Chapter 10
The Facilitative Role of Institutions in Poverty Reduction: The Case for Pro-Poor Tourism in Tourism-Based Economies in Rural South Africa

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ABSTRACT

The constitutional requirements for the South African municipalities to adopt a developmental character and implement policies of local economic development present a favourable institutional framework to provide rural people with opportunities to engage in entrepreneurial activities. This chapter explores specific measures to exploit the tourism-based economy to benefit the local people adjacent to conservation areas. Using literature, the chapter first presents a brief historical background to socio-economic conditions around the land question in South Africa. Secondly, it presents strategies to combat in particular unemployment, and then finally discusses the present as well as possible future constraints that people face and are likely to face in these areas. This chapter then explores specific measures to exploit the tourism-based economy to benefit the local people adjacent to conservation areas. It finally discusses the present as well as possible future constraints that people face and are likely to face in these areas.

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INTRODUCTION

The purpose of this chapter is to examine the role of institutions – political and economic, as well as cultural – in development in rural areas in relation to pro-poor tourism. Institutions determine how assets are utilized and therefore, their impact on the livelihood outcomes of the people. Bradstock (2005: 12) notes that “while assets are a necessary condition for poverty reduction, they are not sufficient alone. A favorable institutional environment that allows households to use their assets to the greatest potential is also necessary”. Institutions are defined as “hard-and-fast rules that are chosen over time or through political contestation”, (Biko, 2019: 90); the rules, norms and strategies which shape individual and organizational behaviour (High, Pelling & Nemes, 2008:3); as rules or set of rules that structure social interaction by shaping and restricting actors’ behavior (Helmke & Levitsky, 2004: 30); as the humanly devised constraints that shape human interaction (Boesen, 2006:2); as laws, legislation and policies (DFID, 2007); as systems of established and prevalent social rules that structure social interaction (Hodgson, 2006: 2); and as complexes of norms and behaviors that persist over time by serving some socially valued purposes (Narayan, 2000: 8).

Through the application of various forms of policies (institutions), organizations (structures) play a critical role in determining how and with what assets people pursue their livelihoods. In this situation, they are either having a facilitative role or becoming barriers to the realization of goals by individuals and groups. According to Sen’s (1999) terminology, institutions and organizations could either represent ‘unfreedoms’ that prevent people from enhancing their capabilities and realizing the lives that they value, or they could represent progress. Magubane (2007: 21) supports this statement saying that institutions and structures have been used to “ensure that those described as inferior and dispensable have less access to the resources of their countries valorized by their labor power”, with reference to the use of race as a determining factor in the allocation of resources. The value of the freedom to earn an income is far reaching offering psychological well-being, self-confidence, stable families and social cohesion (Sen 1999: 94). Employment (ability and opportunity to earn an income) is another form of self-actualization.

With the national Constitution designating local municipalities as developmental local governments in South Africa, pro-poor tourism (PPT) stands the chance of benefiting greatly from proposed policies, such as local economic development (LED), integrated development plans (IDPs), expanded public works programs (EPWP), small, medium and micro enterprises (SMMEs), and broad-based black economic empowerment (BBBEE). These policies are aimed at ensuring that the marginalized groups in South Africa are at least afforded opportunities to participate meaningfully in the country’s economy.
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