STRATEGIC PLANNING FOR PRO-POOR TOURISM: A CASE STUDY OF LIVINGSTONE, ZAMBIA

by

GERRIT JAMES MCGOWAN

B.A., The University of Colorado at Boulder, 2001

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ABSTRACT

Tourism is a booming industry in Livingstone, Zambia. Over the past decade, an influx of foreign investment has completely transformed the local economy, contributing to a meteoric rise in tourist arrivals, expenditures, and new businesses. This has provided more jobs to the local workforce, created more opportunities for small business, and produced greater government revenues. As a result, the Zambian government has made tourism one of its highest priority development sectors.

As large-scale tourism is a recent phenomenon in Livingstone, both the national and local governments have been forced to respond retroactively to the needs and effects of the growing sector. This has led to a policy framework for tourism that is largely uncoordinated and inconsistent, and in some cases outdated. With the approval of Zambia's Poverty Reduction Strategy Paper in 2003, there is now an additional mandate to include the promotion of poverty reduction within government tourism sector activities.

The following thesis provides an examination of the tourism economy in Livingstone, Zambia - identifying opportunities for promoting poverty reduction through this growing sector. Using a strategic planning approach adopted by UN-Habitat, this paper identifies and prioritizes objectives and opportunities for pro-poor tourism in Livingstone. This begins with the compilation of tourism and poverty related data outlined in a situation assessment, followed by an analysis of key stakeholders active in the sector. A broad vision is then established and key issues and objectives are identified and streamlined. Using simple decision-analysis tools\(^1\) to structure and assess alternatives, potential pro-poor tourism opportunities are then assessed in relation to the objectives. The four-highest ranking opportunities were chosen for further analysis. They are listed below according to rank.

1. **Small business support** - including business development services, registration and licensing, informal sector activity, and issues of land tenure and title.
2. **Credit and Finance** - including expanded micro-credit programming
3. **Marketing** - including pro-poor and SME marketing programs and a sustainable tourism certification program
4. **Training and Capacity Building** - including the expansion of public sector programs and the monitoring and regulation of private sector activities.

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\(^{1}\) Decision analysis is a discipline that comprises the philosophies, theories, methodologies, and professional practices for addressing important decisions in a formal manner (Howard, 1984).
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Figure One: The Republic of Zambia

Map courtesy of Perry-Castaneda Library Collections, University of Texas-Austin (no copyright)
I. INTRODUCTION

1.1 Project Background

I first visited Livingstone, Zambia in October of 2000...as a tourist. It had been a longstanding dream of mine go there. My childhood fascination with Africa had been renewed as an adult when I learned that a small group of river runners (like me) had begun to develop a white water tourism industry on the Zambezi River just below the famed Victoria Falls. The lure of kayaking through huge rapids, through a UNESCO World Heritage Site, and in Africa, was simply something I had to do.

I'm not exactly sure what I expected to see in this far away land. I honestly knew little about it. I had originally planned to travel via Harare, Zimbabwe to the town of Victoria Falls on the Zimbabwean side of the Zambezi. But it had been recommended to me that I travel via Zambia as it was an easier route. Just that year Zimbabwe had begun the implementation of a controversial land reform policy that stipulated the eviction of many white commercial farmers and large landholders. There had been recent violence and a few countries had placed travel advisories on Zimbabwe. So after a summer of working as a river guide in the Colorado Rockies, I was off to Zambia instead.

Zambia was nothing like I expected. Of course I had my preconceptions. I had been indoctrinated (like many people in the world) to believe that Africa was a place to fear. There were wild animals, and wild people, and war and famine and disease. If I went there I would be the minority, the enemy, the other. I would be a target of thieves and profiteers. I would be susceptible to sickness and injury. I would be in danger.

There I stood, one foot out of the airplane on the tarmac of an airport that looked like I bus station where I come from. The first thing that really struck me, aside from the sweltering heat, was the pungent smell of burning garbage wafting through the air. It was horrible then, but I have since come to love it, a reminder of a place that feels like home.

From the moment I arrived in Lusaka until I settled in Livingstone a few days later, my preconceived Occidental notions of Africa were constantly being reinforced. I had been overcharged by a taxi driver. I was the victim of an attempted pickpocket. I had seen a dead body on the side of the road. And I had seen cemeteries full of fresh graves, the result of a growing HIV/AIDS crisis. It was emotional, frightening, humbling, fascinating... a stimulus overload to the nth degree. It was everything I feared and everything I craved at the same time. It was awe-inspiring and it was sickening. It was hope and it was bleakness. It was a human and it was ecological tragedy. But it was real. And that's what I needed.

I arrived in Livingstone with eyes like saucers. Everything was so different, so foreign, that as each day passed I was more exhausted from absorbing and processing everything, everyone I encountered. I was alive... more so than I had ever felt in my twenty-six years of existence. In forty-eight hours, Zambia had changed me. No longer did I hold
on to my deep ecology view of the world. I had seen poverty in its most primal state and I had learned that nature doesn’t always come first. The world now had a face. And I became more human.

If Lusaka and rural Zambia had shown me the effects of poverty then Livingstone introduced me to some of its causes. It was a place like I had never seen – literally a journey down a short road from poverty to opulence. Approaching Livingstone (via the region’s one paved road), I was bombarded with billboards proclaiming Livingstone as “Zambia’s Tourist Capital”, “Home of the Famous Victoria Falls”, the “Adventure Capital of Africa”. Between these roadside atrocities stood scatterings of men, young and old selling the day’s catch of Zambezi bream, this week’s tomato crop, or hand-carved effigies of hippos, giraffes, and nyami nyami – the river god of the Zambezi.

Driving into town I began to see a few run-down but sturdy brick homes, still a far cry from the thatched rondavels that dotted the countryside. The streets were of red dirt, a deep crimson that engulfed all things white or light in colour. Makeshift drainage ditches were filled with garbage, refuse that was a food source for the scores of pigeons, feral dogs, and rodents that roamed the street. But the streetscapes were also lined with beautiful old Jacaranda trees, remnants of a rich, colonial past long gone.

As I progressed a few blocks further down Livingstone’s main street, the Mosi-oa-Tunya Road, the old brick houses turned to stark white colonial architecture, buildings with a strange mix of Victorian and Roman facades. This was the central business district of Livingstone. The former government buildings that once housed the capital of Northern Rhodesia now had names like Nanoo’s Cash and Carry, Eat Rite Pub, Barclay’s Bank. They were old and worn down but offered a stark reminder of a history of division, subordination, and oppression.

Progressing through town and past the central business district, I encountered a buffer zone of sorts – a landscape much like the savannahs that stretch across southern and eastern Africa. As I approached Victoria Falls and first laid eyes on the massive cloud of spray extending hundreds of meters to the sky, the landscape, once again, began to change. Lining the palm-covered banks of the Zambezi, to nearly the lip of the great falls, were beautiful resort properties, four and five star hotels, one after the other. Their gates were guarded by young men in stark white uniforms and beige pith helmets, a reminder of a not-so-distant colonial past. The parking lots hosted a mix of SUVs and large tour buses bearing the name of the hotels by which they were parked. Sweaty boys in leopard skin loincloths pounded on their drums, welcoming the hordes of guests arriving at their luxurious accommodations. Bellhops in white gloves greeted the guests and collected their luggage while waiters offered champagne, wine, and beer to all who entered the complex. It was a stark contrast from what I had seen in town, as if I had stepped out of reality and into a world a century past. It was jolting. It was surreal. It was the quintessential post-colonial hyper-reality. I came to understand what that buffer zone up the road was for. It divided the rich from the poor, north from south, white from black.
After three months in Zambia, the jolting sensation that I experienced that day at the luxurious hotel began to fade. The good life, even at the less extravagant backpackers' accommodation where I stayed, was too much. The beautiful scenery, relatively cheap living expenses, and hospitable people made it very easy to be a tourist. The struggles of the world around me faded away in a cloud of contentment and bliss.

