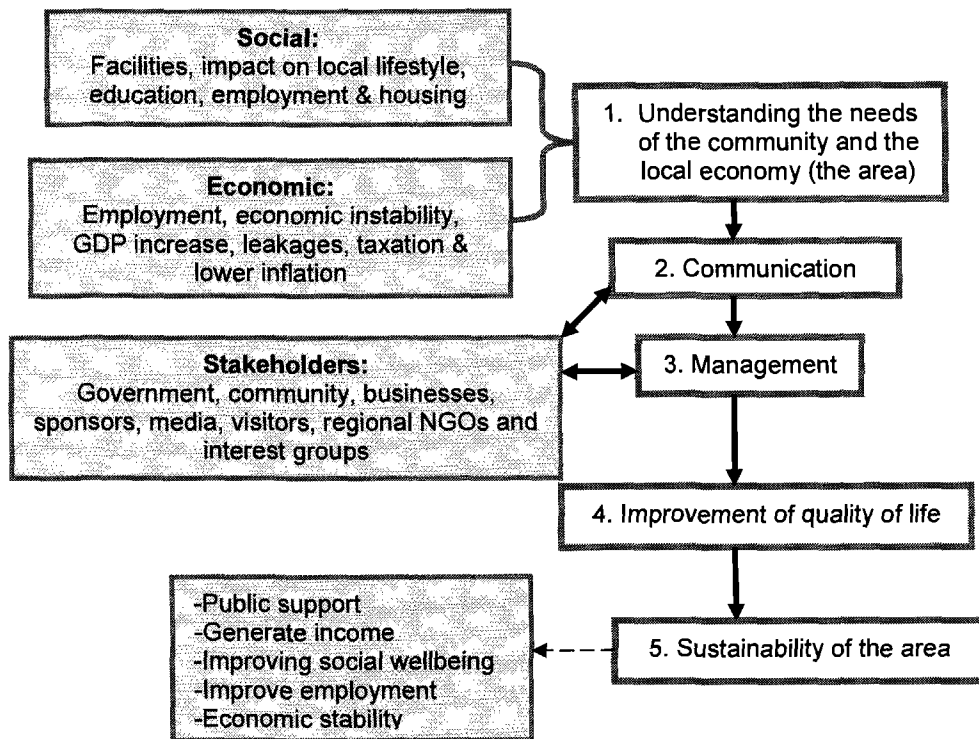


Figure 3.3: Aspects to consider when measuring socio-economic impact

Communication

When the needs of the community are identified, it is important to communicate these needs to the government and other local authorities that are interested in the community (the stakeholders). These stakeholders include local businesses that provide job opportunities to the community, the government, interest groups and regional NGOs. If there is no communication between these parties, tourism products and tourism growth will not be successful in an area.

Management

All the stakeholders need to be managed to be sustainable. This can only happen when the parties communicate with one another. The problems that arise in the communication session need to be managed to improve the quality of life. Solutions must be put forward and communicated to the various stakeholders.

Improvement of quality of life

The quality of life can be improved when all the parties involved are satisfied, or at least come to an agreement. This is why it is important to communicate the decisions (solutions to the problems) that were made by the various stakeholders to the community.

Sustainability of the area

When the four aspects are kept in mind and managed, sustainability will increase in the area. This will lead, among other things, to public support, the improvement of social wellbeing, and economic stability for the area.

3.6 Socio-economic impact of tourism

Chapter 2 analysed the social impact of tourism, whereas chapter 3 dealt with the economic impact of tourism. This section (3.6) is aimed at achieving clarity on these two terms combined, which will enable the reader to understand the holistic meaning of the term socio-economic impact of tourism. Socio-economic impact of tourism is the study of the relationship between economic activity and social life. The goal of any socio-economic impact study, in general, is to bring about socio-economic development, usually in terms of improvements in metrics such as GDP, life expectancy, literacy, and levels of employment (**Anon, 2007**). According to **Ashford (2005)** socio-economic impact is dedicated to the empirical, reality testing approach to knowledge and it respects both inductive and deductive reasoning. It recognises the policy relevance of teaching and research and seeks to be self-aware of normative implications rather than maintaining the layer of an exclusively positive science. Socio-economics does not entail a commitment to any one paradigm or ideological position, although it sees questions of value inextricably connected with individual and group economic choices. It is open to a range of paradigms that handle economic behaviour as involving a person and all facets of society within a continually evolving natural context. Socio-economics provides a positive and normative approach that aspires to present a factually rigorous, holistic understanding of economic behaviour that is both paradigm-conscious and value-conscious yet, at the same time, largely, though not entirely, paradigm- and value-neutral (**Ashford, 2005**). Socio-economic impact goes beyond the income generated by a given tourism product (in this case the Karoo National Park) but also includes the contribution of the park to the local community that surrounds the tourism product (**Saayman & Saayman, 2006a**).

Socio-economic impact encompasses aspects such as (Figure 3.4):

- Pride of the local community.
- Improved quality of life of surrounding communities.
- Social interaction between the community and tourists.

- Cross-cultural understanding.
- Community group activity.
- Increased social wellbeing and stability.
- Changes in social and moral values.
- Participation in community activities.
- Availability of facilities for locals.
- Learning opportunities for community members.
- New job opportunities.
- Increased income for locals and businesses.
- Increased tax revenue.
- Generation of income for the local economy.
- Economic development in the area.
- Improved standards of living.
- Encouragement of locals to develop new facilities/products (SMMEs).

Therefore one can summarise socio-economic impact as in Figure 3.4.

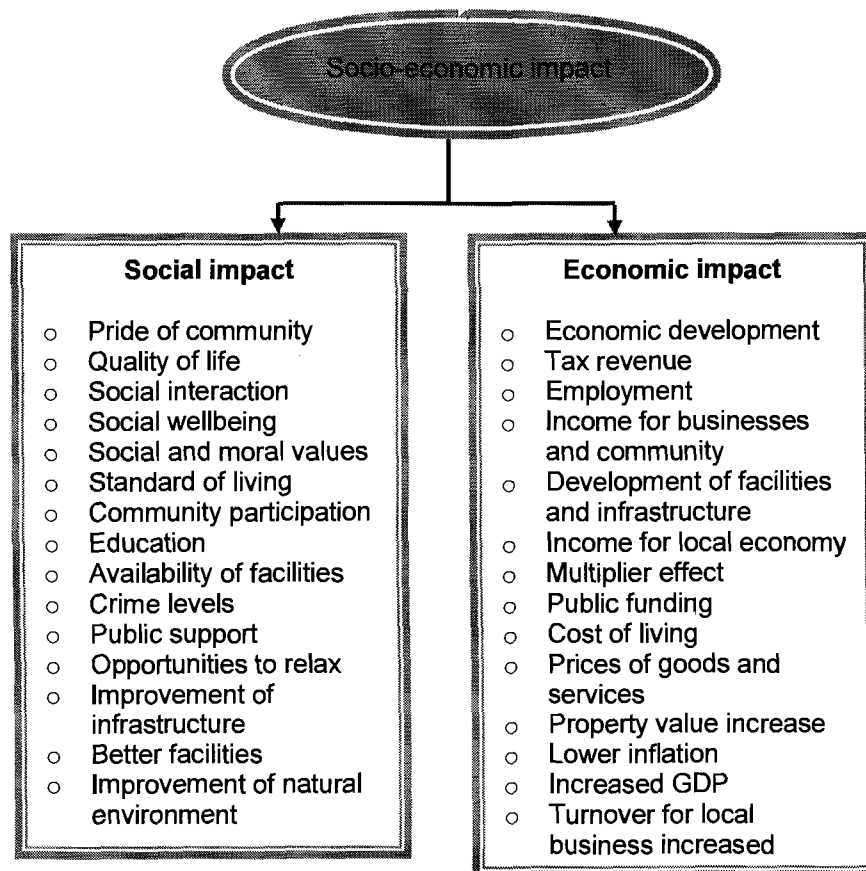


Figure 3.4: Socio-economic aspects

3.7 Conclusions

The purpose of this chapter was to analyse the concept of the economic impact of tourism. The impact of tourism was discussed, which included the impact on economic growth, the impact on employment and the impact on economic development. Various economic measuring methods were put into perspective. These methods included the input-output model, CGE model and various multipliers that can be used to measure economic impact. For the purpose of this study, the input-output model will be used because the area is smaller and a greater impact can be determined on the real output and Gross Product in the park host destination and land as a whole.

The factors influencing the economic impact of tourism were identified and include the following; production factors, politics, expenditure, inflated processes, leakages and seasonality. Some of these factors also have an impact on tourism and include economic growth, employment, inflation, income distribution and economic development.

Four aspects that need attention to increase the economic impact include: the number of tourists that visit a destination, the length of stay, expenditure by tourists and, lastly, the spending in the specific area (Beaufort West).

CHAPTER 4: EMPIRICAL RESEARCH

The most important trip you may take in life is

meeting people half way.

~Henry Boye

4.1 Introduction

The main goal of this study is to determine the socio-economic impact of the Karoo National Park. To achieve the goal, three surveys were conducted. Two of the surveys were conducted in Beaufort West - the community survey and the business survey. The third survey was conducted in the Karoo National Park itself – the visitor survey.

The first section of the chapter 4 consists of descriptive and factor analyses that were used to determine the view of the community concerning the park and the social impact and the effect of the park on the community of Beaufort West. The visitor's profile (tourist survey) also forms part of this section.

The second section of the chapter includes a partial input-output model that was developed to estimate partial multipliers and thus the economic impact of the Karoo National Park. In general, multipliers indicate the magnitude of economic benefits in terms of sales, income and employment generated by the initial spending in the economy due to the tourism activity. Input-output models are often used to generate these multipliers. Yet regional input-output tables are often not available (also in SA) and are expensive to develop due to the extensive data that is required. As a result of such constraints, this research employs partial multiplier analysis and the partial multipliers are derived from a simplified input-output table, which is compiled from survey data – not regional estimates based on national input-output tables. The conclusion and recommendations will be given at the end of the chapter.

4.2 Surveys

4.2.1 Survey 1: Community survey

A structured questionnaire served as the instrument for collecting the data, which contained both descriptive and causal questions. The questionnaire was based on the social impact measuring instrument developed by **Fredline, Jago and Deery (2003)**. The questionnaire was slightly adapted to focus on the needs of the study. The main variables (residents' perceptions of the impacts of the park) were measured using a 3 or 4-point Likert Scale. Questions were used to measure the independent variables and demographic information as well. These

variables included participation, community attachment and demographics (**Fredline et al., 2003**). According to the 2007 census (**STATSSA, 2007**), there are approximately 5000 households in Beaufort West in a 30 km radius. A stratified sample of 300 households was drawn, of which 240 questionnaires were usable. These results will be discussed in Section 4.3 – social impact results - and Section 4.4 – the factor analysis for the social impact.

4.2.2 Survey 2: Business survey

The questionnaire used for the business survey was similar to the one used by **Saayman and Saayman (2006a)** in determining the socio-economic impact of the Addo Elephant National Park. Research boundaries were set for the survey at a 30 km radius around the Karoo National Park, which included the town of Beaufort West. There are a total of 757 businesses in Beaufort West according to the **Municipal Demarcation Board (2006)**. Most of the businesses that were surveyed were located in Beaufort West (See Map 1). Convenience sampling was used for the business survey. In a convenience sample, the sample members are chosen on the basis of being readily accessible and willing to complete the questionnaire (**Tustin et al., 2005**). A total of 86 questionnaires were received which translates to an 11% response rate. The results are reviewed in Sections 4.3 and 4.4, as well as in Section 4.5, where the input-output model will be discussed.

4.2.3 Survey 3: Visitor survey

The visitors' questionnaire that was used has been applied since 2001 in various national parks in South Africa. In 2007, an availability sample was drawn from the visitors to the Karoo National Park for the period 27 March to 1 April, 2007). It must be noted that, for the purpose of this study, only overnight visitors formed part of the survey and not day visitors. A total of 104 questionnaires were received during this period. The results are shown in Sections 4.3 and 4.4 as well as in Section 4.5, where some of the results are used in the input-output model.

