Place Making in Tourism-led Local Economic Development (LED):
A Case Study of Coffee Bay, Wild Coast, Eastern Cape Province,
South Africa

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Abstract

On the East Coast of South Africa, on the warm waters of the Indian Ocean, lie the shores of Coffee Bay town. This small predominantly rural beach town beams with multitude of tourism potential. The town prides itself for its magnificent beach, hotels, and tourism activities like: horse riding, hiking and boasts of other tourism facilities and attractions. Besides tourism potential this small town faces number of challenges. The majority of the town’s economically active population is illiterate, unemployed and lives under the poverty line. The town on its own is a pot of gold; however, the community needs to be more involved in the decision making for developments within the town, as well as encouraging of pride of citizenship. This would ensure maximum benefit for residents, in terms of economic growth, access to opportunities, betterment of livelihoods, etc. In the pursuit of Tourism-led Local Economic Development (LED) oriented growth in Coffee Bay, the place making determinants becomes central in order to address the number of challenges faced by the local communities.

Place making determinants and processes applicable to the area entails optimal use of resources that are unique to an area, for the economic (increased investment in the area, rise in tourists coming in, improved environments for fishing, establishment of a fully functional and beneficial fishing industry), social (improved well-being of local residents), community (infrastructure and livelihood within the town) and otherwise benefits. The paper discusses the place based tourism-led approaches in the context of rural communities and highlights the key determinants of place making process in a rural centric tourism-led local economic development. The research is based on mixed method approach (qualitative and quantitative) and brings out the discussion on: essence, self-sufficiency, sustainability and inclusion of communities based on locally available assets, potential and resources.

Keywords: Place Making, Tourism, Local Economic Development (LED), Coastal Tourism, Community Development, Community Engagement, Sustainable Development

1. INTRODUCTION

Rural South Africa today is faced by various impediments. These impediments come in the form of poverty, high unemployment rates, illiteracy, to mention just a few. In turn these result in a great portion of rural populations depending on government grant and support in order to maintain livelihoods. The cycle continues, and there seems as though there is no way to change it. This is typical for third world countries. However, for many, natural resources have become their main source of obtaining wealth in order to change
such consequences. According to Rob (2008), the environment and poverty is closely associated to each other especially in rural areas where the livelihood depend on the availability of natural resources within their local environment. Tourism has become one of the most favourable means through which natural resources can be used in the pursuit of local economic development. However, in this highly globalised world, tourism has become very much competitive, as there are wider ranges of choices with tourist destinations. Places therefore have to adopt ways of ensuring maximum tourist attraction to themselves, as well as ensuring that their place is a favourite tourist destination all around the world. This can be achieved through the concept of “place making”.

Seeing the need for greater economic development and revitalisation in rural areas, this paper focuses on the idea of place making for the purposes of boosting rural tourism, as a means to improve the economic and social conditions, as well as improvement of livelihoods of rural settlements. The research focuses on the rural tourist destination of Coffee Bay. It seeks to obtain information on how far the tourism sector in the area has come in the area, what attributes the area has, that make it a different place from any other tourist destination, as well as the factors that make the area viable as favourable destination, and those that might pose some constraints on the functioning of the tourism sector of the area.