It was not until I returned to my home a few months later that I began to process my experiences in Zambia with deeper reflection. It was then that I was once again able to see what I had been temporarily blinded to. I saw the poverty. I saw the disease and death. I saw humanity in a seemingly hopeless state. I became ashamed and guilt-ridden, angry that there are places in the world where discrepancies of wealth could create such opulence on one hand and such primordial existence on the other. It may have happened a little late, but the clarity that I found through my experiences in Zambia has forever changed my life.

Two years after my return home from Zambia, the thoughts and emotions of the experience still fermenting in my head, I enrolled in graduate school with the intention of learning as much as I could about why conditions such as the one I experienced in Livingstone could come to be. Because of my previous work in river sports media, I applied for and received a small grant to spend the summer of 2004 producing a film on Zambia's whitewater industry. Through the support of a colleague and friend, I was also asked to work on a UN Habitat assignment providing a workshop for Zambian municipal officials to learn about strategic planning for local economic development. With the money I earned from the contract, the grant funding, and some support from a kayak manufacturer, I returned to Zambia to begin the first phase of a film project. The people I met during those two projects would lay the foundation for this thesis - teaching me about the dynamics of Livingstone's tourism industry and the intricacies of policy framework that supports it. In order to better support myself during that summer in Zambia, I also worked as a raft guide and a bartender at a hostel, placing myself in the middle of the industry of which I hoped to better understand.

When I returned home from that summer in Zambia, it became clear that I would focus my thesis research on tourism and poverty in Livingstone. But this was not a process that would happen quickly as financial struggles and family needs necessitated other priorities. So for over a year I worked on a sustainable tourism project in the Great Bear Rainforest of British Columbia, hoping to find the experience and direction I needed to tackle my thesis topic.

In November of 2005, thanks to the trust and support of a colleague, I was asked to return to Zambia as a consultant for United Nations Development Programme on a project that focused on decentralization, local service delivery, and local economic development. It was on this assignment that many of the core issues I had witnessed in Livingstone to light. Working with support from UNDP, I was granted access to documents and interviews that were less likely to be available to a graduate student. As a result of this intensive three-week assignment, I helped to identify policies, programs, and structural inefficiencies of governance that were counterintuitive to Zambia's almost universal focus
on poverty reduction. It was the research undertaken on this mission that provided the information needed to complete this thesis.

1.2 Zambia’s Historical Context
Shortly after independence in 1964, the First Republic of Zambia, led by Dr. Kenneth Kaunda, embarked on an ambitious import substitution nationalization program. Foreign-owned businesses, particularly in mining and agriculture sectors, were quickly expropriated and became parastatals. Within a few years, most large businesses in virtually every sector became nationalized, although small and medium sized enterprises remained largely private. Later in the decade, even more socialist reforms were implemented, including the nationalization of the education, health, and social welfare sectors. Schools and hospitals were nationalized and the provision of water, energy, roads and infrastructure became the joint responsibility of central government line ministries and local authorities or districts. Strict price controls on food were established and an aggressive program of subsidization and promotion became the standard of the agricultural sector. Furthermore, the government developed a tax program that excluded the informal sector from tax responsibilities while reducing the tax burden on lower-income participants in the formal sector (IMF, 2003). These post-independence socialist reforms, particularly the nationalization of the copper mines (Zambia’s largest industry), helped situate Zambia as one of the wealthiest countries in Africa – nicknamed “the goose that lay the copper egg” for its vast mineral wealth (IMF, 2003).

Kaunda’s economic reforms of the 60s were largely successful until the collapse of global copper prices in the late-1970s (Figure 2). Combined with the global oil crisis, the loss of the nation’s most important source of foreign exchange earnings left the government in disarray. Throughout the 1980s, unemployment soared; poverty levels skyrocketed; and public goods and services declined due to a depleted tax base. At the same time, and coinciding with the decline in government revenues, it became clear that most of the nationalized parastatals were no longer financially sustainable, relying heavily on government interventions to stay afloat. By the end of the decade, Zambia’s national economy had plummeted to the second lowest in Southern Africa (after war-torn Mozambique). To stay afloat, the government looked to the IMF/World Bank for an aggressive loan program. Within a decade, Zambia’s external debt rose from $814 million to almost $7 billion (IMF, 2003).
In 1991, with the introduction of multi-party politics, Zambia’s economic development approach took an about face. Mandated by IMF policy and supported by Zambia’s second president, Frederick Chiluba, the economy began a new process of structural adjustment, which included the privatization of all state-owned enterprises. This shifted Zambia’s economy toward a more outward-oriented and export-driven model of economic development. However, the privatization program was implemented with haphazard swiftness as virtually every potentially-profitable Zambian industry was overtaken by foreign interests.

This furthered Zambia’s economic woes, plunging the economy into depression and forcing the government to take even larger loans to prevent bankruptcy and pay off interest. Throughout the 90s, Zambia’s growth rate was the lowest in the region at 1%, substantially lower than the Sub-Saharan average of 1.4% (Van’t Land, 2005). By the end of the 1990s, Zambia had experienced the total collapse of its domestic economy, preventing the government from maintaining critical health, education, and other public services. Today, Zambia’s economy is rebounding, a shift attributed largely to rises in global copper prices, improved agricultural production, and the growth of the tourism sector.
1.3 Poverty in Zambia

Zambia is the 17th poorest country on earth, with 73% of its population living in poverty and 58% living in extreme poverty (UNDP, 2004). Of its active labour force of over 3 million, only 10% are engaged in formal employment while the remainder is engaged in coping strategies such as subsistence agriculture (64%) and informal employment (16%) (Simango, 2004). According to Draft Constitution Report, 79 out of every 100 Zambians are economically dependent. This means that every economically active person supports on average four other people (Mungomba, 2005). According to the UNDP Human Development Index (a measurement of a population’s poverty based on the three dimensions of human welfare: income, education, and health), Zambia ranks 166th out of 177 countries (UNDP, 2004). Figure 3 below illustrates Zambia’s HDI since 1975.