4.3 Community survey (social impact - Survey one)

The following demographic detail of the host community will be discussed:

4.3.1 Profile of the community

Table 4.1 gives a summary of the profile of the average community member. Sixty-three percent of the respondents were female and were born in Beaufort West. Eighteen percent of the community have lived between 16 and 20 years in Beaufort West. Fifty percent live in Beaufort West because circumstances demand it. A large percentage (61%) of the community does not visit the Karoo National Park (Table 4.1). This shows that the community is not that interested in the park. Because circumstances (their work) demands the community to stay in Beaufort West,

they tend to feel negative and do not want to visit the park. Beaufort West is a small town and there is not that much to do (entertainment) for the community.

Table 4.1 Demographical profile of community

Gender	Female (63%) with an average age of 42 years.
Place of birth	63% of the community was born in Beaufort West.
Years living in Beaufort West	18% indicated that they have lived between 16 and 20 years in Beaufort West.
Education	40% of the residents have matric and 2% have no schooling.
Occupation	30% are professional, while 17% are unemployed.
Life in Beaufort West	50% of the respondents only live in Beaufort West because circumstances demanded it.
Visitation during 2006-2007	Only 39% of the respondents indicated that they visited the park during 2006 and 2007. This shows that a large percentage of the community still do not visit the park.

4.3.2 Life in Beaufort West

Different ages reflect different habits, behaviours and mindsets. **Fredline and Faullkner (2001)** concluded that the demographical profile of a community can have an influence on perceptions, involvement, and the development of tourism. There are various cultures in a community (especially in South Africa where there are 11 official languages) and each has its own beliefs and perspectives on life. These beliefs and perspectives have an influence on their overall outlook on life as well as what is considered to be right or wrong (c.f. 2.6.). Respondents had to indicate which statement best described how they feel about living in Beaufort West. These statements were classified as:

- Statement one : “I love it, can’t think of anywhere else I would rather live”
- Statement two: “I enjoy living in Beaufort West but can think of other places I would equally enjoy”
- Statement three “I only live here because circumstances demand it and would prefer to live somewhere else” (Statement 3).

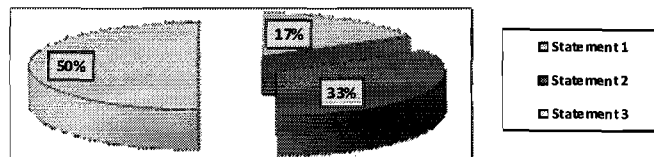


Figure 4.1: Life in Beaufort West

Fifty percent of the respondents indicated that they only live in Beaufort West because circumstances demanded it (statement 3), while 33% enjoy living in Beaufort West (Statement 2), but can think of other places that are equally enjoyable. Only 17% indicated that they love Beaufort West (Statement 1) (Figure 4.1). This shows that 50% of the community do not enjoy

living in Beaufort West and this might be a reason why they do not visit the park. It should also be noted that in 98% of the cases, the workers employed live in the area. This is encouraging, since it creates employment opportunities in Beaufort West, which has the highest rate of unemployment in the Western Cape.

4.3.3 Image of the Karoo National Park

Respondents had to write down the first word (image) that came to mind when thinking of the Karoo National Park. Results indicated that 63% think of nature. The fact that nature had a high percentage is a sign that the community are familiar with SANParks role in conserving the environment. Eighteen percent thought it is something beautiful, 14% said that they think of relaxation and 11% of tourism. Only 1% indicated that it portrays an image of expensiveness (Table 4.2). One of the reasons that the community does not visit the park is that they have a certain image (nature) of the park and that they feel that it is time wasted to visit a park and that the park can offer them nothing new (This was revealed in the research).

Table 4.2: Image of the Karoo National Park

IMAGE OF KAROO NATIONAL PARK	PERCENTAGE
Beautiful	16%
Expensive	1%
Nature	61%
Relaxation	12%
Tourism	10%

4.3.4 Karoo National Park effect on quality of life

Respondents were asked to indicate how the Karoo National Park affects their quality of life and that of the Beaufort West community:

- -3 being very negative
- 0 having no effect
- 3 having a very positive effect on the community

As shown in Table 4.3, the community felt that the park does have a positive to a very positive (67%) effect on the quality of life of the community. Thirty percent said that the park has little to no effect on the quality of life and only 3% indicated that the park has a negative to very negative effect on the community's quality of life. This indicates that the community has a positive view of the park, which is important for future tourism development in the area. This will also assist SANParks in marketing the park via word of mouth by the community. According to **Gursoy et al. (2002:86)** attached citizens (meaning those that benefit from the park) are more

likely to perceive the benefits of tourism positively, to minimise the negative impact, and to perceive a need to improve the local economy (c.f.2.6).

Table 4.3 also indicates that 6% of the community feels that the park has a negative to very negative effect on the community, while 22% said that the park had little to no effect on the community. Seventy-two percent of the community feels positive to very positive towards the park. From a park management point of view, this is an important finding and it will assist in future development and management of the park. Therefore community members experience the park as positive which will impact positively on community participation.

Table 4.3: The Karoo National Park effect on quality of life

KAROO NATIONAL PARK affect on	Very Negative		No Effect			Very Positive	
	-3	-2	-1	0	1	2	3
Personal quality of life	1%	2%	1%	21%	8%	25%	42%
Beaufort West Community	4%	3%	2%	10%	10%	28%	44%

Some literature also stresses the need to distinguish between a *community's* versus an *individual's* dependence on tourism; some studies suggest that individuals who personally benefit from tourism perceive greater economic benefits and fewer negative social and environmental impacts from its development than others (c.f. 2.6).

4.3.5 Positive and negative aspects of the Karoo National Park

Table 4.4 illustrates the positive and negative aspects of the Karoo National Park. The study of the local community's perception mainly involves the identification of the characteristics that contribute to the positive, negative or ambiguous aspects of tourism development. A positive perception is suggested to occur only when both the tourist and the resident perceive benefits from the exchange; where as a negative perception is related to an unequal exchange between the two parties (c.f. 2.3.3).

According to Table 4.4, the positive aspects of the Karoo National Park include that the park attracts tourists (47%); assists in conservation (23%); helps with community improvement (10%); improves facilities (10%); provides work opportunities (7%); contributes to economic growth of the area (2%) and provides entertainment (1%) (Table 4.4). Employment opportunities, upgrading of facilities, community group activity and the improvement of quality of life are some of the aspects that **Pearce (1994); Saayman (2000); Slabbert (2007); Sims and D'Mello (2005); Haley, Snaith and Miller (2004); Green (2005) and Delamere (2001)** found in their studies to be positive aspects (c.f. 2.5).

Table 4.4: Positive and negative aspects of the Karoo National Park

POSITIVE ASPECTS	PERCENTAGE
Community improvement	10%
Assists in conservation	23%
Economic growth	2%
Provides entertainment	1%
Improves facilities	10%
Tourism / Attracts tourists	47%
Work opportunities	7%
NEGATIVE ASPECTS	
Community involvement	19%
Too few facilities	40%
Marketing to local community	22%
Tourism improvement	19%

Negative aspects of the Karoo National Park include the following:

- Not enough facilities (40%);
- Marketing to the local community concerning information about the park (22%);
- Community involvement (19%) and
- Tourism improvement (19%) (Table 4.4).

The fact that they indicated there are not enough facilities needs further research to determine what type of facilities are still needed, because the park recently opened a new day visitors site with a swimming pool. The park also opened up a new game viewing road, which will improve the game viewing opportunities in the park. **Saayman (2000); Slabbert (2007); Sims and D’Mello (2005); Haley et al. (2004); Green (2005) and Delamere (2001)** also found negative aspects in their studies including social pollution, culture differences, demonstration effect, increased rent and prices of goods and services, negative community image, social dislocation and changes in social values (c.f. 2.5).

4.3.6 Visiting and interest in the Karoo National Park

Most of the respondents visited the park 1 to 10 times (79%). The main reason, according to the respondents, for not visiting the park is due to a lack of time (63%). Sixty-four percent indicated an interest in the Karoo National Park and visit the park when they can (Table 4.5).

Table 4.5: Visiting and interest in the Karoo National Park

	PERCENTAGE
Main reason for not visiting	63% indicated that they did not have time to visit the park.
Total visits to the Karoo National Park	79% visited the Karoo National Park more than 10 times.
Level of interest in the Karoo National Park	64% indicated that they are interested in the Karoo National Park and visit when they can.

It appears that the community have an interest in the park, but are lacking when it comes to visiting the park, often due to time constraints (Table 4.5). A park/community communication system needs to be developed that can effectively communicate information to the community on a regular basis. Local newspapers and advertising boards can also be used to advertise special promotions to the local community.

4.3.7 Role of the Karoo National Park in Beaufort West

By analysing the role of the Karoo National Park for the community of Beaufort West (Table 4.5), one finds that respondents indicated that the: appearance of the area has improved (70%); the number of tourists visiting Beaufort West has increased (68%) and the pride of the residents towards Beaufort West is seen as positive (65%). According to **Andriotis (2006), Gursoy et al. (2002), Page et al. (2001); Slabbert (2007) and Saayman (2000), Fredline and Faullkner (2001), Gursoy and Rutherford (2004) and Urtasun and Gutiérrez (2005)**, involvement in the park by the local community, community attachment, community contact with tourists, and the state of local economy are of importance when analysing the socio-economic impact of a tourism destination. From Table 4.6, one can conclude that the park has a positive social impact on the local community. In general, the park is contributing to the upliftment of the community by adding to the product offering, as well as to the improvement and perception of the area.

There were no significant negative aspects that stood out from the results. The negative aspects that were mentioned are entertainment opportunities that have decreased (15%) and the prices of some goods and services have increased (14%). Thirty-six percent indicate “no change” in the crime levels of the area (Table 4.6). In general, the park is contributing to the upliftment of the area by increasing the product offering of the area.

Table 4.6: Role of the Karoo National Park in Beaufort West

Social impacts	Decreased/ Worse	Increased/ Better	No change	Do not know
The appearance of the area has	4%	70%	10%	16%
Employment opportunities in Beaufort West have	10%	60%	18%	12%
The range of things to do in Beaufort West has	9%	55%	22%	14%
The number of people in the area has	3%	46%	21%	30%
Property values in the area have	5%	49%	23%	23%
Crime levels have	17%	26%	36%	21%
Participation in community activities has	8%	45%	27%	20%
Entertainment opportunities have	15%	41%	25%	19%
Prices of some goods and services have	14%	35%	31%	20%
The pride that Beaufort West residents have in their town has	8%	65%	13%	14%
The overall cost of living has	13%	37%	28%	22%
The opportunities to meet new people have	7%	54%	25%	14%
Opportunities for local business have	6%	55%	19%	20%
The number of tourists visiting Beaufort West at other times of the year has	7%	68%	7%	18%
Public funding for community activities has	11%	35%	21%	33%
The rights and civil liberties of local residents have	11%	37%	25%	27%
Interaction between locals and tourists has	10%	41%	20%	29%
Facilities available to local residents have	12%	46%	25%	17%
Social and moral values have	13%	37%	26%	24%
The skill base for events management in Beaufort West is	7%	48%	20%	25%
The turnover for local businesses has	8%	45%	18%	29%

Aspects that showed an increase due to the park are (Table 4.6):

- The appearance of the area (70%);
- The number of tourists visiting Beaufort West at other times of the year (68%);
- The pride that Beaufort West residents have in their town (65%);
- Employment opportunities in Beaufort West (60%);
- The range of things to do in Beaufort West (55%);
- Opportunities for local business (55%) and
- The opportunities to meet new people (54%).

It is interesting to note that residents feel that crime levels have not changed (36%) as a result of there being more tourists in the area.

4.3.8 Contribution of the Karoo National Park

According to **Choi and Sirahaya (2005)**, **Teye, Sanmez and Sirakaya (2002)**, **Nash (2006)** and **Dryer et al. (2007)**, residents are a major focal point when developing any ecotourism product that is intended to be sustainable. Communities must be content with decisions made

by the park concerning matters that affect them. If this is done appropriately, it will result in a community that is in favour of the park, which will impact positively on word of mouth marketing. Should a community not be content with these decisions, matters could lead to community members becoming dissatisfied with the authorities. This will have a negative impact on the park. Fairness towards the community in terms of training and earning opportunities will, in the end, benefit the local economy and the tourism industry as a whole (c.f. 2.6). Employees of the park will be better educated and more professional, which translates into a better services offering for tourists.