2. LITERATURE REVIEW

2.1 Global Overview of Tourism

People all over the world seek some adventure all the time. This brings an advantage for tourist destinations, and tourism as a sector at large. It continues to gain popularity, and grows economically with time. Place (1995: 161) notes that tourism has remained one of the fastest growing sector in the world during past few decades. However, tourism has also been noted to work for most European destinations and not so much for countries in the South. The idea that the sector is highly associated with travel and a wide global market makes it harder for developing nations to establish their tourist destinations, particularly with regards to branding of destinations. According to Brohman (1996), there is a stiff competitiveness among the third world countries and the developed countries to attract viable number of tourists. The developed countries are well positioned in terms of better infrastructure and existing market linkages and value chains. Essentially, globalization has meant greater difficulties for any possibility of functioning of smaller tourist destinations. “Cities, towns and smaller localities located in periphery areas that are seeking to build a tourism industry must first overcome impediments associated with their location relative to the core (bigger urban areas) by offering a tempting visitor experience built on the pulling power of their visitor attractions and supported by associated tourism infrastructure.” (Fayall, A. et al. 2008). Tourists still prefer the much bigger and more famous destinations, thus putting greater pressure in terms of destination marketing for the smaller destinations. However, for host communities, this is not always an issue, as some communities believe that an influx of tourists to their areas could lead to the resources being depleted. “However, in the context of this discussion, contradicting opinions emerge, suggesting that some communities do not need nor want a type of tourism demand that is equally spread along the year. Murphy (1985:6) defends that seasonality is not necessarily harmful to all businesses and destinations. Similarly, Hartmann (1986) suggests that the low season may be the only way to guarantee total recovery from the stress imposed by excessive tourist flows in the high season on both the natural and social environment of a destination. Even from an economic viewpoint, some advantages of the low season are identified, such as the opportunity of using it for undertaking activities required to maintain the business competitive, such as the maintenance and restoration of equipment and infrastructure, as well as training courses for the staff (Grant et al., 1997, cited by Kastenholz, and de Almeida, 2008: 7).”

2.2 Tourism for Local Economic Development
Tourism all over the world has been viewed as a possible alternative for established as well as growing economies as a large contributing sector of the economy. “Tourism can contribute to economic diversification and profitability by increasing employment, improving basic services, and increasing economic equity between urban and rural populations (MacPherson, 1997, cited by, Alves, 2010 :23). It has greatly benefited, particularly in the third world, in the revitalization of rural communities. Within the South African context, Rogerson (2001a) argues that the key reason for the current interest in alternative tourism (particularly by government and development agencies) lies in the number of positive environmental, economic, social and cultural impacts associated with new tourism, not least in terms of tourism-led local economic development.

In the South African context, the lack of development of previous native homelands seems could be possibly changed through the establishment of the wild coast as a tourist destination. Ntonzima, L., & Binza (2011: 654). , notes that, “The predominantly rural area of the Transkei Wild Coast has a potential for local economic growth through tourism development.” “……. tourism expansion has consistently been promoted as a key mechanism for post- apartheid reconstruction and development in South Africa since the mid-1990s (Rogerson, 2002a; Spenceley and Seif, 2003). In particular, considerable attention has been given to the promotion of a tourism model that can assist and empower previously disadvantaged and excluded communities and individuals (Timothy, 2002).” In a country where employment opportunities are largely rare, the tourism sector has boosted the informal economic sector, through informal employment and informal business establishments.

2.3 Potential Resources for greater visitor attraction

Different tourist destinations have different tourism facilities to offer, depending on what the tourist requires. Some destinations are known for their natural resources, such as Cape Town for Table Mountain, and some for man-made resources, for instance Egypt for its pyramids. Rural destinations are largely dependent on their natural resources. (Fayall, et al. 2008), defines visitor attraction as “a focus for recreational, and, increasingly, educational activity, undertaken by both day and stay visitors, and frequently shared with the domestic resident population”. In the rural context, the potential resources for this attraction are mostly and usually nature-based, and culturally based. It be the beaches, or the cultural activities of the host communities.

The most popular resources in rural-coastal destinations are your beaches, the mountain ranges etc, however, potential resources also, may be tangible or intangible. In the case of rural destinations, the most demanded of the resources is the intangible. It is the tranquillity and sense of escape that is offered by the countryside, as well as the cultural exchange, between the tourist and the host community. “..Culture is much more than the rituals, ceremonies and dances residents might perform for tourists at cultural centres or visitor attractions. The richer meaning of culture refers to those activities associated with many private and unknown traditions that are part of the local persons’ daily life”, Fridgen, 1996). This statement further diversifies the notion of the tourism resource offered by the rural destination.