Figure 3: Zambia’s Human Development Index (HDI) from 1975-2002

According to these United Nations Development Programme statistics, the overall development of the Zambian population was on the increase until the late 1980s. By the beginning of the 1990s, Zambia’s H.D.I. had begun to plummet and poverty was on the rise. Between 1990 and 1995, Zambia was party to its most substantial drop in human development, a staggering change of -11.5%. This drop in H.D.I. is further validated by the change in Zambia’s Real Gross Domestic Product over the same period of time (Figure 4).
While overall human development in Zambia was decreasing after the economic reforms of the 1990s, the government’s structural adjustments only proliferated the problem. These economic reforms mandated that the government devalue its currency (the Kwacha) against the dollar while lifting price controls and freezing wages. Under these policies, Zambia was required to remove all state subsidies and reduce public spending on programs such as education, health care, and social services. Since Zambians had lived the first two decades of post-independence with heavy state subsidies of critical economic sectors and state-sponsored education and health programs, these reforms had a dramatic impact on the average Zambians’ quality of life. As a result, consumer purchasing power decreased substantially, food prices increased, and the overall nutritional health of populous went into decline. Figure 5 exhibits the change in real food prices in Zambia since the implementation of the SAP.
Combined with Zambia's economic downturn of the past two decades, was the rise to prominence of the HIV/AIDS pandemic within Zambia. Although the first documented case of HIV in Zambia occurred in 1984, it was not until the early 1990s that it came to the forefront of public policy. But by then, the Zambian government simply did not have enough institutional capacity to implement aggressive awareness and prevention programs. Cutbacks in healthcare and education spending made the matter worse, hog-tying the government and preventing it from putting enough resources toward the problem. The result was that Zambia now ranks 6th globally in Adult HIV Prevalence, at an astonishing 21.5% (CIA, 2005). According to the United Nations Programme on HIV/AIDS (UNAIDS), Zambia is currently experiencing the health, economic and social impacts of a mature AIDS epidemic. The epidemic has affected all aspects of social and economic growth in the country. It has devastated individual families, weakened areas of the public sector, and threatened long-term national development (UNAIDS, 2005).

Poverty in Zambia now comes in many forms. Cutbacks in spending for health, education, and social services have increased Zambian's vulnerability to a number of poverty's causal mechanisms. The removal of all price controls and subsidies has made a number of essential goods and services less affordable to the population. And the slow growth in wages has prevented those select few with formal sector employment from achieving any semblance of upward mobility. Combined with the decline of the nation's primary industry of copper and the spread of HIV/AIDS, Zambia has become one of the world's most impoverished countries. According to the Draft Constitution Report,
Poverty has serious implications for the quality of life, as poor people cannot afford basic necessities of life such as food, shelter and clothing. Neither can they access essential services such as health, education, clean water and sanitation. Consequently a poverty stricken population is prone to malnutrition, stunting, illiteracy and infectious diseases. This vicious circle of poverty is the living reality of the majority of Zambians. It can only be addressed by increasing opportunities for employment, especially in urban areas. (Mungomba, 2005, 22)

The economic and poverty data above represent conflicting perspectives of Zambia's economic condition, a confusion resulting from two very distinct approaches to analysis. Although macro-economic data such as Gross Domestic Product and GDP growth rate suggest that Zambia's economy is on the road to improvement, 'on-the-ground' indicators suggest otherwise. Zambia's Human Development remains one of the lowest in the world, real GDP per capita is still on a downward slide, and indicators of poverty such as access to housing, affordable food, clean water, and education continue to pose huge problems.

1.4 Tourism in Livingstone

The City of Livingstone, Zambia's second city (pop. 100,000), and the provincial capital of Southern Province, always had a distinct competitive advantage over most of Zambia's urban centres. It's location 12 km north of where the Zambezi River plunges over the famed Victoria Falls and its status as the largest urban area in the Four Corners region of Zambia, Zimbabwe, Botswana, and Namibia made it a important trade junction between Zambia, its neighbours, and the trading ports of South Africa. This geographic location has allowed Livingstone to maintain its long-standing significance as one of Zambia's top tier cities.

The economic history of the City of Livingstone has paralleled the patterns exhibited by the national economy (see Figure 6). From independence until the mid-1970s, the economy of Livingstone was strong under the reforms of the nationalization program (Rogerson, 2004). Service and infrastructure provisions were adequate, healthcare and education programs were solid (and free), and businesses were making profits. The city was host to 43 light manufacturing facilities, an automobile plant, and a successful parastatal hotel (Bergdall, 2002). But by the late 1970s, the collapse of the national economy and the subsequent government bankruptcy sent Livingstone's economy into a downward spiral, leading to the closure of most manufacturing and light-industrial businesses. Due to the national economic woes of the time, which contributed to a lack of funding from the central government, a number of local government services collapsed altogether. By the 1980s the local tax base had been completely depleted, most large businesses had shut their doors, and the local government went bankrupt. Government services became virtually non-existent, infrastructure fell into decline, and residents were forced en masse into the informal economy – making street vending the most visible economic activity. The economic reforms implemented during the early 90s didn't halt the decline, but flooded Livingstone's economy with a wave of imported manufactured goods. These imported goods, (e.g. textiles, agriculture, foods, etc) were often cheaper than local products, which
contributed to the eventual collapse of the local industrial sector. Within five years, 41 of 43 manufacturing facilities closed their doors, a loss of thousands of local jobs (Bergdall, 2002). Livingstone became a highly impoverished urban centre in one of the world's poorest countries (Simango, 2004).

Due to the collapse of the national economic base in minerals and manufacturing, central government policy-makers began to focus attention on Livingstone's fledgling tourism industry as a potentially significant source of foreign exchange earnings, employment, and income generation. The government believed that with the new economic reforms (and the investment that accompanies it), Livingstone's tourism sector could help diversify and bolster the Zambian economy. So the central government began by auctioning off its most significant tourism parastatal, the Mosi-oa-Tunya Hotel, a prime Livingstone resort property situated just above the Victoria Falls. At the same time, under the auspices of the Zambia Investment Centre (ZIC), the government initiated a rigorous program to attract foreign investment – emphasizing Livingstone's tourism sector as a key opportunity. In 1996 this program was institutionalized in policy when the government officially reclassified tourism from a social to an economic sector, and placed it at the centre of the nation's economic development strategy (CSO, 1999). The government believed that, although Zambia may have lost many of its entry points into the global marketplace, it still had tourism opportunities around the Victoria Falls, a UNESCO World Heritage Site and one of the Seven Natural Wonders of the World. With support from the World Bank, the United Nations, bilateral aid agencies, and an influx of private investment, Livingstone became the centrepiece of a concerted effort to aggressively promote the development of tourism in Zambia. At the turn of the millennium, with political tensions on the rise in neighbouring Zimbabwe, a South African-based tourism multinational, Sun International, began construction of the 4-star Zambezi Sun and 5-star Royal Livingstone hotels on the site of the former government-owned Mosi-oa-Tunya Hotel. The two new inclusive resorts (an investment of over US$65 million) had immediate impacts, increasing Livingstone's direct tourism employment base by 25% (Rogerson, 2004). Realizing the potential foreign investment opportunities in the sector, the Zambian government promoted tourism to its number two priority sector for economic development (Mungomba, 2005). Today Zambia continues to promote investment in and development of tourism infrastructure, with a primary focus on the Livingstone Tourism Development Zone (Chikosi, 2004). But the recent influx of foreign investment has left Zambia scrambling to manage the sector and its growing number of stakeholders. Government bureaucratic roles have not been clearly defined, regulatory agencies still lack sufficient capacity and budgets, and tourism-related policies have not been updated and reformed (Van t'Land, 2005). There has yet to be a strategic and comprehensive planning process for tourism in Livingstone or in Zambia.
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<td>Increased street vending / street kids</td>
<td>Increase in crime</td>
</tr>
<tr>
<td>Closure of cultural village</td>
<td>Rise in corruption</td>
</tr>
<tr>
<td>Demolition of Mosi-oa-Tunya Hotel</td>
<td></td>
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<tr>
<td>Tourism development</td>
<td></td>
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<tr>
<td>Loss of Revenue</td>
<td></td>
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<tr>
<td>Efforts to remove street vendors</td>
<td></td>
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<tr>
<td>Highly Indebted Poor Council status</td>
<td></td>
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<tr>
<td>Increase in rates</td>
<td></td>
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<tr>
<td>Workforce unrest at Sun Hotel</td>
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<tr>
<td>World Bank SEED-Tourism project</td>
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</table>