Table 4.7: Contribution of the Karoo National Park

Statements	Agree	Disagree	Do not know
The Karoo National Park provides opportunities for people to have fun with their family and friends	87%	7%	6%
The money that tourists spend at the Karoo National Park helps to stimulate the economy	65%	16%	19%
Media coverage of the Karoo National Park promotes tourism and business development in Beaufort West	70%	12%	18%
The public money spent on the Karoo National Park would be better spent on other things	30%	44%	26%
The Karoo National Park increases social inequity because it provides benefits to the rich, but none to the poor	42%	37%	21%
The Karoo National Park entertains local residents and provides an opportunity to visit a national park	72%	20%	8%
The Karoo National Park brings too many people into the community	16%	67%	17%
The Karoo National Park enhances the Western Cape's reputation as a Primary Tourism Destination	72%	14%	14%
Because of the Karoo National Park, friends come and visit me	40%	50%	10%
The Karoo National Park promotes values that are good	72%	14%	14%
The Karoo National Park does not offer enough activities for children	42%	39%	19%
The Karoo National Park expands visitors' life experience	78%	10%	12%
The Karoo National Park offers the opportunity to improve visitors' knowledge of plants and animals	88%	7%	5%
The Karoo National Park offers the residents of Beaufort West the opportunity to enjoy the park with their families	83%	12%	9%

Table 4.7 shows various social impact contribution statements. Respondents had to indicate whether they agree or disagree with these contribution statements. The respondents agreed with the following statements:

- ⊗ The Karoo National Park offers the opportunity to improve visitors' knowledge of plants and animals (88%);

- ☉ The Karoo National Park provides opportunities for people to have fun with their family and friends (87%);
- ☉ The Karoo National Park offers the residents of Beaufort West the opportunity to enjoy the park with their families (83%) and
- ☉ The Karoo National Park expands visitors' life experience (78%).

The respondents disagree with the following:

- ☉ The Karoo National Park brings too many people into the community (67%),
- ☉ Because of the Karoo National Park, friends come and visit me (50%) and
- ☉ The public money spent on the Karoo National Park would be better spent on other things (44%).

The results of Table 4.7 correspond well with Butler's model, which indicates that where there's interaction between tourists and the local communities with high economic benefits, local people benefit directly from tourist activities. Tourists are welcomed and the host population feels euphoric (c.f. 2.3.1).

4.4 Social Impact of the Karoo National Park

This section focuses on exploring the social impact on the community by means of a factor analysis. To determine the appropriateness of principal components analysis (data reduction procedure) for the collected data, a correlation matrix for the social data, the Kaiser Meyer-Olkin measure of sampling adequacy was examined. The Kaiser-Meyer-Olkin measure of sampling adequacy aims to examine whether the strength of the relationship between variables is large enough to proceed to a factor analysis. The measure was .577 for the social aspects and .851 for the social statements which, in both cases, is acceptable. The Barlett test was found to be significant in both cases ($p < .00001$). Therefore the data reduction by principal components would be legitimate.

4.4.1 Social aspects that have an influence on the community

A factor analysis with Oblimin Rotation according to the Pattern Matrix was performed on the 21 factors for the social aspects and 14 factors for social statements. The Oblimin Rotation method was chosen due to a correlation between the various factors. The factor analysis was performed to identify the impact of the Karoo National Park on the local community of Beaufort West (social impact). An eigenvalue of 1.0 was used for factor extraction criterion and loadings of .30 were used for item inclusion. This resulted in six factors for social aspects that have an influence on the community and three factors for social impact statements. The six factors

accounted for 75.19% of the total variance and the three factors accounted for 65.52% of the total variance. The factors were labelled according to similar characteristics.

The social aspects (Table 4.8) were labelled as follows:

- Positive social impact (Factor 1) (Mean value of 2.4, ranked fifth);
- Community benefits (Factor 2) (Mean value of 3.1, ranked sixth);
- Negative social impact (Factor 3) (Mean value of 2.2, ranked fourth);
- Skills (Factor 4) (Mean value of 2.4, ranked second);
- Long term impacts (Factor 5) (Mean value of 2.7, ranked first) and
- Community issues (Factor 6) (Mean value of 2.4, ranked third).

Table 4.8: Factor analysis 1 - Social aspects that have an influence on the community

Social aspects that have an influence on the community	Factor 1: Positive social impact (5)	Factor 2: Community benefits (6)	Factor 3: Negative social impact (4)	Factor 4: Skills (2)	Factor 5: Long term impacts (1)	Factor 6: Community issues (3)
Mean values	2.4188	2.1478	2.2607	2.4972	2.7376	2.4893
During high season the turnover for local businesses increased	-.777					
Facilities available to local residents are better	-.701					
Public funding for community activities has increased	-.592					
Social and moral values have improved	-.385					
The range of things to do in Beaufort West has increased		.933				
The pride that Beaufort West residents have in their town is better		.720				
Employment opportunities in Beaufort West are better		.637				
Entertainment opportunities have increased		.592				
The opportunities to meet new people have increased		.518				
Participation in community activities has increased		.301				
Prices of some goods and services have increased			.907			
Crime levels showed no change			.867			
The overall cost of living increased			.824			
Property values in the area have increased			.764			
The number of people in the area has increased			.619			
The skill base for event management in Beaufort West has increased				-.851		
Interactions between locals and tourists has increased				-.682		
The number of tourists visiting Beaufort West at other times of the year has increased					.906	
The appearance of the area is better					.413	
The rights and civil liberties of local residents have increased						.776
Opportunities for local business are better						.760
Cronbach's Alpha	.841	.742	.800	.704	.448	.592

Table 4.9: Component Correlation Matrix

	Positive social impact	Community benefits	Negative social impact	Skills	Long term impacts	Community issues
Positive social impact	1.000	-.069	.054	.232	-.205	-.196
Community benefits	-.069	1.000	.256	-.038	.012	-.023
Negative social impact	.054	.256	1.000	.085	-.109	-.200
Skills	.232	-.038	.085	1.000	-.152	-.256
Long term impacts	-.205	.012	-.109	-.152	1.000	.220
Community issues	-.196	.023	-.200	-.256	.220	1.000

Based on the correlation matrixes shown in Table 4.9, it is evident that these factors are all distinct factors measuring different components of visitor motives. The various factors will now be discussed briefly.

- **Factor one: Positive social impact**

Social impact included aspects such as turnover for local businesses having increased, facilities available to local residents being better, public funding for community activities and social and moral values have increased. Previous research that supports this factor are those of **Dimmock and Tiyce (2000)** and **Fredline (2000)** which indicated that tourism could influence the moral values, lifestyles, or quality of life of the local community (c.f. 2.6). This factor had an internal reliability (Cronbach alpha) of .841 which is good, and a mean value of 2.41. Factor one is rated the fifth most important factor.

- **Factor two: Community benefits**

Community benefits included the aspects of participation in community activity, the opportunities to meet new people, entertainment opportunities, employment opportunities in Beaufort West, the pride that Beaufort West residents have in their town and the range of things to do in Beaufort West. **Fredline (2000)** found that tourism provides opportunities for businesses and opportunities to meet new people, which is supportive of these findings. **Allen et al. (2005)** also listed some of these opportunities in research done on festival management (increase in the quality of life and community members are in favour of tourism to expand) (c.f. 2.6). This factor had an internal reliability (Cronbach alpha) of .742 which is good, and a mean value of 2.14. This factor was rated the lowest of the six factors.

- **Factor three: Negative social impact**

Prices of some goods and services have increased, crime levels showed no change, the overall cost of living has increased, property values in the area have increased, and the number of people in the area having increased were included in the negative social impact. **Fredline (2000)**, **Allen et al. (2005)** and **Deyer et al. (2006)** research support factor three when they stated that price inflation on goods and services could be experienced as a result of tourism growth in an area

(c.f.2.5). This factor had an internal reliability (Cronbach alpha) of .800 which is good, and a mean value of 2.26. Factor three is rated the fourth most important social impact factor.

- **Factor four: Skills**

Skills included the skill base for event management in Beaufort West and the interactions between locals and tourists which are better. **Dimmock and Tiyce (2000)**, **Allen et al. (2005)** and **Sherwood (2007)** also listed skills, or training and investment as benefits. This factor had an internal reliability (Cronbach alpha) of .704 which is good, and a mean value of 2.49. This factor was the second highest social impact factor.

- **Factor five: Long term impacts**

Long term impacts included the number of tourists visiting Beaufort West at different times of the year and the appearance of the area. **Dimmock and Tiyce (2000)**, **Allen et al. (2005)** and **Fredline (2000)** stated that tourism products could lead to regeneration or improvement of the area (c.f.2.6). This factor had an internal reliability (Cronbach alpha) of .448 which is not that good, and a mean value of 2.73. This factor was the most important social impact factor.

- **Factor six: Community issues**

Community issues included the rights and civil liberties of local residents and the opportunities for local businesses. **Sherwood (2007)** listed civil rights under community benefits resulting from tourism (c.f.2.4). This factor had an internal reliability (Cronbach alpha) of .592 which is not that good, and a mean value of 2.48. This factor was rated the third most important social factor.

4.4.2 Social impact statements

Eigenvalues for these factors ranged from 1.13 to 5.82. Cronbach's coefficients were also examined for each factor to check the reliability of the data and to serve as a measure of internal consistency among the items. The Alpha values should be interpreted with caution due to the limited number of items (statements) that loaded successfully onto the same factors. For the social statements (Table 4.10), the factors were labelled as *Local social opportunities* (Factor 1), *interaction opportunities* (Factor 2) and *negative community impact* (Factor 3). Based on the correlation matrices shown in Table 4.11, it is evident that these factors are all distinct factors measuring different components of visitor motives. Eigenvalues for these factors ranged from 1.10 to 6.00. Cronbach's coefficients were also examined for each factor to check the reliability of the data and to serve as a measure of internal consistency among the items. These factors will be discussed in the following section.

Table 4.10: Factor analysis 2 – Social impact statements

Social impact statements	Factor 1: Local social opportunities	Factor 2: Interaction opportunities	Factor 3: Negative community impact
Mean values	1.1483	1.6793	1.5177
The Karoo National Park enhances Western Cape's reputation as a Primary Tourism Destination	.929		
The Karoo National Park offers the opportunity to improve visitors' knowledge of plants and animals	.875		
The Karoo National Park provides opportunities for people to have fun with their family and friends	.831		
The Karoo National Park expands visitors' life experience	.821		
The Karoo National Park offers the residents of Beaufort West the opportunity to enjoy the park with friends and family	.806		
Property values in the area have increased	.799		
The Karoo National Park entertains local residents and provides an opportunity to visit a national park	.796		
The money that tourists spend at the Karoo National Park helps to stimulate the economy	.565		
Media coverage of the Karoo National Park enhances tourism and business development in Beaufort West	.535		
The Karoo National Park brings too many people into the community		.803	
Because of the Karoo National Park, friends and family come and visit me		.803	
The Karoo National Park increases social inequity because it provides benefits to the rich, but none to the poor			.807
The public money spent on the Karoo National Park would be better spent on other things			.676
The Karoo National Park does not offer enough activities for children			.598
Cronbach's Alpha	.897	.651	.504

Table 4.11: Component Correlation Matrix

	Local social opportunities	Interaction opportunities	Negative community impact
Local social opportunities	1.000	.191	.189
Interaction opportunities	.191	1.000	.233
Negative community impact	.189	.223	1.000

- **Factor one: Local social opportunities**

Local social opportunities included statements such as the Karoo National Park enhances the Western Cape's reputation as Primary Tourism Destination, the Karoo National Park offers the opportunity to improve visitors' knowledge of plants and animals, the Karoo National Park provides opportunities for people to have fun with their family and friends, the Karoo National Park expands visitors' life experience, the Karoo National Park offers residents of Beaufort West the opportunity to enjoy the park with friends and family, the Karoo National Park entertains local residents and provides an opportunity to visit a national park, the money that tourists spend at the Karoo National Park helps to stimulate the economy and media coverage of the Karoo National Park enhances tourism and business development in Beaufort West. According to **Choi and Sirahaya (2005)**, residents should be the focal point of development for tourism to be sustainable (c.f.2.4). This factor had an internal reliability (Cronbach alpha) of .897 which is good, and a mean value of 1.14, which makes it the least important factor.