2.4 Rural Place-making as a catalyst for sustainable tourism-led local economic development

With regards to place making, the literature reviewed illustrates how places can be made, for the benefit of both the local resident and the tourist. Firstly, Bullington (2008), notes that place making is a process that largely involves the community, in order to create their own spaces, spaces they could live in, at the same time also attracting the outside world to desire to experience that particular place. He also notes how the presentation of a place in its absolute authentic nature generates more visitor attraction; tourists are now looking for “the other”, not the usual tourist destination, which any place can offer. What’s also quite important is that he notes, that places should also not be of a single purpose, instead should be of “multi-purpose”, this makes places more functional, more viable, and most importantly a lot more self-sufficient and sustainable.
The literature explores how place making can be of benefit to both the visitor and the resident. Firstly it is noted that place making creates a sense of easy connection between the visitor and the place, as it caters for both the visitor and the resident. Bullington (2008), also notes that viable places allow the place to generate revenue through tourism without disrupting the life of the local resident. As much as the environment is welcoming to the visitor, it also allows the permanent resident to “relax” in his space. What’s also important in place making for the purpose of viable tourist destinations is that, it encourages cooperation amongst all stakeholders, which produces tangible benefits such as employment, and better management of living spaces. (Fayall, A. et al. 2008), notes that place making also means that (as it attracts a wider range of tourists), the tourism sector of the particular area will not only depend on itself in order to function, but also attract foreign investment and exchange.

“Place Development creates welcoming spaces that reduce barriers and open up spaces for increased cultural and social exchange. Sustainable tourism development must plan for the needs of the visitors and the resident simultaneously. Residents should always be the primary beneficiaries of all visitor amenities in a community. Whole Place Development is for communities that want to develop tourism and generate visitor revenue without detracting from their local character. Whole Place Development does not displace local residents, but rather seeks to improve the support structure (physical as well as social) of the place in order to benefit residents of every socio-economic class. Whole Place Development is about preserving the soul of a place, while enhancing its narrative and serving its residents as well as its visitors. This process requires the cooperation of various community stakeholders, extensive research, careful planning and thoughtful implementation.” (Bullington, 2008) This illustrates how place making and branding can improve the functionality of a destination, at the same time, whilst not side lining the everyday activities of local residents.

2.5 Impacts of Tourism-led Local Economic Development to host communities

Tourism in general has been generally viewed as having positive impacts on local and hosting communities of the tourism service. Not only does it provide monetary impacts, but also intangible impacts such as cultural exchange and social diversity. “Tourism is widely recognized for its tangible outcomes (job creation, tax revenues) as well as its less tangible outcomes (quality of life)” Rosenfeld, (2008; 1).

There have been however some negative impacts as well. These impacts have been particularly prevalent in the third world countries. “The Third World tourism industry has grown rapidly, but has also encountered many problems common to other outward-oriented development strategies, including: excessive foreign dependency, the creation of separate enclaves, the reinforcement of socioeconomic and spatial inequalities, environmental destruction, and rising cultural alienation. Appropriateness of tourism strategies ought to be measured according to the changing conditions and interests of each host community; and tourism-led development should always conform to the long-term interests of the popular majority instead of the short-term goals of an elite minority. Some of the shortcomings commonly associated with the Third World tourism industry include high rates of foreign ownership contributing to a loss of control over local resources; substantial overseas leakage of tourism earnings; lack of articulation with other domestic economic sectors; low multiplier and spread effects outside of tourism enclaves; reinforcement of patterns of socioeconomic inequality and spatial uneveness; widely fluctuating earnings due to factors such as global recessions and the seasonality of tourism in some places; environmental destruction, often involving the irretrievable loss of non-renewable resources and foundation assets; and rising alienation among the local population because of problems such as increasing crime, overcrowding and overloaded infrastructures, pollution and other environmental damage, conflicts over access to scarce resources, and the perceived loss of cultural identity and social control to outsiders.” (Brohman, 1996)
The competitive nature of the sector has also made it much more difficult for rising destinations to establish themselves against their well-established competitors. “Cities, towns and smaller localities located in periphery areas that are seeking to build a tourism industry must first overcome impediments associated with their location relative to the core (bigger urban areas) by offering a tempting visitor experience built on the pulling power of their visitor attractions and supported by associated tourism infrastructure. (Fayall, A. et al. 2008).