Adapted from: (Bergdall, 2002)
1.5 Thesis Problem Statement

Livingstone, Zambia is a poor city in one of the world’s poorest countries. It is a place where poverty abounds, both in its urban core and its rural periphery. But it is also a place of opulence, where wealthy tourists come to spend thousands of dollars on opportunities for adventure among the rugged and diverse landscapes that abound in the area. The tourism industry in Livingstone has been party to a meteoric rise in visitor numbers and expenditures over the past decade. It has grown from a sleepy and impoverished border post to one of Africa’s top tourism destinations, complete with four and five-star hotels, golf courses, franchised restaurants, and an international airport. And each day hundreds of tourists arrive on tour buses, overland trucks, and airplanes to experience the Victoria Falls and the flora, fauna, and adventures that surround it.

To the uninformed it would seem logical that the growing international tourism industry in Livingstone would be a great asset to the people that reside there. In some cases this is undoubtedly true. Numerous businesses have reaped the benefits of this growth, with enterprises expanding and new ones arising each year. Hundreds of new jobs have also been created that indigenous Zambians have filled. As tax holidays continue to expire, new revenues are being generated for both the Zambian government and to some extent the local authorities of the Livingstone City Council. Overall, this growth of the tourism industry has had few, if any, positive impacts on the impoverishment of tens of thousands local Livingstonians.

There are undoubtedly many reasons why this is the case: a long and exploitative colonial history; the lack of a healthy and educated workforce; the economic domination of foreign businesses; the weak governance structures that are unable to harness the benefits of tourism while helping to mitigate its impacts, to name a few.

Although the Zambian government has been actively promoting investment and development into Livingstone’s flagship tourism industry, there has never been a comprehensive strategy in place that integrates the actions and activities of stakeholders and stakeholder groups operating at the national and local levels. There are scores of plans and strategies emanating from the national government and supporting donor organizations that specifically address tourism – some of which contain clear objectives for poverty reduction as well. However, the lack of harmonization among these approaches has created an environment where tourism planning activities are operating in a piecemeal fashion: confusing roles and responsibilities, increasing budgetary inefficiencies, and limiting the government’s ability to coordinate activity in the sector.
1.6 Thesis Objectives

The primary objective of this thesis is to determine how the Zambian government’s well-documented objective of promoting poverty reduction through tourism can be better coordinated and implemented. Specifically, the thesis seeks to:

- Identify relevant stakeholders and roles in Livingstone’s tourism sector
- Gain a better understanding of Livingstone’s current tourism economy
- Identify key issues, objectives, and opportunities for making tourism in Livingstone more pro-poor
- Assess and prioritize the opportunities
- Examine key opportunities in greater detail, laying the foundation for further planning

The overarching question this thesis seeks to answer is...

- What opportunities exist to increase participation of the poor in Livingstone’s tourism economy?

1.7 Organization of Thesis

The breadth of this thesis can be found in the following five chapters.

- **Chapter I** provides the first step of getting started, introducing the problem statement, thesis objectives, methodology, and research limitations/data gaps
- **Chapter II** then identifies and assesses key stakeholders and their roles in tourism planning and development in Livingstone.
- **Chapter III** follows with a situation assessment of tourism in Livingstone, including analyses of the larger economic context, trends, investiture, employment, and key sub-sectors relevant to this study.
- **Chapter IV** then provides an overarching vision for poverty reduction through tourism in Livingstone. This vision is derived from key issues and objectives identified by stakeholders in related tourism planning processes in Zambia. The objectives are then used to assess potential strategy options for pro-poor tourism in Livingstone.
- **Chapter V** describes each of the final four opportunities in greater detail, providing a framework for future action planning.
- Finally, **Chapter VI** concludes with a summary of findings that identifies next steps, factors for consideration, and concluding thoughts.

1.8 Methodology

The methodology of this thesis is based on ten-step strategic planning process adopted by the United Nations Centre for Human Settlements (UN-Habitat) as its recommended framework for strategic planning for local economic development. This strategic process, like other similar approaches, is defined by four key questions:
WHERE ARE WE NOW?
WHERE DO WE WANT TO GO?
HOW DO WE GET THERE?
HAVE WE ARRIVED?

In order to answer these questions in an informed, systematic, and efficient manner there are ten key steps to doing so, which are graphically represented in Figure 7 below. This dynamic and non-linear process was used as the guiding framework for this research and analysis, although the research process did not follow its order chronologically.

Figure 7: The Strategic Planning Cycle
The first phase of this thesis commenced by gathering the necessary information to answer the first planning question - **WHERE ARE WE NOW?** This began with **Step One: Getting Started**. Step One entailed formulating the thesis objectives, identifying the research question to be answered, and planning the data collection process. This represents the “planning to plan” process. This was followed by the second step, **Stakeholders and Participation** - the identification and analysis of relevant actors and the roles they play. This stakeholder data was collected through document analysis and interviews completed during a 2005 UNDP Zambia project I worked on entitled *UNCDF/UNDP Support for Decentralization Reforms, Decentralized Service Delivery & Local Economic Development* (Van t'Land, 2005).

Following the stakeholder analysis is the lion’s share of research, literature review, and data collection, the **Situation Assessment**. This situation assessment of tourism and poverty in Livingstone was based on a common approach to tourism planning and research – Rapid Tourism Assessment (RTA). A Rapid Tourism Assessment is simply a tool “designed to address the complexities of tourism at the national and local levels” by identifying services, infrastructure, business, and other relevant resources (CI, 2003, 2). Based loosely on the Rapid Rural Appraisal model, an RTA identifies all forms of tourism capital and the structures within which they are provided and regulated. The RTA approach utilized in this paper was adapted from four sources: a rapid tourism assessment manual developed by Conservation International, a Citizens Development Corps tourism assessment methodology established in Azerbaijan, and lesson learned from two projects I previously managed – a tourism market analysis for the Heiltsuk First Nation of British Columbia and an assessment of sustainable tourism business opportunities for the TERP Group, a Ugandan consulting form (CI, 2003; CDC, 2004). These previous works provided a general table of contents to pursue in the data collection process.

The next phase of this thesis was aimed at answering the question - **WHERE DO WE WANT TO GO?** It is comprised of two steps, the first of which is **Visioning**. In a participatory planning exercise the process of visioning would normally be undertaken with the input of key stakeholders and representatives identified in the stakeholder analysis. But as this thesis was a student project without active stakeholder input, the opportunity for broad participation was not available. Therefore, the visioning process borrowed from visions previously identified in Zambian tourism policy and planning documents. These visions were each assessed and grouped. The end result was a set of principles that cohesively represents each of the visions identified.