- **Factor two: Interaction opportunities**

Factors included in interaction opportunities included that the Karoo National Park brings too many people into the community (meaning that the small town gets overcrowded) and because of the Karoo National Park, friends and family come and visit. **Nash (2003)** indicated that the participation of the community is an important element for ensuring sustainable tourism practice (c.f.2.6). This factor had an internal reliability (Cronbach alpha) of .651 which is good, and a mean value of 1.67 and is the most important factor for the community.

- **Factor three: Negative community impact**

Statements included in negative community impact include the Karoo National Park increases social inequity because it provides benefits to the rich, but none to the poor; the public money spent on the Karoo National Park would be better spent on other things, and the Karoo National Park does not offer enough activities for children. **Andereck et al. (2005)** also found that tourism have some negative impacts on the community (c.f.2.5). This factor

had an internal reliability (Cronbach alpha) of .504 which is not that good, and a mean value of 1.51. This factor is rated as the second most important factor.

4.5 Business survey (economic impact-Survey two)

In this section, the results of the business survey (economic impact) are discussed and these include aspects such as the business information in Beaufort West, employment information and turnover for local businesses in Beaufort West.

4.5.1 Business information

Table 4.12: Business information

Business information	Percentage
Business location	99% of the businesses are located outside of the Karoo National Park
Beds available	A total of 142 beds are available in Beaufort West, excluding the Karoo National Park
Average age of business	The average age of the various businesses was 16 years.
Business due to the Karoo National Park	4% indicated that the Karoo National Park is the main reason they became operational.

Ninety-nine percent of the businesses are located outside the Karoo National Park of which most are situated inside Beaufort West. The Karoo National Park has 138 available beds and there are approximately 500 available beds in Beaufort West (**Saayman, Saayman & Ferreira, 2007**), totalling 638 beds. Six accommodation units were surveyed and a total of 142 beds were available. The accommodation industry is, as expected, very reliant on labour, with the six accommodation units providing employment for 78 persons. Only 4% of the businesses are operational due to the park, yet many businesses indicate that they rely heavily on tourist spending (see Table 4.27). This might be an indication that the influence of the park on tourism activity in the area is not taken into account by these businesses. If the park can grow its tourism numbers and occupancy, the chances are good that more businesses will develop due to the park (Table 4.12).

4.5.2 Category of business

A total of ninety businesses completed the questionnaires, of which many of the owners owned a second or third business, sometimes up to four businesses, and they were of the view that one questionnaire is sufficient. According to Table 4.13 (column A) the two main

business categories are retail shops (31%) and restaurants (10%). The largest percentage of business owners classified their businesses in the 'others' category (35%), which includes businesses such as salons, video stores, pharmacies and panel beaters.

Table 4.13: Category of business

Type of business	Origin of Market			
	A Percentage	B Number of businesses	C Tourist visits	D Local visits
B&B/Guesthouse	7%	6	70%	30%
Lodge	1%	1	32%	68%
Curio shop	6%	5	37%	63%
Retail shop	31%	28	14%	86%
Wholesaler	3%	3	20%	80%
Petrol station	4%	4	40%	60%
Manufacturer	1%	1	20%	80%
Game farm	1%	1	32%	68%
Restaurant	10%	9	40%	60%
Fruit stall	1%	1	5%	95%
Other	35%	31	27%	73%

Seven percent of the businesses were accommodation facilities (Table 4.13). The average bed occupancy for these establishments was 63%, which is higher than the SA norm. It is interesting to note that most of the tourism-related businesses such as B&B/Guesthouses (70%) and Restaurants (40%) "origin of market" lies in tourists visiting the area (Table 4.13 columns C and D). Businesses such as petrol stations and wholesalers are more dependent on the local community (Table 4.13). The average age of the existence for the various businesses is summarised in Table 4.14. Petrol stations (27 years) and retail shops (19 years) are the oldest businesses in Beaufort West. From Table 4.14 it is clear that the tourism-related businesses are still new with an average age of 5 years. This compares well with the overall business average in SA for accommodation facilities (STATSSA, 2007).

Table 4.14: Average age for businesses per category

Business type	Average age
B&B/Guesthouse	7 years
Lodge	4 years
Curio shop	10 years
Retail shop	19 years
Wholesaler	16 years
Petrol station	27 years

Manufacturer	15 years
Game farm	4 years
Restaurant	7 years
Fruit stall	4 years
Other	17 years

4.5.3 Employee information

Business owners indicated that 63% of their staff are permanently employed and 37% are temporary employed. In total, there are 986 people employed in the businesses that form part of the survey, of whom 362 are temporarily employed and 624 permanently employed. Ninety-eight percent of the employees live within the boundaries of Beaufort West and only 2% of the employees live outside the boundaries of Beaufort West. The fact that 92% of the people employed are from the local community is an important aspect for sustainability.

Table 4.15: Employee information

	Percentage
People employed	63% are permanently employed, while 37% are only temporary employed.
Employees living in the area	98% of the employees live in Beaufort West.

4.5.4 Turnover divided between business costs

The purpose of this question was to determine the turnover (income after tax) divided between the various business costs such as stock, municipality, operational, wages and other. According to Table 4.16, 50% of the turnover is allocated to stock, 18% is allocated to wages, followed by operational (11%) and 8% for services provided by the municipality. According to Table 4.17, 52% of the stock is bought from outside of the area – this shows a leakage in the economy and, if one wants to grow the economy, this is an aspect that needs attention. Similar leakages are also evident for other costs.

Table 4.16: Turnover divided between business costs

Category	Percentage
Stock	50%
Wages	18%
Operational costs	11%
Municipality services	8%
Other	13%

4.5.5 Stock, services and operational costs purchased in local area

The purpose of this question was to determine where potential leakages may occur and whether the money that is spent stays in the local economy. A breakdown of purchased stock, service and operational costs of the businesses that are sourced locally and outside of Beaufort West is shown in Table 4.17.

Table 4.17: Stock, services and operational cost

	Local	Outside
Stock	48%	52%
Services	59%	41%
Operational cost	63%	37%

Businesses purchase 52% of their stock outside of Beaufort West and only 48% of the stock is bought locally (Table 4.17). Compared to other similar towns (**Saayman & Saayman, 2006a**), Beaufort West is doing well in this regard although it remains an aspect that needs to be addressed, especially if one calculates the total leakages. According to Table 4.16, 50% of the turnover is allocated to stock. Services used by businesses are mainly local (59%), which is good for the local economy and only 41% of the businesses make use of services outside of Beaufort West. Thirty-seven percent of the operational costs are spent outside of Beaufort West, while 63% are spent locally. If one adds leakages related to stock, services and operational costs as well as the fact that municipal services also shows leakages then leakages total well above 50%, which is an aspect that needs attention.

The results support the concern that rural areas sometimes face high leakages and that the local economy does not benefit to its full potential. The impact is greater here, since Beaufort West is not situated close to any larger towns, for example Port Elizabeth and George, where more extensive leakages in terms of employment and spending by households are created. However, the fact that 98% of the workers live in the area under consideration is an indication that the benefits of the Karoo National Park reach the local community and that it certainly contributes towards social upliftment in the vicinity. Park management could consider a local "Wildcard" in order to increase the number of day visitors. Added to this, the park could consider open days where communities are invited to visit the park free of charge and park management then interacts with the visitors.

4.5.6 Turnover due to the Karoo National Park

Table 4.18: Turnover due to the Karoo National Park

PERCENTAGE OF BUSINESSES	PERCENTAGE TURNOVER DUE TO THE KAROO NATIONAL PARK
25%	<-0.5%
15%	1-2%
22%	3-5%
16%	10-15%
15%	20-25%
3%	30%
2%	50%
2%	90%

According to Table 4.18, 25% of the businesses said that <-0.05% of the business turnover is due to the Karoo National Park. Twenty-two percent of the businesses indicated that 3-5% of the turnover is due to the Karoo National Park. Only 2% of the businesses indicated that 90% of their turnover is due to the park. This is as expected, for only 4% indicated that the park is the *main reason* why they became operational (Table 4.12). Guest houses as well as bed and breakfast establishments indicated that 12% of their turnover is due to the Karoo National Park whereas curio shops indicated 8.8%. The turnover of restaurants and service stations was the highest with 15% and 20% respectively. Retailers had the lowest turnover (8%). Karoo National Park Tourism and recreation services estimated their turnover at 15% due to the park.

4.6 Visitor Survey (Survey 3)

The visitor survey is included in the study because tourists spend money in the area and this has an impact on the economy as well as on the community. Only the main profile of the visitors is provided, since this will give an overview of their spending patterns and the reasons that tourists visit the area.

4.6.1 Profile of visitors to the Karoo National Park

It is important to include the profile of the visitors for this study because if one knows the tourist profile, this can assist park management in developing better products which can increase tourists' spending, which will have a positive economic impact on the host community. Table 4.19 gives a summary of the profile of visitors to the Karoo National Park. Fifty-three percent are English-speaking followed by 45% who speaks Afrikaans. The average age of these visitors is 48 years and they have children between the ages of five and seven (45%). Seventy-nine percent of the visitors are married and 35% live in Gauteng

followed by the Western Cape (26%). These visitors are also well educated (81%), with 43% who claim to have a degree or a diploma (Table 4.19).

Table 4.19: Profile of visitors to the Karoo National Park

RACE PROFILE/DAY VS OVERNIGHT VISITORS	NUMBER	PERCENTAGE
Day	329	64,1%
Overnight	184	35,9%
TOTAL	513	3,6%
Day	1949	14,2%
Overnight	11785	85,8%
TOTAL	13734	96,4%
TOTAL DAY	2278	16,0%
TOTAL OVERNIGHT	11969	84,0%
GRAND TOTAL	14247	
CATEGORY	OVERNIGHT: 2007	
HOME LANGUAGE	English (53%)	
AGE	35-49 years of age (Average: 48)	
MARITAL STATUS	Married (79%)	
PROVINCE OF RESIDENCE	Gauteng (35%) & Western Cape (26%)	
LEVEL OF EDUCATION	Well educated (81%)	
MODE OF TRANSPORT	4x4 (43%)	
AVERAGE LENGTH OF STAY	One night	
REASONS FOR VISITING THE PARK	To relax (76%)	
EXPENDITURE	R2 885.00 per trip	
VISITOR PREFERENCES	Self-catering (53%)	
PREFERRED NEWSPAPER	Die Beeld (24%)	
PREFERRED MAGAZINES	Weg (24%)	
PREFERRED RADIO STATIONS	RSG (33%)	
PREFERRED TELEVISION PROGRAMMES	Nature programmes	
HEARD ABOUT THE PARK	Family and friends (word of mouth) (45%)	
PREFERRED ACCOMMODATION	Chalets (30%)	

The visitors travel by means of a 4x4 (43%), stay on average one night in the park and spend an average of R2 885.00 per trip. These visitors read Weg (24%) and Die Beeld (24%), listen to RSG (33%) and watch nature programmes. The reason for visiting the Karoo National Park is to relax (76%). Visitors prefer self-catering chalets and word of mouth is the main marketing tool for this park (Table 4.19).

4.6.2 Number of people in group

According to Table 4.20, most respondents pay for two people (44%), followed by 22% paying for 4 people. The average number of people per group is 3 persons.

Table 4.20: Group size (Saayman & Bothma, 2007)

Number of people	2006	2007
1 person	10%	8%
2 people	38%	44%
3 people	16%	16%
4 people	30%	22%
5 people	3%	7%
6 people	3%	2%
7 + people	-	1%
Average number in group	2 people	3 people

4.6.3 Number of visits

Table 4.21: Number of visits 2006/7 (Saayman & Bothma, 2007)

Number of visits	2006	2007
Once	17%	12%
Twice	17%	20%
3 Times	19%	17%
4 Times	8%	5%
5 Times	19%	14%
6 Times	8%	14%
8 Times	-	6%
9 Times	3%	1%
10 Times	3%	3%
More than 11 times	6%	8%
Average number of visits	4 times	5 times

In 2007, average respondents visited national parks five times over the past three years. It is interesting to note that 12% had visited national parks more than nine times over a period of three years and 20% of the respondents visited national parks twice in the same period. Table 4.21 also indicates the number of visits for 2006. This is important to show that there is an increase in the number of times visited.