Some scholars also note the environmental negative implications of tourism, and the pressure it places on local resources and infrastructure. This has led to various host communities favouring seasonal tourism as opposed to mass tourism. “The increasing number of tourists exploring the fragile rural destinations has led to increased environmental concerns, socio-cultural disintegration and economic inequality leading to rural destination becoming unsustainable and no longer desirable. Without careful attention to the balance between the volume and type of rural tourist activity and the sensitivities of carrying capacities of the resources being developed, tourism projects can be not only environmentally harmful but also economically and socio-culturally self-destructing.” (Nair and Hussain, 2013)

2.6 The Role of host Community engagement in the Tourism Sector

Here, the literature reviewed looks at how the involvement of local communities in the planning and running of the tourism sector can ensure its sustainability and maximum output. It recognizes community involvement as the fundamental foundation of a sustainable tourist destination. It illustrates how a community who invests in its being takes more pride in being its citizen, and therefore aims to work for its success. The local resident also gets the opportunity in the planning and making of his own living environment and space, thus encouraging the desire to invest in the place. “To attempt to pursue sustainable tourism without recognizing the critical role played by the host community and the sustainability of the destination is to build a home without a foundation. Whole Place Development, for the purposes of this article, is the dynamic process of developing public and private spaces, using the input of community stakeholders, to create a desirable, liveable place in which the community can sustain itself and flourish. If a community builds a place with its own identity, character and community presence to achieve a sustainable community, visitors will be attracted and it will generate activity, in turn benefit the region. Place Development requires cooperation by a variety of stakeholders throughout the community. A thoughtful dialog should exist in the community and all of its actors to insure they are invested in the planning and implementation of any development initiative.” (Billington, 2008).

The very contribution and involvement of host communities in the sector provides that experience of the “other”, the “escape” and the “adventure “for the tourist. “Tourism, as a dynamic and exchange process, involves a direct and reciprocal relationship between users and producers of the tourism product. This interaction component is usually the essential element which characterizes a tourism experience.” This involvement also results in the sense of ownership of the tourism resource or tourist destination, thus increasing chances of functionality over longer periods of time. “Stewardship of stakeholders enables higher community involvement in rural tourism destinations. When the local community has a share in the “business” of rural tourism, the sense of belonging is strengthened, conflict of ownership is avoided, and greater involvement or investments from the local community towards the rural destination is encouraged. The local community has the opportunity to work directly with all the other stakeholders which includes the government and non-governmental organizations in ensuring worthwhile returns from their investment.” (Nair and Hussain, 2013)
3. OBJECTIVES / RESEARCH QUESTIONS

The aim of this study is to explore place making and tourism as a means and tool for local economic development and in turn improving the lives of local residents for the better.

The objectives are as follows;

- Investigate the determinants of place making in tourism-led local economic development: communities and tourists perceptions.
- Identification of constraints and opportunities for sustainable tourism-led local economic development.

4. APPROACH & METHODOLOGY

The research involved mixed method approach (qualitative and quantitative approaches). Data collection for this research included both primary and secondary data collection: the contribution of tourism in the economy, the existing tourism facilities, and employment rates of the tourism sector, standard of living, effects of tourism to the livelihoods of local residents, etc.

- Primary Data- this was done through interviews, surveys with local residents/communities (the tourism “service” renderer) and visitors (as the tourism target market, and or “service” recipient) and site visits.

Secondary Data- this was obtained through existing information obtained from reports, books, journals, and previous research work by scholars.