The fifth step, **Issues and Objectives**, establishes the analytical framework of the thesis. Using information gathered through the review and analysis of seven seminal Zambian tourism documents, a list of objectives that relate to tourism and poverty in Livingstone was created. These objectives were grouped into thematic areas, separated

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1. Rapid Rural Appraisal consists of a series of techniques for research that are claimed to generate results of less apparent precision, but greater evidential value, than classic quantitative survey techniques. The method does not need to be exclusively rural nor rapid, but it is economical of the researcher’s time. It is essentially extractive as a process: the agenda is still that of the outside researcher (IISD, 2007).
according to being either means or ends, and then reworded into a final list of ends objectives. For each of the final ends objectives, measures were established according to their potential for change, establishing a range of success that each objective could achieve.

Potential opportunities for achieving these objectives were then identified, arising from two primary sources: (1) alternatives mentioned in Zambian tourism planning and policy documents and (2) alternatives I identified through the situation assessment data collection process. These opportunities were then grouped, pared down, and restated into ten opportunities for assessment. The next step was to relate these ten opportunities to the seven ends objectives in order to rank and prioritize. A simple matrix analysis was used to rank each opportunity as high, medium, or low - according to their applicability to achieving each of the ends objectives. Each score was assigned a numerical value with the highest rankings being chosen for further analysis.

The third and final phase of this thesis project helps to lay the foundation for answering the question HOW DO WE GET THERE? It provides a more detailed look at each of the opportunities identified, describing its current planning context, its activities, and its ability to achieve each of the ends objectives.

1.9 Limitations

Because of the nature of my research on this project, arising from multiple experiences collecting data (as a tourist and as a professional on unrelated projects), there are a number of limitations directly affecting this work. Most significantly, the lack of direct consultation with individuals and institutions in Livingstone during the compilation of this paper is the major shortcoming, preventing oversight and input that would likely strengthen the arguments put forward in the coming pages. This stakeholder input would normally be a vital component of the strategic planning process. But as this input was not readily available to me as an independent researcher, this paper is limited to providing only a framework for consultation and the necessary information to support stakeholder decision-making. This leaves some process gaps in this research, particularly the input of current local values and the validation of the analysis by informed actors with experiential knowledge of the issue at hand. However, in the context of a master's thesis researched independently of any supporting or sponsoring institution, I feel that the results of this process will nevertheless offer some valuable insights for planners and decision-makers charged with managing and supporting Livingstone's burgeoning tourism economy and the poverty that surrounds it.
II. **ASSESSMENT OF KEY STAKEHOLDERS AND THEIR ACTIVITIES**

The following chapter represents a critical step in the strategic planning process – the identification and assessment of key stakeholders, their roles, and their current activities. As tourism has now become the primary economic driver in Livingstone and a large earner of foreign exchange and donor assistance for all of Zambia, there is a broad array of stakeholders hoping to get a piece of tourism's proverbial pie. It is not uncommon for tourism stakeholder meetings in Livingstone to include representatives from over a dozen government agencies, numerous business sectors, and multiple donor agencies. Understanding the roles these actors play in the tourism industry is vital to unlocking opportunities for poverty reduction at all levels of decision-making. The following stakeholder analysis will identify the public, private, and international institutions that play a key role in the development, planning, and decision-making of tourism in Livingstone. They are divided into four distinct groups:

- National Government
- Local Government
- Private Sector
- Donors & Non-Governmental Organizations

2.1 **National Government**

As local governments in Zambia were rendered virtually impotent for decades, the national government has been the primary mechanism for tourism policy, planning, and regulation. Table 1 outlines national government agencies relevant to tourism and the roles they play. Line ministries are in **bold** with their respective sub-agencies below.

<table>
<thead>
<tr>
<th>National Government</th>
<th>Roles</th>
</tr>
</thead>
</table>
| **Ministry of Tourism, Environment, and Natural Resources** | Responsible for policy formulation, program delivery, regulation and licensing, coordination, and:  
- Facilitation of tourism development  
- Formulation of tourism related policies  
- Streamlining and elimination of conflicts and overlaps |
| **Zambia National Tourist Board** |  
- Marketing and promotion of Zambia's tourist attractions  
- Public relations and branding  
- Representation of sector on international stage  
- Tourism licensing |
| **Zambia Wildlife Authority** |  
- Facilitating local community participation in wildlife management  
- Promoting and developing wildlife-based tourism  
- Enhancing recognition of the economic value of wildlife among private and public stakeholders |
| Ministry of Commerce, Trade, and Industry | Ministry charged with the implementation of policy and programs for investment, trade, and business development such as:  
• Export Board of Zambia (EBZ) – market information and support services provider  
• Small Enterprises Development Board (SEDB) – non-financial services provider for small businesses  
• Patent and Company Registration Office (PACRO) – business registration and intellectual property  
• Zambia Investment Centre (ZIC) – promotes and supports foreign and large domestic investments |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Labour and Social Security</td>
<td>• Implements government policies on labour standards, working conditions, training, minimum wage, etc.</td>
</tr>
<tr>
<td>Department of Immigration</td>
<td>• Implements government policies on immigration for purposes of tourism, education, employment, etc.</td>
</tr>
</tbody>
</table>
| Ministry of Works and Supply | • Construction and maintenance of physical infrastructure  
• Delivery of transport, water, waste, and energy infrastructure |
| Ministry of Lands | • Planning and regulation of land uses  
• Approval agency for local government zoning and physical planning  
• Establishment of land title, transfer, and tenure agreements |
| National Heritage Conservation Commission | • Manages Zambia's heritage resources  
• Generation of revenues through exploitation of heritage resources  
• Partnership building with host communities of heritage resources |
| National Museums Board | • Revenue generation through entry fees and special programming  
• Protection of Zambia's historical resources and artifacts |
| Zambia National Police | • Implements the Tourism Police Program to support the reduction of crime and the enforcement of laws in Zambia's tourism sector. |

Sources: (MCTI, 2005), (MTENR, 1999) (Katanga, 2004)
At the national level, there are numerous government ministries and line agencies actively participating in tourism-related policy and programming, creating a cumbersome bureaucracy for the sector to navigate. Of these, the most significant to Livingstone is the Ministry of Tourism, Environment, and Natural Resources and its subsidiary agencies. Although the Ministry and each of its four agencies have offices in Livingstone, each is under-funded and lack sufficient manpower and skills to fulfill its functions. The regional Ministry office doesn't have its own vehicles, requiring directors and staff to hire taxis for meetings and site visits. The Tourist Board office is located in the centre of town, but is rarely open and has minimal information and services available to visitors. And the Hotel & Tourism Training Institute is in a dilapidated facility, with an annual budget that accommodates only a fraction of the demand for training (Mweene, 2005).

2.2 Local Government

Historically local governments in Zambia have played only minor roles in the attraction, support, and regulation of private sector activity, specifically in the areas of spatial planning, zoning regulation, provision of infrastructure, and recognition of rights to land and property in order to facilitate development. However, in recent years, local authorities have begun to expand the scope of their local economic development activities. Primarily, this has involved a deliberate policy to promote collaboration with the private sector: fostering public-private partnerships in undertaking urban regeneration programmes, facilitating market linkages, supporting the informal sector, regulating and licensing certain small businesses, and information sharing activities. This, they believe, will help to create local jobs, increase Council revenues, and promote more appropriate and localized development. The dominant structure local authorities utilize for engagement the broader public in economic development planning is the District Development Coordinating Committee (DDCC), which is presently a district level executive structure in charge of planning district development in view of emerging decentralized local government. It is chaired by the District Commissioner, a national government appointed bureaucrat charged with reporting to the President, and is housed under the Office of the District Commissioner. The efficiency and effectiveness of DDCCs varies from district to district but they are intended to act as a substructure of local government that promotes participation from other district sub-structures such as Area Development Committees (ADCs) and private-sector representation groups such as NGOs, Chambers of Commerce and District Business Associations.