4.6.4 Number of nights stayed in the Park

Most people (52%) stay for only one night. This is followed by 37% who stay two nights. These statistics confirm that this park is a stopover destination, as 89% of the respondents

stay for no more than 2 nights (Table 4.22). Therefore to increase the spending of the tourists in the area it is important to increase the length of their stay.

Table 4.22: Number of nights stayed in the park

Nights	Percentage
1 Night	52%
2 Nights	37%
3 Nights	5%
4 Nights	4%
5 Nights	2%

4.6.5 Expenditures

Based on the results in Table 4.24, an average tourist in 2007 (Column 5) spends R2 885 per trip, of which most is spent on accommodation (R658), transport to the park (R666), restaurants (R216) and other products (R227). Compared to the surveys conducted from 2001, the average spending has increased slightly over the seven years (Table 4.23). From Table 4.23 it also clear that there has been a sound increase in the total spending of tourists over the given period. One of the reasons might be that they are staying longer and thus spending more in the area.

Table 4.23: Expenditure: Comparison for 2003-2007 (Saayman & Bothma, 2007)

Expenditure	2003 1	2004 2	2005 3	2006 4	2007 5
Entrance and conservation fee	R62.00	R61.78	R79.23	R134.35	R105.00
Accommodation	R378.00	R727.42	R971.73	R1 138.85	R658.00
Restaurants	R56.00	R47.78	R144.54	R107.65	R216.00
Food	R49.00	R54.29	R221.92	R347.76	R127.00
Beverages	R31.00	R31.42	R50.00	R29.43	R72.00
Tobacco products	-	R6.14	R1.92	-	-
Clothes and footwear	-	R1.78	R165.77	R33.24	R122.00
Total Transport	R76.00	R214.45	R437.00	R294.70	R868.00
Transport to the park		R192.67	R350.85	R278.82	R666.00
Transport in the park		R21.78	R86.15	R 5.88	R202.00
Activities	R4.00	R6.78	R19.23	R26.76	R186.00
Medicine	R5.00	-	R4.62	-	R60.00
Toiletries	-	R1.78	R7.69	R 1.47	R55.00
Souvenirs and jewellery	R2.00	R7.14	R6.54	R28.82	R60.00

Telephone, fax, internet	R2.00	R4.28	R3.69	R8.24	R129.00
Other	R2.00	R33.14	-	R48.53	R227.00
Total	R667.00	R1 198.18	R2 113.88	R2 199.81	R2 885.00

4.6.6 Type of shops visited

Sixty-seven percent of the respondents visited shops in the area. From an economic point of view, this is important because it implies that the park contributes to the socio-economic environment of Beaufort West (Table 4.24).

Table 4.24: Type of shops visited

Shops visited	
Yes (67%)	No (33%)
Type of shops	Percentage
Petrol stations	37%
Supermarkets	40%
Liquor store	3%
Museum	2%
Butchery	7%
Bank	3%
Restaurants	2%
Road stalls	9%

Table 4.24 indicates the main shops that respondents visited. Forty percent of the respondents visited supermarkets and 37% visited petrol stations in Beaufort West.

4.7 The Economic Impact of the Karoo National Park (Surveys 2 and 3)

When determining the economic impact of a certain event or attraction, the emphasis normally falls on recurrent, rather than once-off, expenditure. Such expenditure normally takes place as tourists visit the attraction or event. It has been suggested that the true value can only be determined when the spending of management of the event or attraction is also included (Wang, 1997). Therefore, to estimate the contribution of the Karoo National Park in terms of output and income generated in the area, both visitor spending and operating expenditure, that are provided by park management, will be included. The same process was followed by Saayman and Saayman (2006a) to determine the economic impact of the Addo Elephant National Park.

4.7.1 Visitor spending

The magnitude of economic impact of visitor spending relies heavily on the following four factors (Wilson, 1984; Saayman & Saayman, 2004):

- The number of tourists (Table 4.19 and Table 4.20),
- The length of stay (Table 4.22 and Table 4.23),
- The expenditure by tourists and (Table 4.24) and
- The magnitude of the multiplier (Table 4.30).

The aim of the visitor survey is to shed some light on the second and third aspects of importance for economic impact analysis, while the multipliers are determined via the input-output matrix derived from the business surveys. The visitor numbers were obtained from SANParks.

4.7.1.1 Number of tourists (number of tourist groups)

Visitors to the Karoo National Park can be grouped into two broad categories, day visitors and overnight visitors. Only overnight visitors' results are used, because they are staying over and spend more money than day visitors. Since the Karoo National Park offers both camping facilities and chalets, the overnight visitors are further divided into campers and visitors that overnight in chalets. It is also noteworthy that the income and output multipliers for camping groups are lower than those of the chalets. This should, however, be expected, since campers spend less on accommodation (which is a labour intensive activity) than groups in chalets and more on retail items and food - which is more capital intensive and requires greater stock purchases. Table 4.26 indicates the total guest numbers, as well as the overnight visitors in terms of both camping and chalets. It should be noted that the camping numbers are in person nights sold, while the chalets are in unit nights sold – there might be more than one person staying in a chalet.

There has been a decline in visitor numbers from 2003 to 2006 and it is only in 2007 that the number of guests visiting the park showed an increase again. In 2004, there was also a steep decline in campers that visited the park, while 2005 shows a decline in overnight visitors in chalets. Both campers and visitors staying in chalets increased in 2007 (Table 4.25).

Table 4.25: Visitor numbers to the Karoo National Park (year ending March)

Visitors	Total guests	Camp person nights	Chalet unit nights
2003	31 583	10 434	8 127
2004	28 263	9 674	9 528
2005	28 037	12 742	8 913
2006	27 568	10 716	9 161
2007	31 469	13 449	9 373

The visitor survey revealed that visitors (this accounts for chalets and campers together) to the Karoo National Park average group size is 3.14 people (Table 4.19 and Table 4.20). When the chalets and camping tourists are separated, it was found that campers travel in larger groups (3.37 people per group) than visitors staying in chalets (2.89 people). This information is valuable since camping numbers are in person nights. Meaning that the average spending is per person, which is lower than people staying in chalets (visitors staying in chalets are counted as a group).

4.7.1.2 Length of stay

The average length of stay for campers and chalets visitors at the Karoo National Park is 1.7 nights, according to the visitor survey. When separated, campers again tend to stay longer, 1.94 nights, while overnight visitors in chalets stay on average 1.49 nights. This is in line with previous surveys conducted by **Saayman and Saayman (2006a)**. From this data one can make the assumption that the Karoo National Park is often used as a stopover destination between the coast and Gauteng. This research was confirmed by the research done by **Saayman and Bothma (2007)**.

4.7.1.3 Expenditure by tourists

The spending of visitors has been grouped into selected sectors that form the partial input-output model (Table 4.26). According to the survey, campers spend on average R570.92 per group, while staying at the Karoo National Park. Spending of chalet tourists is on average R882.58 per group, exceeding that of campers. It is interesting to note that the spending patterns of campers differ substantially from that of visitors in chalets – this is evident from the percentages spent on each category. Notice must be taken that transport to the park is excluded from the analysis, since it cannot be certain where the car has been filled or to which company transport costs accrue.

Table 4.26: Spending per visitor group according to input-output categories

SPENDING CATEGORY	VISITORS CAMPING	%	VISITORS IN CHALETS	%
Accommodation	R327.20	57.3%	R673.35	76.3%
Curios	R12.42	2.2%	R8.04	0.9%
Food and restaurants	R107.20	18.8%	R119.53	13.5%
Tourism services	R65.40	11.5%	R36.76	4.2%
Retail	R25.90	4.5%	R5.68	0.6%
Transport	R32.80	5.7%	R39.22	4.4%

Municipal	R0.00	0.0%	R0.00	0.0%
Wholesale	R0.00	0.0%	R0.00	0.0%
Manufacturing	R0.00	0.0%	R0.00	0.0%
Total	R570.92	100%	R882.58	100%

Seventy-one percent of respondents indicated that they spend money outside the park (Beaufort West). Among the most prominent businesses visited by the respondents are petrol stations and supermarkets (retail/food), followed by a variety of other businesses including the butchery (food), restaurants, curio shops, other retailers (chemist, liquor store, bank), car repairs and the wholesale Fruit and Veg.

4.7.2 Park Expenditure

SANParks provided the income and expense account for the Karoo National Park for the year ending March 2007. According to this account, expenditure, excluding depreciation, amounted to approximately R5 million. A rough breakdown of these costs reveals that the highest spending item is personnel (56.6%), followed by operational costs (26.1%). To allocate these cost items to the various sectors in the model, some assumptions are made which include: 30% of operational expenses do not take place in the local area (leakage); maintenance costs are equally divided between retail, wholesale and manufacturing; all finance costs accrue to the local area; the remaining operational costs are divided between retail (40%), municipal (20%), transport (20%), wholesale (10%), food (5%) and manufacturing (5%); and 85.5% of personnel costs are accumulated to the local area (excluded are UIF and other insurance).

4.7.3 Proportional multiplier analysis

Since unit nights already excludes the problem of “spending per person” versus “spending per group”, only the number of campers is divided by the average group size for campers (3.37 people), to estimate the camper groups. According to this method, 3 991 camper groups visited the park in 2006/7. Table 4.27 indicates the magnitude of visitor spending, which was calculated by making use of the above estimates and the average spending per visitor group, as indicated in Table 4.26. Visitor spending is estimated at approximately R10.5 million (Table 4.21).

Table 4.27: Estimated total expenditure by visitors (2007)

CATEGORY	NUMBER OF GROUPS	AVERAGE SPENDING PER GROUP	TOTAL SPENDING
Chalets	9 373	R882.58	R8 272 422
Camping	3 991	R570.92	R2 278 542
Total	13 364	R1 453.50	R10 550 964

As suggested by **Vaughan et al. (2000)**, two methods can be used to determine the impact on the local economy, iteration and matrix inversion. For the second method, matrix inversion, a nine by nine matrix, was created to determine the effects of a change in demand on output. In terms of output, one additional tourist group (change in demand) in each category creates the following additional output (see equation 1). The multipliers created by the matrix inversion process is higher than that for the Addo Elephant National Park (1.18 for chalets and 1.2 for campers) (**Saayman & Saayman, 2006a**), which is expected given that Beaufort West is a much larger town than the towns of Addo, Paterson and Kirkwood. The multipliers are more in line with estimates for Oudtshoorn (the KKNK Arts Festival) and Potchefstroom (the Aardklop Arts Festival) (see **Saayman & Saayman, 2004**).

To determine the total effect on income (direct, indirect and induced), the input-output table has to be expanded to include the effect of household spending and wages. In other words, a ten by ten matrix was created. The assumption was made that the consumption pattern of locals in the study area is similar to that of the national consumption pattern (as defined in the 2005 nationwide input-output Table) (**United Nations, 1999**). It is evident that spending directly translates into income for a business, and as this business expands its production, the income of other businesses also expands. This process captures the direct and indirect effects of income for businesses. Yet not all income that businesses receive translates into income for consumers. The income is used to buy stock, pay for operational expenses and services, and then also pay labourers and profits. What is more interesting is the latter - how does this translate into income for consumers (households) in the Beaufort West area? Therefore, one is only interested in finding the induced income effect of the additional spending.

Table 4.28: Output and income multipliers

OUTPUT	CATEGORY	CHANGE IN DEMAND	CHANGE IN OUTPUT	MULTIPLIER
	Chalet	R882.58	R1 300.74	1.47
	Camp	R570.92	R818.34	1.43
INCOME	CATEGORY	CHANGE IN DEMAND	CHANGE IN INCOME	MULTIPLIER
	Chalet	R882.58	R353.42	0.40
	Camp	R570.92	R211.35	0.39

The income multipliers for the categories chalets (0.40) and camping (0.39) are much lower than those of the output multipliers for the categories chalets (1.47) and camping (1.43) (Table 4.28). These results show that the economic output is much greater than the economic income, thus leading to a leakage for Beaufort West. More should be done to increase the economic income of Beaufort West, for example activities in the area that do not require a lot of expenses.