5. RESEARCH ANALYSIS & FINDINGS / RESULTS

In undertaking the study, Coffee Bay area was selected as a case study area. It was selected, specifically, because it already possesses great potential for establishing a booming tourism sector for the purposes of local economic development. Although the tourism sector in the area is somewhat seasonal, it has already “put” itself on the map as a favourable tourist destination, both domestically and globally. Historically occupied by the Xhosa tribe, the Tshezi Clan, Folktales have it that the area was named after a ship transporting coffee across continents wrecked in the area, hence the name “coffee Bay”. Coffee Bay is geographically located on the East Coast of South Africa, about 70km south of the former Transkei Homeland Capital, Mthatha. Coffee Bay forms part of a wider tourism stretch, known as the wild coast, which consists much of the Eastern Cape’s coastal areas.
Coffee Bay is a favourite holidaying destination amongst neighbouring towns, such as Umthatha, Mqanduli, and Elliotdale. The area is particularly popular for its location in relation to neighbouring tourist destinations, Port St Johns and Hole in the Wall.

The survey included fifty respondents, who were all stakeholders involved in the tourism sector of Coffee Bay area. These included: local residents, tourists, private investors, traditional leaders as well as municipal officials. 24% of the respondents were females, and 76% males. 40% of the participants were the economically active portion of the population, whilst the remaining 60% were not having relevant...
opportunities. The economically active portion are mostly informally employed in the tourism sector, at 22%, doing labour such as, fishing and tour guarding. However, a large portion, of 46% is unemployed, of which 20% solely depends on government grants as their main source of income, which is reflected by the 78% of people with an income less than a R1000, this is also because even the ones employed in the tourism sector do not make that much from the sector, depending on the season, and influx of visitors at a particular period of time.

Fig 1: Demographic Profile – Respondents

The survey revealed that 80% of visitors are attracted to Coffee Bay, merely as a destination, its relaxed atmosphere draws a large portion of visitors. The other 10% see the holidaying experience offered by the area as one other aspect that attracts visitors to the area. The findings also reflect that, tourists here spend mostly on boarding and lodging at 72%, this might be due to the lack of diversity in tourism activities in the area. Spending in Arts and Culture is at the least, this is due to lack of business entities in this sector, as only one identified formal Arts and Culture entity is present in the area. This entity is run by a local resident,

Fig 2: Socio-Economic Profile – Respondents
who has experience in the field. 96% of the respondents also noted that the tourism infrastructure in the area is “average”, which might be the reason why less investors are attracted to the area.

![Tourism Products - Visitor Attractions](image1)

**Fig 3: Tourism Products – Visitor Attractions, Coffee Bay**

![Tourism Economic Activities](image2)

**Fig 4: Tourism Economic Activities, Coffee Bay**

As mentioned above, one of the most popular visitor attractions of the area, is the beach, however, the neighbouring natural wonder of Hole in the Wall plays a great role in the amount of tourists coming into the coffee bay area. The findings reflect that, most tourists are attracted to the area by the Hole in the wall. What most stakeholders noted as only unique to coffee bay, and could be a possible unique attraction is the areas culture and heritage. They also feel that greater investment in the infrastructure of the area, so as to beautify it could possibly lead to greater visitor attraction.

As any other tourist destination, Coffee Bay faces some constraints, which could possibly pose threats to the establishment of the area as a world-wide recognised tourist destination. Amongst many, drug and
alcohol abuse was reflected to be the biggest threat. 54% of the respondents felt that the selling of drugs, by locals to tourists threatens the safety of tourists in the area, as one would usually feel unsafe in a drug infested environment. Others felt that the lack of government support and skills development within the sector reduces the growth of the sector as a possible local economic development tool. The Natural resources and attractiveness of the area are what allow for greater visitor attraction and sustainability in the sector. However, 46% of the respondents felt that the sector is not sustainable, this largely due to the seasonality of the sector.