With the completion of the Draft Decentralization Policy in 2004, local governments are now preparing themselves to be more proactive to issues of local development. As this devolution of decision-making and resources has yet to occur, there is currently little policy and planning emanating from the local level that directly addresses the tourism sector, even in the context of Livingstone where it is by far the most visible and substantial industry. However, the local government plays a significant role in support of the sector. Table 2 describes the roles of local government institutions in tourism.
Table 2: Local Government Stakeholders and Tourism-Related Roles

<table>
<thead>
<tr>
<th>Local Government</th>
<th>Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government</td>
<td>Although local authorities are not directly mandated to address and/or regulate the tourism sector, their tourism-related tasks are as follows:</td>
</tr>
<tr>
<td>• Sets policy and determines development priorities</td>
<td>• Develops the budget and provides services</td>
</tr>
<tr>
<td>• Establishes and maintains buildings</td>
<td>• Establishes zoning and bylaws</td>
</tr>
<tr>
<td>• Controls illegal advertisements</td>
<td>• Local environmental protection</td>
</tr>
<tr>
<td>• Controls laying of pipes, cables, etc.</td>
<td>• Local taxes and rents collection</td>
</tr>
<tr>
<td>• Implements waste management programs</td>
<td></td>
</tr>
<tr>
<td>Livingstone City Council</td>
<td></td>
</tr>
<tr>
<td>Office of the District Commissioner / District Development Coordinating Committee</td>
<td>The District Commissioner (DC) is president-appointed position that serves to:</td>
</tr>
<tr>
<td>• Oversee central government line agencies at the local level</td>
<td>• Report local government activity to the Office of the President</td>
</tr>
<tr>
<td>• Chair the District Development Coordinating Committee (DDCC)</td>
<td></td>
</tr>
</tbody>
</table>

Sources: (Bergdall, 2002), (Van t’Land, 2005)

Of all the government stakeholders in tourism, local government is arguably the most impotent of the lot. Not only does the local authority lack sufficient budgets, skills, and manpower for tourism and local economic development planning, it is mired in structural inefficiencies where both delivery and decision-making operates at a snail’s pace. Although decentralization will increasingly devolve authority and resources to the local level, the City will still not play an active role in the facilitation of local economic development activities. It will be given the responsibility of delivering education and health services in addition to its standard infrastructure and service delivery mandates. However, it will not have the capacity or resources to promote local investment, generate revenues from tourism enterprises, or establish zoning bylaws without the approval of the central government (Van t’Land, 2005). In addition to these constraints, the local government’s inability to provide even basic services has placed it oft at loggerheads with the foreign and expatriate business owners, limiting opportunities for public-private partnerships.

2 The DDCC is a committee for local government department heads and the Council Secretary to report and coordinate all Council activity with the DC and central government.

3 Under the National Development Plan of 2006, tourism businesses will be given a VAT 0 rating. According to the Lands Act, all local government zoning bylaws must be approved by the Ministry of Lands Regional Office, which is over 150 km away in Kalomo (Mol, 1996).
2.3 Private Sector

It is not realistic to identify all private-sector stakeholders in Livingstone's tourism sector. There are simply too many tourism businesses and related industry sectors to be comprehensive in review. However, there are a number of organizations that play active roles as representative stakeholder groups in the tourism sector. The four most prominent are listed in Table 3 below. Included among these institutions is one individual business, Sun International Hotels, as it is the largest contributor to tourism employment and earnings in Livingstone and has been known to have direct access to high-level policy-makers including the Office of the President (Mweene, 2005).

Table 3: Major Private Sector Stakeholders and Tourism-Related Roles

<table>
<thead>
<tr>
<th>Private Sector</th>
<th>Roles</th>
</tr>
</thead>
</table>
| Livingstone Chamber of Commerce | • Representative organization of large businesses in Livingstone  
• Lobby group for policy, planning, and delivery of business infrastructure supporting tourism  
• Private sector representative group on District Development Coordinating Committee (DDCC) |
| Livingstone Tourism Association | • Organization representing medium and large tourism businesses in Livingstone  
• Although largely an expatriate organization, the LTA now has substantial Zambian membership including the army, air force, police, city council, and other government institutions |
| Tourism Council of Zambia | • Lobby group for national-level policy, planning, and marketing to support Zambian tourism products |
| Hotel and Catering Association of Zambia | • Representative and co-coordinating organization for Zambian hotels and lodges. Membership, particularly of multi-nationals and small businesses, is low. |
| Association of Zambian River Operators | • Lobby and oversight group that regulates and monitors standards of delivery for the ten plus river operators |
| Sun International | • South Africa-based, international hotel corporation  
• Largest tourism employer and flagship facility in Zambia  
• Operates largely independently, with easy access to government |

Sources: (Hancock, 2004), (Van t'Land, 2005), (TCZ, 2004), (Chikumbi, 2005)

As tourism is the main economic driver in the region, the Livingstone Tourism Association (LTA) is the principle mechanism for private-sector dialogue and collective decision-making. However, its membership ebbs and flows by the needs of its members, most of which are medium sized expatriate owned enterprises. There is little buy-in to the
institution, its members’ relationships can be hostile, and consensus decisions are rare. There is also a clear division between the expatriate private-sector members and representatives of the government agencies that attend their meetings. There is no participation from the informal sector in the LTA as relatively high membership costs make it prohibitive to do so.

2.4 Donors & Non-Governmental Organizations

As donor and NGO programs have finite timelines, these institutions can be considered as transient stakeholders in Livingstone’s tourism sector. Their support and technical assistance rarely have the longevity of public-sector programs. However, there are a number of large, long-term programs that donors have directed towards Livingstone’s tourism economy. In addition, there is a number of significant donor and civil society programs that support tourism activities. Table 4 identifies donors and civil society organizations’ direct support to Livingstone’s tourism economy through actual projects. Table 5 highlights institutions’ that are participating in related economic development and poverty reduction activities.