According to Table 4.28, the income multiplier generated by the matrix inversion process for people holidaying in chalets is in line with the results for the Addo Elephant National Park (0.404 for chalets and 0.30 for campers), but slightly higher for campers than that of the Addo Elephant National Park (Saayman & Saayman, 2006a). The rationale behind the higher multipliers is intuitively correct, since Beaufort West is not situated close to any larger town (such as Port Elizabeth in the case of Addo Elephant National Park) that creates more extensive leakages in terms of employment creation and spending by households. It is also noteworthy that the income and output multipliers for campers are lower than those of the chalets (Table 4.28). This should, however, also be expected, since campers spend less on accommodation (which is a labour intensive activity) than people in chalets and more on retail items - which are more capital intensive and require greater purchases of stock.

Table 4.29: Sectoral changes in output and income

SECTOR	CHALET: CHANGE IN OUTPUT	CHALET: CHANGE IN INCOME	CAMP: CHANGE IN OUTPUT	CAMP: CHANGE IN INCOME
Accommodation	674.52	674.79	327.90	328.07
Curios	8.04	13.34	12.42	15.74
Food and Restaurants	121.87	204.05	108.61	160.08

SECTOR	CHALET: CHANGE IN OUTPUT	CHALET: CHANGE IN INCOME	CAMP: CHANGE IN OUTPUT	CAMP: CHANGE IN INCOME
Tourism/Recreation services	37.34	60.80	65.75	80.45
Retail	235.98	312.06	160.33	207.98
Transport	82.44	115.93	55.42	76.39
Municipal	84.45	104.07	50.97	63.26
Wholesale	47.78	58.61	28.77	35.55
Manufacturing	8.32	12.09	8.16	10.52
Total	1 300.74	1 555.75	818.34	978.06

Table 4.29 indicate changes in business income (direct and indirect effect) generated due to one additional visitor. The production and income effect of the spending are illustrated in Table 4.30 (the above multipliers are applied to total spending by visitors).

Table 4.30: Impact of visitor spending on production and income

CATEGORY	TOTAL SPENDING	OUTPUT EFFECT	INCOME EFFECT
Chalet	R8 272 422	R12 160 460	R3 308 969
Camp	R2 278 542	R3 258 315	R888 631
Total	R10 550 964	R15 418 775	R4 197 600

The spending of the park in its operations is not yet reflected. If a similar process is repeated for park expenditure (the same process that was followed for determining the visitors' spending impact), the output multiplier for park expenditure is 1.26, while the income multiplier is 0.88. Chalet tourists spend (R8 272 422) - much more than campers (R2 278 542), but tend to stay for fewer days than campers. The total impact of the park on the local economy is indicated in Table 4.31. Again, the output effect is significantly higher than the income effect and this must be limited.

Table 4.31: Total impact of the Karoo National Park on the local economy

CATEGORY	TOTAL SPENDING	OUTPUT EFFECT	INCOME EFFECT
Chalet	R8 272 422	R12 160 460	R3 308 969
Camp	R2 278 542	R3 258 315	R888 631
Park	R4 187 378	R5 276 096	R3 684 893
Total	R14 738 342	R20 694 871	R7 882 493

4.7.4 Employment and business development

The Karoo National Park was founded in 1979 and, in its 28 years of existence, the different businesses give a good indication of how business has developed in the region during these years. None of the accommodation units still available, curio shops or food and restaurant businesses are older than 28 years. Most are less than 15 years, with only one curio shop and one restaurant being between 15 and 20 years. It is also interesting that 78% of the retail stores are also younger than the park and all the wholesalers and manufacturers surveyed have also existed for less than 28 years. Only one transport business exceeds 28 years of existence.

Only 4% of businesses indicated that their existence is due to the Karoo National Park (see Table 4.12). Incidentally, these businesses are all retailers. Yet many businesses indicate that they rely heavily on tourist spending (see Table 4.24), which might be an indication that the influence of the park on tourism activity in the area is not taken into account by these businesses. Therefore a potential study topic for further research is whether or not the existence of the park has changed tourism patterns to Beaufort West substantially (given naturally that data would be available). For many tourists, Beaufort West was initially just an overnight stop on the route between Cape Town and Johannesburg. Yet the visitor survey revealed that visitors to the park spend on average of two days in the Beaufort West area and that 86% of these visitors indicated that they shop in town. Table 4.32 presents a breakdown of the businesses in the area, as well as an indication of the employment levels and the number of permanent versus part-time personnel.

Table 4.32: Breakdown of businesses and employment in the study area

TYPE	NUMBER OF BUSINESSES	AVERAGE NUMBER OF EMPLOYEES	PERMANENT	PART-TIME
Accommodation units	5	15.6	14.2	1.4
Curio shop	5	7.8	5	2.8
Food and Restaurant	11	12.7	9.5	3.2
Tourism services	2	3.5	3.5	0
Retailers	55	5.6	4.9	0.8
Transport and Petrol stations	4	34.3	27.3	7
Wholesalers	3	25.7	22.7	3
Manufacturers	4	5.7	4.7	1

As indicated in Table 4.32 and Table 4.33, the accommodation industry is very reliant on labour, as was to be expected, with the five accommodation units providing employment for 78 people. These results are put into perspective when compared to the 308 people working in the 55 surveyed retailers (see Table 4.33). It should also be noted that 98% of the workers employed live in the area, which is encouraging since it creates employment opportunities in Beaufort West that has the highest rate of unemployment in the Western Cape (**Saayman, Saayman & Ferreira, 2008**).

Table 4.33: Employment and other ratios

TYPE	NUMBER	TOTAL EMPLOYMENT	% TURNOVER DUE TO PARK	TOURIST/LOCAL RATIO
Accommodation units	5	78	12%	68:32
Curio shops	5	39	8.8%	37:63
Food and Restaurants	11	140	15%	32:68
Tourism services	2	7	15%	60:40
Retailers	55	308	8%	20:80
Transport and Petrol stations	4	138	20%	40:60
Wholesalers	3	77	16.7%	20:80
Manufacturers	4	23	9.3%	11:89

On average, accommodation establishments sell 68% of their turnover to tourists and 32% to locals. Tourists are also the main customers of tourism and recreation services, while transport businesses, restaurants, food stores and curio shops are also very reliant on tourism for their existence (Table 4.33). This shows that the Beaufort West economy (specifically accommodation and tourism services) is dependent on tourism for income and employment. Although the Beaufort West economy is dependent on tourism for employment, it is difficult to determine the exact number of jobs that can be ascribed to the existence of the Karoo National Park. The National Park alone employs 40 people, which is relatively small compared to other parks such as the Addo Elephant National Park, the Kruger National Park and the Tsitsikamma National Park.

Businesses also indicated the percentage of their turnover that they ascribe to the Karoo National Park being in the vicinity (see Table 4.16). If these results are considered as an indication of the number of employment opportunities created due to the park, it can be concluded that the park led to only 102 job opportunities in the businesses surveyed (obviously a linear relationship between turnover and employment is assumed).

The survey captured 142 beds as part of the accommodation sector, while the Beaufort West Tourism Association indicates that there are 300 beds available. If this is true for all the business sectors, extrapolating the employment results would indicate that 204 additional jobs were created by the Karoo National Park. Total employment is thus 244, including the employment of the park. As there are 7 306 households in Beaufort West, it can be concluded that the park provides employment opportunities to 3.34% of all the households. It was expected that the percentage would not be very high but it shows that the park does have an impact on the community and the economy in the forms of employment (socio-economic impact).

Besides a skew distribution of income, South Africa also faces enormous development challenges. Tourism may create job opportunities for low-skilled workers, especially in the rural areas, and backward linkages with other non-tourism industries, it most certainly has the ability to influence economic development positively (**Saayman, 2000**). The employment opportunities due to tourism can be divided into three main categories - direct, indirect and induced employment (c.f.3.5.2). According to **Kuvan and Akan (2005)** residents, in general, welcome tourism development in the area, mainly because of its economic contribution (c.f.3.5.6). Tourism induces expenditure leading to new incomes and outputs in the host

community (c.f.3.5.3). The community of Beaufort West is also positive towards the park (c.f.4.3.4). Some positive impacts of tourism include higher yield, multiplier effect and the generation of income for the local economy (c.f.3.3.1). Negative impacts include damage to reputation, inflated process, exploitation and community resistance to tourism (c.f.3.3.2).

4.8 CONCLUSIONS

The overall impact of the Karoo National Park on the community is very positive and the community feels that the park affects their quality of life positively. The Karoo National Park affects the community of Beaufort West positively and their view towards the park is also positive. The positive aspects of the park, according to the community, are that the park attracts tourists, provides the community with entertainment and employment. It is interesting that the community view the park's importance as more tourism related than conservation. The community indicate that the appearance of the area is better due to the park and, in general, the park is contributing to the upliftment of the area through adding to the product offering of the area. Results show that communication between the park and community needs attention and must therefore be improved. This is supported by **Streuders (2008)** who conducted a study regarding communication within SANParks and the community.

It can be concluded that the Karoo National Park has improved the quality of life for those living in Beaufort West. Six factors were identified that had an impact on the social factors, which included positive social impact, community benefits, negative social impact, skills, long term impacts and community issues. Each of these factors had a mean value more than 2.1; the factor with the largest mean value was Factor 5 (Long term impact) with a mean value of 2.7376. These factors must be kept in mind when measuring social impact for national parks. For the social statements that were made, three factors were identified that had an impact and these were: local social opportunities, interaction opportunities and negative community impact.

It was found that businesses in Beaufort West are not primarily dependent on the Karoo National Park. It is more the tourism-related businesses such as B&B/Guesthouses and fruit stalls that are dependent to a certain extent on the park and tourists that visit Beaufort West. If the park develops (more activities for tourists to make them stay longer), it should have a bigger economic impact. The economic leakages in Beaufort West result in a leakage above 50% of income from the local economy. This is not good for Beaufort West, because it is a small town. Businesses should make use of local goods and services where possible to restrict the amount of money flowing out of Beaufort West. This is possible if businesses

make use of the local community. This will lead to a higher employment rate for Beaufort West. The average age for a business in Beaufort West is 16 years.

The input-output model was used to determine the multipliers for this study. The partial input-output model compiled for the Beaufort West economy consists of only nine sectors – (i) accommodation, (ii) restaurants and food, (iii) curios, (iv) tourism services, (v) municipal services, (vi) transport services (including petrol), (vii) retail, (viii) wholesale and (ix) manufacturing – to reflect the main spending items of tourists to the National Park.

The output multiplier for park expenditure is 1.26, while the income multiplier is 0.88. Chalet tourists spend (R8 million) considerably more than campers (R2 million), but tend to stay for fewer days than campers. The total impact of the park on the local economy is R14, 7 million which is not extraordinary. The output effect is significantly higher (R20, 6 million) than the income effect (R7 million) and this must be limited. Therefore it can be concluded that the KNP has a greater social impact on the local community than an economic impact.

CHAPTER 5: CONCLUSIONS & RECOMMENDATIONS

I shall be telling this with a sigh somewhere ages and ages hence:
Two roads diverged in a wood, and I - I took the one less traveled by,
and that has made all the difference.

-Robert Frost-

5.1 Introduction

This chapter will give an overview of the conclusions of each chapter. The aim of this chapter is to draw the main conclusions and make recommendations from the study.

The main aim of the study was to *determine the socio-economic impact of the Karoo National Park*. The objectives of the study were as follows: objective 1, to do a literature analysis of the social impact of tourism; objective 2, to do a literature analysis of the economic impact of tourism; objective 3, to conduct surveys to determine the socio-economic impact of Karoo National Park; objective 4, to determine the impact of the KNP on local businesses in Beaufort West; objective 5 was to draw conclusions and make recommendations.