![Fig 5: Tourism Opportunities, Coffee Bay](image1)

![Fig 6: Community Participation in Tourism-led Local Economic Development](image2)

Although, a great portion of the population is informally involved in the sector, mostly informally. Some residents are not involved. They see tourism as an activity of the rich. A group of three women who took part in the survey had a small informal business, where they sell beadwork to visitors. This is as far as the local involvement goes, passively, and informally. All tourism entities, hotels, backpackers’ facilities, etc are largely owned by outsiders. Only one resident (of the economically inactive age group) noted that he owns a piece of land that has a backpacking facility on its premises, however, he leased the property to a
private investor who developed the facility. This goes to show the passiveness of the local residents towards the tourism sector in the area, particularly the older population.

6. RESEARCH CONTRIBUTION

From an outsider’s perspectives, the tourism sector, particularly of rural settlements does not seem to be as functional, as the research has shown. This research gives perspectives of how rural tourism destination populations go on with their daily lives, whilst also benefitting from the tourism sector of their area. Take for instance the youth who is employed in the sector in different forms, as a tour guard or a fisherman. Also, an outsider would have thought that residents in such areas actually wish for influx tourism, however, the findings have proven that rural populations place great value in the natural state of their environments, and do not wish for it to be compromised in any manner possible.

7. CONCLUDING REMARKS

Questionnaire surveys were conducted in the study area. The survey reflected that local-economic development is possible through tourism development, as much of the unemployed population in the area is seemingly only employable through the sector. The place-making seems to be to some degree established as well, as coffee bay has somewhat branded itself on an international scale as a favourable place for relaxation, although further marketing would ensure increased visitor attraction. The area is rich with indigenous Xhosa cultural rituals (such are a favourite amongst rural tourists.) Stakeholders, particularly those involved in investor attraction in the area need to focus more on cultural activities as a means to further brand the area and establish it as a Xhosa cultural hub. This for instance could be done through the establishment of cultural festivals. The survey also shows the level of satisfaction amongst all involved stakeholders. However, it also shows lack of in depth involvement in the running of the sector, particularly from local residents, which implicates much need for skills development.

From the findings, the data collected from the stakeholders prove that, further place branding, marketing and making is essential to ensure a sustainable tourism sector in Coffee Bay. However, from the respondent’s point of view, the one characteristic that makes Coffee Bay is its beach. The area also offers some intangible aspects that make it its own, unique destination, and that is adventure and tranquillity. The experience of a different sense of life style for visitors is also one thing that makes Coffee Bay a favourable destination. Those involved in the branding and place making of the Coffee Bay Destination need, also to use bigger marketing methods. For instance, the area could possibly be marketed in bigger destinations. One of the respondents had noted that, whilst he had been in Cape Town and saw some marketing of other destinations, Coffee Bay did was not as marketed as it should be.

8. RESEARCH LIMITATIONS

In the conduction of this research, the data collected entailed some limitations. For instance, because the case study was specifically for the Coffee Bay area, data collection was specifically limited to that area. The immediately surrounding tourist destinations (such as Port St Johns, Hole in the wall and Bulungula), could have given broader perspectives, as they are part of what brings visitors to the area, the three areas seem to feed on each other. The research also did not entail how these surrounding destinations have affected the functioning of Coffee Bay as a destination also. Another limitation has been that, the research is mainly focused on the functionality of the tourism sector, and not regarding the fact that tourism in such areas is highly seasonal, it does not include the implications of the off speak season, particularly for those people who largely depend on the sector for their sources of income.

9. FURTHER RESEARCH
The tourism subject is quite a dynamic one. It has perspectives and connotations of a multidisciplinary nature. A more in-depth study in the subject would be of great use in the future. For instance, further understanding of what services should be provided should be related to what the target market (the tourist requires, in terms of why they are on tour), thus implicating the psychological aspects of tourism. Thus, future research should seek to explore further, not only from an economic and social point of view, but psychological, cultural, academic, and anthropological point of views.

With regards to the coffee Bay area specifically, the research needs to be expanded, and further studies should be done in terms of tourism services and products, as well as skills development. From the process, it was apparent that, much of the area’s population, though involved in the sector, is not so much involved in the formal economics of the sector. Scholars need to emphasis the study into the dynamics of skills development, as a need to improve service rendering, as well as improve the tourism products of the area in general.

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