Table 4: Donor/NGO Stakeholders with Tourism Sector Projects

<table>
<thead>
<tr>
<th>Donor/NGO</th>
<th>Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>• Established the SEED Tourism project to support/provide local infrastructure and service delivery and support small/medium tourism business development</td>
</tr>
<tr>
<td></td>
<td>• Funds Tourism Development Credit Facility, a micro-, small- and medium-sized micro-loan program for tourism businesses</td>
</tr>
<tr>
<td>International Monetary Fund</td>
<td>• Funded Zambia’s Poverty Reduction Strategy Paper to include small business development and poverty reduction through tourism</td>
</tr>
<tr>
<td>UNESCO / World Conservation Union (IUCN)</td>
<td>• Marketing and planning facilitation for World Heritage Site</td>
</tr>
<tr>
<td></td>
<td>• Research and monitoring of tourism activity</td>
</tr>
<tr>
<td>United States Embassy / USAID</td>
<td>• Established CONASA project to develop handicrafts, campsites, tours, and other community-based tourism enterprises</td>
</tr>
<tr>
<td></td>
<td>• Provided funding and technical assistance to City of Livingstone Local Economic Development Strategy</td>
</tr>
<tr>
<td>Mukuni Community Development Trust</td>
<td>• NGO that supports village-level community development projects through a head tax on tourists traveling through ‘customary’ lands 4</td>
</tr>
</tbody>
</table>

Sources: (Teymourian, 2001; Gomera, 2002; IMF, 2003; Sekeso, 2001; USAID, 2004; Van t’Land, 2005; MTENR, 2003)

4 According to the Lands Act, ‘customary lands’ are lands held in trust of the President by traditional leadership such as kings and chiefs.
Table 5: Donor/NGO Stakeholders with Economic Development and Poverty Reduction Projects

<table>
<thead>
<tr>
<th>Donor/NGO</th>
<th>Roles</th>
</tr>
</thead>
</table>
| German Embassy / GTZ       | • Providing equipment, training, and technical assistance for Geographic Information Systems in Livingstone  
                                 • Provides planning, assistance, and financing for community economic development programs throughout Southern Province |
| Japanese Embassy / JICA   | • Provides equipment, training, and technical assistance for local authorities in land-use, physical planning throughout Zambia |
| International Labour Organization | • Provides business development and skills training for formal-sector entrepreneurship throughout Zambia |
| Catholic Commission       | • Provision of micro-credit program to informal sector entrepreneurs throughout Zambia |

Source: (Van t’Land, 2005)

Because of the City’s inability to create a supporting and enabling environment for tourism growth in Livingstone, the World Bank earmarked funds for this in 1999, under the scope of the Support for Economic Expansion and Diversification (SEED) Tourism (Teymourian, 2001). The focus of the program is to build local government capacity to provide the infrastructure and services necessary to support growth in the tourism sector. The SEED-Tourism project is the largest donor-driven economic development program in the region, with over US$60 million earmarked for:

- The establishment of an Integrated Development Plan for Livingstone that addresses all tourism-related infrastructure and service provision needs
- The establishment of a Minimum Infrastructure Platform that seeks to improve solid waste management, road rehabilitation, drainage upgrades, sidewalk improvements, and street lighting
- Capacity building of Livingstone City Council through the preparation of a council business plan, introduction of computerized management information systems, acquisition of computer equipment and software, skills training for staff, and the procurement of necessary heavy machinery and vehicles
- Rehabilitation of Mukuni Park and the upgrade or removal of informal sector curio vendors
- Budgetary support for local government’s recurring costs (Teymourian, 2001)

Because implementation activity for Livingstone only began in 2004, it is hard to qualify the success of the program to date.
2.5 Key Stakeholder Relationships

Although numerous stakeholder groups participate in the planning, regulation, and development of tourism in Livingstone, there are few direct linkages among these institutions. Most tend to operate independently of one another with few active partnerships or institutionalized relationships among them. However, the City of Livingstone appears to be the most significant and active stakeholder in tourism decision making. It has received donor funding and technical assistance from the World Bank for the SEED Tourism Project, from USAID for local economic development planning, from GTZ for Geographic Information Systems, and from JICA for municipal physical planning activities. This suggests that donors are focusing significant attention to building capacity in the local government in Livingstone.

The local government is also tied to the national government; the Ministry of Works for the provision of funding for infrastructure and services and the Ministry of Lands for approval on land allocations and transfers. It currently has no formal relationship with the Ministry of Tourism, although the Regional Office is located in the centre of town. Aside from these two Ministries, the local government has few other formal relationships with the national level. This role has been allocated to the Office of the District Commissioner, who reports directly to the Office of the President on all matters related to local development. Chaired by the District Commissioner is the District Development Coordinating Committee, of which the local government department heads and Chambers of Commerce are participants. Figure 8 on the following page illustrates significant stakeholder relationships in Livingstone tourism sector. Groups linked in black are engaging in direct tourism activities while those in gray are engaged in local economic development (LED) and poverty reduction activities related to or indirectly supporting tourism.
2.6 What About the Poor?

It is important to note that the informal sector and poor have no active stakeholder roles in Livingstone's tourism sector. They do not participate in any of the private sector groups and have little voice in government planning and decision-making short of their right to vote. Like in most places in Africa, the poor and informal sectors are represented largely by civil society organizations, particularly NGOs and faith-based organizations with specific mandates for poverty reduction programming. Although there are numerous non-profits operating in Livingstone, only two are currently involved in supporting the informal sector, the Catholic Commission and the Mukuni Trust. Poverty reduction, however, is a common ingredient in virtually all government and donor-driven programs. But participation by the poor in planning of these programs is usually minimal.
III. SITUATION ASSESSMENT OF TOURISM IN LIVINGSTONE

The following chapter of this thesis represents the third step of the strategic planning process – Situation Assessment. It examines all four types of tourism capital (human, financial, physical, natural), providing an analysis of the current tourism industry in Livingstone, with specific attention to:

- The Political Economy of Tourism in Zambia
- Livingstone's Tourism Planning Context
- Visitors and Expenditures
- Investiture and Jobs
- Infrastructure and the Built Environment
- Training and Education
- Business and Enterprise (Formal and Informal)

3.1 The Tourism Product Base

Today tourism in Livingstone can be characterized as a booming industry, built on its natural capital and supported predominantly by its adventure and wildlife opportunities (see Table 6). The aesthetics of the vast and extreme landscapes of the *veldt*, combined with the unique geological features in and around the river, support numerous recreation opportunities – many of which have yet to be exploited. Wildlife-related activities also abound, with opportunities to experience the *Big 5* as well as other big game, birds, and reptiles - either by car, boat, air, or foot.5

<table>
<thead>
<tr>
<th>Natural Resources</th>
<th>Victoria Falls / Devil's Armchair; Zambezi River / Batoka Gorges; Katomboka Rapids; Islands of Siankaba</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wildlife Resources</td>
<td>Game viewing (elephants, rhinos, lions, giraffes, hippos, crocodiles, antelope, etc.); Birding (100s of species); Fishing (Zambezi bream, tigerfish); Hunting; Easy access to viewing opportunities</td>
</tr>
</tbody>
</table>

Aside from the attraction of the Victoria Falls and the wildlife of the adjacent Mosi-oa-Tunya National Park, Livingstone hosts dozens of operators offering activities such as rafting, safaris, bungee jumping, jet boating, microlight flying6, airplane, and helicopter tours. There are currently a half-dozen, high-end, all-inclusive resorts, a handful of backpacker/hostel accommodations, and a number of formal and informal guest houses. Livingstone’s tourism operations are largely foreign-owned and operated, with entrepreneurs from the U.K., South Africa, New Zealand, and Zimbabwe catering largely to international tourists from Europe, North America, and Asia (Rogerson, 5

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5 Considered to be the *Big 5* game animals are the lion, elephant, buffalo, leopard, and rhinoceros.

6 A microlight is similar to a hang glider, with a small engine attached for propulsion.
2003). It is a profitable industry, with the majority of medium and large businesses generating profits and expanding their operations (Van t’Land, 2005). In each of the past five years, Livingstone has seen a meteoric rise in both visitors and tourism revenues, making it a new player in the Southern Africa’s regional tourism economy. It has found its niche in the international tourism industry as what the Zambia National Tourism Board calls the quintessential “Real Africa” (ZNTB, 2004).