Objective 1: Literature analysis of the social impact of tourism (Chapter 2)

This objective was met in Chapter 2, by analysing various theories on social impact such as Butler's model, Doxy's Irridex and the Social Exchange Theory. In this chapter, the host community was also examined, including the stakeholders and some of their responsibilities. The positive and negative social impacts were determined and the factors influencing social impact were discussed. Through this chapter, the aspects influencing social impact were determined for inclusion in the questionnaire and measurement.

Objective 2: Literature analysis of the economic impact of tourism (Chapter 3)

This objective was met in chapter 3, which focused on the factors influencing economic impact (positive and negative), previous research on economic impact, impact on tourism, various methods that can be used to measure the economic impact and, lastly, socio-economics as a complete aspect.

Objectives 3 and 4: To determine the social-economic impact of the KNP and the impact of the KNP on local businesses in Beaufort West (Chapter 4).

Objectives 3 and 4 were met in Chapter 4. Three surveys were used; survey 1 focused on the community, survey 2 on local businesses, and survey 3 on the visitors to the park.

Objective 5: To draw conclusion and make recommendations.

Objective five is met in this chapter (Chapter 5).

5.2 Conclusions

The conclusions are structured in three sections with various subsections, which are as follows:

- Conclusion from the literature review (Chapter 2 and 3)
- Conclusions from the surveys (Chapter 4) and
- Recommendations.

5.2.1 Conclusions from the literature review

5.2.1.1 Conclusion regarding the social impact of tourism (Chapter 2)

- The most important theories discussed included those of Doxey, Bulter and Ap.
 - The Doxy model illustrates that community members will welcome tourists in the beginning, thus enhancing tourism. As tourism increases, so do their irritation levels and this tend to lead to negative attitudes towards tourism. Therefore the community tends to be more negative as the process gets “worse”, because they are deprived of their “home”. This shows the importance of involvement in decision making and the management of tourism in a sustainable matter. If the community is involved in decision making, they have the opportunity to give their insight on positive and negative aspects that might arise. This insight is of importance for the sustainable management of tourism (c.f.2.3.1).
 - Butler identified six stages a destination can pass through (exploration, involvement, development, consolidation, stagnation, decline and rejuvenation). For a destination *not* to reach the decline stage it is important to manage tourism facilities, infrastructure and, most importantly, the local community. If the local community is involved in the management, it will help in the upliftment of the destination and keeping it sustainable. This can help in avoiding the decline phase and working towards the rejuvenation stage (c.f.2.3.2).

- Ap's "social exchange theory" indicates that the community will support in tourism if they get some benefits from it. In other words, people working in the industry will experience it positively while others might experience tourism negatively (c.f.2.3.3).

- It was found that the focus of any analysis of host - guest impacts is a function of the interaction between these two groups and dependent upon:
 - the nature and extent of social, economic and cultural differences between tourists and hosts;
 - the ratio of visitors to the host community;
 - the distribution and visibility of tourist developments;
 - the speed and intensity of development and
 - the extent of foreign employment (c.f.2.4).

- The host community's support for tourism development can be modelled by using six factors, the level of community concern of local residents, the use of the tourism resource base by local residents, the level of egocentric values of local residents, the state of the local economy, the perceived costs, and the perceived benefits of the tourism development.
- It is essential to consult the local community as part of the tourism planning process for tourism to be successful.
- The following are aspects that influence a community:
 - Stage of the local economy; tourism impacts are positive in regions with a low level of development in economic activities other than tourism, but negative in regions with a high level of non-tourism economic development.
 - Demographic characteristics; different ages reflect certain habits, behaviours and mindsets, thus the demographic profile of the community can have an influence on perceptions, involvement and the development of tourism.
 - Community attachment; attached citizens are more likely to perceive the benefits of tourism positively, to minimise the negative impacts, and to perceive a need to improve the local economy.

- Culture; beliefs and perspectives have an influence on the overall outlook on life of people as well as what is considered to be right or wrong. Obtaining knowledge and respecting different cultures is a necessity.
- Change in social values; **Fredline and Faulkner (2001)** indicated that different cultural groups in a community have different value systems, which underpin the ways in which they interpret phenomena in the world around them and this has an influence on the social impact of decisions that need to be made.
- Crime levels tend to increase when tourists visit an area.
- Community image can improve due to tourism creating community pride when tourists visit their home town.
- Opportunities to experience something new, for example cultural dances, languages and nature activities.
- Education opportunities are expanded as the area develops. Locals get the opportunity to be educated (c.f.2.6).

5.2.1.2 Conclusion regarding economic impact of tourism (Chapter 3)

It was found that tourism impacts on various aspects such as economic growth, employment, balance of payments, inflation, income distribution and economic development. The five most important factors that need to be examined when determining the economic impacts of tourism are:

- *The total number of tourists visiting the region* – the more tourists visit the region, the more they are likely to spend in the region.
- *Duration of stay* – when tourists length of stay are increased, they tend to spend more money on activities and other entertainment in the region.
- *The average expenditure per tourist* - this is in line with the previous two factors.
- *The circulation of tourist expenditure* throughout the economy.
- *The leakage factor* of money spend by tourists (c.f.3.2).

The literature indicated that tourism has the following positive impacts on the economy:

- The generation of income for the local economy.
- The creation of new employment opportunities for locals residents.

- Improvements to the infra and suprastructure and balance of economic activities within the locality of the tourism product.
- The encouragement of entrepreneurial activities (SMMEs) such as new guesthouses, tour operators, curio shops and other tourism related businesses.
- Assistance in destination promotion and increased tourist visits.
- Increased tax revenue (c.f.3.3.1).

Saayman and Saayman (2006a) created a framework for determining the socio-economic impact of national parks. The framework included the following:

- Understanding the area – the main economic activities are identified.
- Determine visitors spending – determining the demand and supply for the area via a business survey and a visitor survey.
- Impact of the host community – how the demand and supply affect the community.
- Determining the spending of the park (employees and local products).
- Analysing of proportional multipliers – determining the income and sales multipliers as well as the economic impact of the park.
- Compare business surveys - Changes in the nature of business and employment opportunities due to the National Park are compared (c.f.3.4).

Previous research indicated that the following aspects will increase the economic impact of tourism in a certain area:

- Leakages must be limited.
- Length of stay - the longer tourists stay in an area, the greater the economic impact.
- Local stakeholders should be involved.
- Local people should be employed.
- Local products should be offered and contracts for rendering services awarded to people living in the area.
- Opportunities should be created for tourists to spend money in the area.
- Encouraging visits by the type of tourist that meets the desired demographic profile.
- The size of the attraction (in this case the size of the park which includes the number of accommodation facilities, wildlife offerings, and activities provided).

- The infra and suprastructure provided (c.f.3.4).

Various models were examined to determine the most suitable model to use in determining the economic impact of the Karoo National Park. Some of the models included the CGE model, input-output model and various multipliers. According to research, the CGE model is quite often used to determine the economic impact and include an input-output model. The GCE model is often used to determine the economic impact of an economy as a whole. The input-output model on the other hand is used to determine the economic impact of a small area, such as the Karoo National Park and Beaufort West area (c.f.3.5).

5.2.1.3 Conclusions from the literature on the socio-economic impact of tourism (Chapters 2 and 3)

The following conclusions can be drawn concerning the socio-economic impact:

- The socio-economic impact of tourism is the study of the relationship between economic activity and social life.
- Higher socio-economic groups tend to be more concerned about the effect on the environment, whereas lower socio-economic groups tend to be more concerned about the effect on themselves. Locals tend to spend less, but their focus is on themselves and their personal needs.
- From the literature studied, it was found that it is critical to involve the host community when determining the socio-economic impact of a tourism product. There are five main aspects to consider when measuring the socio-economic impact. These are: understanding the needs of the community and the local economy (the area), communication, management, improvement of quality of life, and sustainability of the area.
- The analysis of tourism's socio-economic impact is, however, affected by a number of elements such as collective lifestyles, individual behaviour, family relationships, economic growth, employment, inflation and economic development.
- Positive socio-economic impacts of tourism can enhance the pride of the local community.
- Positive socio-economic impacts can lead to the community participating in community group activities.
- Positive socio-economic impacts can increase the social well-being and stability of the community and businesses.

- Positive changes in social and moral values can occur.
- Participation in community activities can increase due to tourism.
- A positive socio-economic impact can lay the foundation for new infrastructure for the local community.
- Learning and educational opportunities increase for community members due to tourism development.
- New job opportunities arise in the area for locals as result of more tourism businesses.
- Positive socio-economic impacts can help locals and businesses to increase their income.
- Growth in tourism leads to increased tax revenue for government.
- Socio-economic impact encourages locals to develop new businesses (SMME's).
- Factors influencing socio-economic impact include involvement in the industry, community satisfaction, type and number of tourists, the stage of the destination area life cycle, production factors, politics, expenditure, leakages and seasonality (c.f.3.6).

5.2.2 Conclusions from the Surveys

The following section will summarise the most important aspects of chapter 4 (Objectives 3 & 4) which consist of the three surveys.

5.2.2.1 Survey 1 (Community survey) (Social impact)

The community survey consisted of the following sections: profile of the community, life in Beaufort West, image of the Karoo National Park, the Karoo National Park's effect on personal quality of life and the Beaufort West community, positive and negative aspects of the Karoo National Park, visiting and interest in the Karoo National Park, role of the Karoo National Park in Beaufort West, contribution of the Karoo National Park and, lastly, a social impact factor analysis. The following conclusions can be drawn from survey 1 (Community survey):

- Sixty-three percent of the respondents were female and were born in Beaufort West. Eighteen percent of the community have lived between 16 and 20 years in Beaufort West. Fifty percent live there because circumstances demanded it. (A large percentage (61%) of the community does not visit the Karoo National Park (c.f.4.3.1).

- Fifty percent of the respondents indicated that they only live in Beaufort West because circumstances demanded it, while 33% enjoy living in Beaufort West, but can think of other places that are more enjoyable. Only 17% indicated that they love Beaufort West. There are various cultures in a community (especially in South Africa where there are 11 official languages) and each has its own beliefs and perspectives on life. These beliefs and perspectives have an influence on their overall outlook on life as well as what is considered to be right or wrong (c.f. 2.6.).
- Results indicated that 63% think of nature when they think of SANParks. The fact that nature had a high percentage is a sign that the community are familiar with SANParks role in conserving the environment (c.f.4.3.3).
- One of the reasons that the community does not visit the park is that they have a certain image (nature) of the park and that they feel that it is time wasted to visit a park and that the park can offer them nothing new (This was revealed in the research) (c.f.4.3.6).
- The community felt that the park has a positive to a very positive effect on the quality of life of the community (c.f.4.3.5).
- The positive aspects of the Karoo National Park are that the park attracts tourists and assists in conservation (23%) (c.f.4.3.5).
- Most of the respondents visited the park 1 to 10 times. The main reason, according to the respondents, for not visiting the park is due to a lack of time. It appears that the community are interested in the park, but fail to visit the park often due to time constrains (c.f.4.3.6).
- The park has a positive social impact on the local community. In general, the park is contributing to the upliftment of the community by adding to the product offering and to the improvement and perception of the area (c.f.4.3.7).
- The Karoo National Park is seen by the community as a tourism opportunity, and an opportunity for the local community to improve their knowledge of plants and animals (c.f.4.3.11).
- The community feels that it is important to communicate the importance of the Karoo National Park for Beaufort West (c.f.4.3.12).
- Six factors were identified that had an impact on the social factors. They are; positive social impact, community benefits, negative social impact, skills, long term impacts

and community issues. These factors must be kept in mind when measuring the social impact of national parks (c.f.4.4.1).

- From the social statements that were made, three factors were identified that had an impact. These are: local social opportunities, interaction opportunities and, lastly, negative community impact (c.f.4.8.1).
- Employing local people, offering local products and, as far as possible, awarding contracts for rendering services to people living in the area, will increase the benefits accruing to the province or region. If this can be achieved, conservation of wildlife will expand to include the improvement of living conditions of people, thereby benefiting more than just fauna and flora (c.f.3.4).
- The community of Beaufort West supports the park (c.f.4.4.2).
- The park has not made a positive or negative significant contribution to social problems, such as drug and alcohol abuse or prostitution and HIV/AIDS in the area (c.f.4.4.1).

Members of the community, however, believe that the park plays an important role in their lives. The aspects influenced by the park include the following:

- The appearance and image of the town has improved due to the park.
- Property values have increased.
- Crime levels have significantly decreased.
- Entertainment opportunities have improved.
- Interaction between locals and tourists has increased and is perceived as being positive.
- Social and moral values have improved.
- Pride amongst members of the community has increased (c.f.4.4.2).

It can be concluded that the Karoo National Park has improved the quality of life for those living in Beaufort West. The Karoo National Park has a greater impact on the community (social impact) than on the economy of Beaufort West (economic impact).

5.2.2.2 Survey 2 (Business survey) (Economic impact)

The following conclusions can be drawn from the business survey:

- The results indicated that the park has an impact on employment, production, and general income in the region, but not as significant as other national parks such as the Addo Elephant, Kruger, and Tsitsikamma National Parks (c.f.4.5.2).
- Only 4% of businesses' existence is due to the Karoo National Park, yet many of these businesses rely on tourists' spending – which might be an indication that the influence of the park on tourism activities in the area was not taken into account by these businesses (c.f.4.5.1).
- Guest houses and Bed and Breakfast establishments indicated that they benefit the most from the park. Curio shops indicated that 8.8% of their business is due the park, with restaurants indicating 15% (c.f. 4.5).
- Retailers and service stations also indicated that they assess respectively 8% and 20% of their turnover as being due to the Park and tourism and recreation services estimated this contribution at 15% (c.f. 4.5).
- The results confirm that rural areas face high leakages, which leads to the local economy of Beaufort West not benefiting greatly from the park (c.f.4.5.8).
- However, in terms of employment creation, the fact that 98% of all workers live in the area under consideration is an indication that the benefits of the park reach the local community and that it certainly contributes towards social upliftment in the vicinity (c.f.4.5).

5.2.2.3 Survey 3 (Visitor survey)

The following conclusions can be drawn from the visitor survey (Table 5.1) (c.f.4.6):

Table 5.1: Profile of visitors to the Karoo National Park

CATEGORY	OVERNIGHT: 2007
HOME LANGUAGE	Afrikaans (53%)
AGE	35-49 years of age (Average: 48)
MARITAL STATUS	Married (79%)
PROVINCE OF RESIDENCE	Gauteng (35%) & Western Cape (26%)
LEVEL OF EDUCATION	Well educated (81%)
NUMBER OF PEOPLE PAID FOR	2 people (44%)
MODE OF TRANSPORT	4x4 (43%)
NUMBER OF VISITS TO NATIONAL PARKS OVER 3 YEARS	5 times on average
AVERAGE LENGTH OF STAY	One night
REASONS FOR VISITING THE PARK	To relax (76%)
RECREATION ACTIVITIES FOR CHILDREN	Guided walks (22%)

EXPENDITURE	R2 885.00 per trip
VISITOR PREFERENCES	Self-catering (53%)
PREFERRED NEWSPAPER	Die Beeld (24%)
PREFERRED MAGAZINES	Weg (24%)
PREFERRED RADIO STATIONS	RSG (33%)
PREFERRED TELEVISION PROGRAMMES	Nature programmes
HEARD ABOUT THE PARK	Family and friends (word of mouth) (45%)
WILD CARD OWNER	Yes (51%)
PREFERRED ACCOMMODATION	Chalets (30%)

5.2.2.4 Survey 2 and 3 (Economic impact of the Karoo NP)

Based on the results of the business and visitor surveys, as well as the partial input-output model compiled, the following can be concluded regarding the economic impact of the Karoo National Park:

- Based on the partial input-output model, the proportional output multipliers range between 1.26 (park spending) and 1.47 (chalet visitors), while the proportional income multipliers range between 0.39 (campers) and 0.88 (park expenditure). This indicates that the park has an important income generating effect on the local community (c.f.4.7.3).
- The park makes a significant contribution to the local economy in terms of income generation and job creation. Yet, compared to larger parks, such as the Addo Elephant National Park, the magnitude of the contribution is much smaller in terms of total output (only approximately R20 million) and income (c.f.4.7.3).
- It should thus be noted that the number of accommodation facilities available in the park plays an important role in income and employment generation. The same applies to the number of tourism activities that are available, since more activities could definitely impact positively on the length of stay which, in turn, increases spending. The level of development of the park in terms of accommodation needs and activities is therefore critical in generating a greater economic impact.
- In a town with a very high unemployment rate, it is estimated that the park directly and indirectly supplies employment and thus an income to 3.34% households in Beaufort West (c.f.4.7.4).
- The park borders Beaufort West and the KNP staff live in the community, therefore having a positive impact on community perceptions of the park.
- The study area is small compared to the Addo Elephant National Park (accommodation, tourist numbers and activities, to name but a few), hence the

reason for the smaller socio-economic impact. Thus the size of operations definitely matters.

- The results also support the concern that rural areas normally face high leakages, and therefore the local economy does not benefit to its full potential. However, in terms of employment creation, the fact that 98% of all workers live in the area under consideration is an indication that the benefits of the park reach the local community and that it certainly contributes towards social upliftment in the vicinity (c.f.4.7.4).
- The input-output model was used to determine the economic impact of the park. Input and output multipliers were divided into two categories (campers and chalets). The income multipliers for the category chalets (0.40) and camping (0.39) are much lower than those of the output multipliers for the categories chalets (1.47) and camping (1.43). The output multiplier for park expenditure is 1.26, while the income multiplier is 0.88. Chalet tourists spend (R8 272 422) - much more than campers (R2 278 542) - but tend to stay for fewer days than campers. The total impact of the park on the local economy is R4 187 378 (c.f.4.7.3) which is not very high.

5.3 Socio-economic impact of the Karoo National Park

The socio-economic impacts of the Karoo National park can be summarised as:

- The Karoo National Park has an impact on employment, production, and general income in the region. Only 4% of businesses indicated that their existence is due to the Karoo National Park, yet many of these businesses rely on tourists' spending – which might be an indication that the influence of the Karoo National Park on tourism activity in the area was not taken into account by these businesses.
- Guest houses and Bed and Breakfast establishments indicated that 12% of their turnover is due to the Karoo National Park.
- Curio shops indicated that 8.8% of their business is due to the Karoo National Park, with restaurants indicating 15%.
- Retailers and service stations indicated that 8% and 20% respectively of their turnover is attributable to the Karoo National Park, and tourism and recreation services estimated this contribution to be 15%.
- The results also support the concern that rural areas normally face high leakages, and thus the local economy does not benefit to its full potential. The impact is greater and this is intuitively correct, since Beaufort West is not situated close to any larger towns, such as Port Elizabeth and George, where more extensive leakages are created in terms of employment and spending by households.

- In terms of employment creation, the fact that 98% of all workers live in the area under consideration is an indication that the benefits of the Karoo National Park reach the local community and that it certainly contributes towards social upliftment in the vicinity.
- Positive social impacts include the changes in social values, with greater levels of community turnover; improving the quality of life – additional work opportunities comes to terms as tourism expands, bringing an additional income to homes – improving the standards of living; employment opportunities – more businesses develop because of tourism, thus creating more employment opportunities and, lastly, social interaction – residents and tourists get to socialise and interact with other cultures at events such as cultural dances.
- Other positive impacts include the increase in public funding for community activities, increase in turnover for local businesses, better facilities for residents, and the increase in the number of things to do in Beaufort West.
- The park improves the visitors' knowledge; friends and family have the opportunity to enjoy the park with their friends and family; the helps to expand the life experience of the community and, lastly, the park helps to stimulate the local economy.

It is important to state that this park has a greater social impact on the community than an economic impact.

5.4 Recommendations

In the following section, recommendations are made with regard to the study as well as for future research.

5.4.1 Recommendations with regard to the socio-economic impact of the Karoo National Park

The following recommendations can be made regarding the socio-economic impact of Karoo National Park:

- The community needs to be kept informed about the activities offered in the park to grow the number of day visitors and improve the social impact of the park on the local community. This can be achieved by making use of special promotions, pamphlets and the park forum.
- A better co-ordinated marketing effort by the park and the town of Beaufort West could improve the bed occupancy rate, and thus impact positively on income and job creation.

- More should be done by SANParks to increase the length of stay in the park by offering more activities, such as horseback riding, stargazing and guided walks.
- Analyse day visitors' needs and travel behaviour to increase day visitor numbers, which will increase their knowledge about the park as well as nature conservation and tourism.
- SANParks needs to investigate policy development regarding SANParks social responsibility towards the local community because not all of the park managers realise that they have a social responsibility to their adjacent communities.
- It is recommended that SANParks develop a community wild card. This wildcard would only be available to the local community of Beaufort West to increase visits to the park. A community member can buy this wildcard, which will allow him/her a number of entries, for example 12 per season. This way, community members will be able visit the park more often. Members can even get discount on accommodation after a certain number of visits. This will help SANParks to get the local community to stay over at the park and experience more benefits of the park. More marketing will thus be done in the local community regarding the park.
- Park news can be added in the local newspaper, or the park can invest in its own park paper. In this park paper, events and conservation news on wildlife can be posted.
- More organised school outings can be arranged by the Karoo National Park, which will assist in educating students on wildlife, conservation, and tourism. In return, they might become more interested in ecotourism and encourage their parents to visit the park. These scholars are also the tourists of tomorrow.
- Promote the park forum. Currently, the park forum is not well promoted amongst community members. This can be improved through newsletters to the community to inform them about activities and developments in the park. Meetings can be held quarterly where the community can sit in to enhance community participation.
- Improved communication can increase the awareness of tourists, businesses, and other product owners as to what the park wants to achieve and how the community needs to work together to achieve this. Therefore, to increase the socio-economic impact of the park, it is of paramount importance that tourism products in the region are developed and promoted.

- Increase linkages between local businesses. Beaufort West needs to look towards establishing more linkages between local businesses. This could be achieved by producing/distributing more supplies and services locally. This can reduce the leakage factor if more local businesses are involved.
- For the park to increase its overall socio-economic impact, the park needs to increase the size of its operation. The park needs to expand its facilities and activities to generate more economic activity. This will also lead to more job opportunities being created. It is of paramount importance that tourism products in the region are developed and promoted, and the community must be regularly informed.
- Having more activities available could impact positively on the length of stay, which would lead to increased spending.
- Another method of increasing length of stay could be to introduce more species into the park.

5.4.2 Recommendations for further research

Further research should study the following aspects:

Community

- The community survey only measured the community's awareness of the park forum and what their expectations were for the forum. It is important for future research to determine what benefits the park forum should offer the community and what must be done by the park forum to get the community more involved in the forum.
- The questionnaire did not determine the community involvement with the park. Therefore it is important for future research to include specific questions regarding what must be done by the park to involve the community.
- The questionnaire also did not determine what activities the local community would prefer to have in the park as day visitors, to encourage them to visit the park more often.

Economic impact

- Future research should determine what should be done by SANParks, the private sector, and the local government to extend the duration of stay of tourists in the region. By determining these aspects, one can increase the length of stay of tourists and increase the socio-economic impact of tourism to the area.

- The study indicated that leakage is still relatively high. Therefore it is important to improve co-operation between local businesses, the park, and other tourism establishments.

Visitors

- The visitor survey should include questions regarding other tourism attractions (offerings) to determine whether visitors to the park have visited or would like to visit these attractions and, if so, determine whether they would like to visit these attractions during their visit to the park. This research will enable researchers to determine whether tourists have knowledge about other attractions in the area and, if not, better marketing should be done during their stay at the park. This would translate to a more even distribution of benefits and tourism expenditure in the area.

Other

- A potential study topic for future research is whether or not the existence of the park has changed tourism patterns to Beaufort West substantially (given naturally that data would be available).

5.5 Limitations of the study

There were a few limitations to the study, which include the following: Beaufort West municipality was asked for assistance regarding the identification of the various businesses in the area, but the municipality could not assist because businesses in the area are not registered. No firm data were available for Beaufort West and this led to the business survey. Ideally one would like to have more accurate data on all the businesses in the area, since only businesses that could easily be identified were included in the business survey and only limited questions could be included in the survey. The visitor survey was conducted during the end of March and, although a representative sample was achieved, it would be better to conduct the survey at more than one time of the year. This, however, has funding implications.

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