3.2 Visitors and Expenditures
In Livingstone, tourism has been an extremely successful replacement industry for the new millennium. Various attempts have been made to quantify the economic impact of tourism in Livingstone, but the poor database of information has made it extremely difficult to measure its performance. Estimates suggest that monthly tourism receipts in Livingstone vary from US$1 million to US$5 million depending on low to peak season (Ebony Consulting, 2002). This suggests that Livingstone’s annual tourism revenues range from US$30-50 million. According to the City of Livingstone’s Local Economic Development Strategy, tourism receipts are expected to increase to over US$100 million by 2007 (Ebony Consulting, 2002).

Since the turn of the millennium, visitor numbers to Livingstone have also markedly increased, offering more opportunities for earnings within the sector. Although concrete statistics of visitors to Livingstone are not readily available, data from Livingstone International Airport show that arrivals have more than roughly doubled on an annual basis between 2000 and 2004 (see Table 7).

Table 7: Livingstone International Airport Passenger Movement (2000-2004)

<table>
<thead>
<tr>
<th>Year</th>
<th>International Passengers</th>
<th>Domestic Passengers</th>
<th>Total Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>3,572</td>
<td>5,391</td>
<td>8,963</td>
</tr>
<tr>
<td>2001</td>
<td>23,519</td>
<td>6,723</td>
<td>30,242</td>
</tr>
<tr>
<td>2002</td>
<td>53,547</td>
<td>8,003</td>
<td>61,550</td>
</tr>
<tr>
<td>2003</td>
<td>83,575</td>
<td>7,285</td>
<td>90,860</td>
</tr>
<tr>
<td>2004 est.</td>
<td>102,982 (60,073)</td>
<td>7,815 (4559)</td>
<td>110,797 (64,632)</td>
</tr>
</tbody>
</table>

(NAC, 2004)

3.3 Investment and Jobs
The increased investment into Livingstone’s tourism sector over the past decade has been substantial on all accounts. This investment, estimated at over US$70 million, has helped not only to build a more successful and
renowned destination, but has also contributed to an increase in direct tourism employment of over 1200 jobs (Ebony Consulting, 2002). But upon closer analysis, it becomes ever clearer that larger investments do not equate to more job opportunities. Building on investment data gathered in a 2002 Ebony Consulting report on tourism in Livingstone, an analysis of investment dollars per job created shows that larger businesses actually create fewer jobs per dollar than smaller ones. In addition, tour operations seem to have the greatest ‘bang for the buck’, providing more jobs for less investment than counterparts in accommodation and other support services (See Table 8).

Table 8: Snapshot of Tourism Investment and Jobs Created

<table>
<thead>
<tr>
<th>Company</th>
<th>Total Capital Investment</th>
<th># of Zambians Employed</th>
<th>Investment Per Job Created</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accommodation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sun International Hotels</td>
<td>US$ 56 million</td>
<td>323</td>
<td>US$ 173,375</td>
</tr>
<tr>
<td>Zambezi Waterfront</td>
<td>US$ 2.5 million</td>
<td>60</td>
<td>US$ 41,667</td>
</tr>
<tr>
<td>The River Club</td>
<td>US$ 1.2 million</td>
<td>40</td>
<td>US$ 30,000</td>
</tr>
<tr>
<td>Tongabezi Lodge and Islands</td>
<td>US$ 1.7 million</td>
<td>79</td>
<td>US$ 21,519</td>
</tr>
<tr>
<td><strong>Ancillary &amp; Support Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monomatpa Care Hire &amp;Tours</td>
<td>US$ 100,000</td>
<td>10</td>
<td>US$ 10,000</td>
</tr>
<tr>
<td>Kubu Crafts &amp; Kubu Cabins</td>
<td>US$ 500,000</td>
<td>56</td>
<td>US$ 8,928</td>
</tr>
<tr>
<td>Rapid Fire Photography</td>
<td>US$ 56,000</td>
<td>12</td>
<td>US$ 4,667</td>
</tr>
<tr>
<td><strong>Tour Operators</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zambezi Tours Ltd.</td>
<td>US$ 35,000</td>
<td>6</td>
<td>US$ 5,833</td>
</tr>
<tr>
<td>Bundu Adventures</td>
<td>US$ 280,000</td>
<td>55</td>
<td>US$ 5,091</td>
</tr>
<tr>
<td>Touch Adventures</td>
<td>US$ 100,000</td>
<td>28</td>
<td>US$ 3,571</td>
</tr>
<tr>
<td>Victoria Falls Safari Express</td>
<td>US$ 15,000</td>
<td>6</td>
<td>US$ 2,500</td>
</tr>
</tbody>
</table>

Adapted from: (Ebony Consulting, 2002)

3.4 Infrastructure and the Built Environment

Overall, the built environment and the infrastructure necessary to support diverse tourism activities are limited, although improvements in many key areas are currently underway. Transportation infrastructure is generally poor but there are numerous public transport services operating in the area, albeit with low levels of efficiency. Water quality is poor due to an ineffective purification system, requiring most visitors to purchase bottled water for consumption. Power and energy is provided by a small hydro facility that is often overburdened, leading to increased purchase prices and occasional blackouts. Waste systems in the municipality are outdated and overburdened, leaving Livingstone to dump untreated sewage into the river on a daily basis. And collection services are virtually non-existent, contributing to a significant visible litter problem and increased airborne pollutants from trash burning.
activity. A number of bilateral and multi-lateral development projects are currently underway to improve the built environment.

On the positive side, Livingstone is ideally located in close proximity to a number of world-class national parks and management areas. It is situated directly adjacent to the Mosi-oa-Tunya National Park and the Victoria Falls World Heritage Site, while in close proximity to four other parks of international regard. There is virtually no business infrastructure in place to help entrepreneurs tap into tourism opportunities within the private sector, although there are three tourist information centres that market and promote local businesses. Table 9 below provides a snapshot of Livingstone’s tourism-related infrastructure.

Table 9: Livingstone’s Tourism Support Infrastructure

<table>
<thead>
<tr>
<th>TYPE</th>
<th>EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td>Few paved roads; 2 paved arterial roads; 1 toll bridge to Zimbabwe; domestic and international bus service; regional minibus services; local taxis</td>
</tr>
<tr>
<td>Rail</td>
<td>1 rail station; rail over bridge; international passenger service links Kenya to South Africa; 3 times a week service to Lusaka; inconsistent service7</td>
</tr>
<tr>
<td>Air</td>
<td>1 international airport (capable of landing 767 jets), airport expansion underway; 3 international airlines and 2 regional charters</td>
</tr>
<tr>
<td>Parks and Game Management Areas</td>
<td>1 National Park (Mosi-oa-Tunya); within two hours drive of others (Chobe, Victoria Falls, Etosha, Lower Zambezi); Victoria Falls World Heritage Site</td>
</tr>
<tr>
<td>Water</td>
<td>One central water purification system (low-function)</td>
</tr>
<tr>
<td>Energy</td>
<td>One hydro facility (occasional outages)</td>
</tr>
<tr>
<td>Waste</td>
<td>One waste dump (construction in progress)</td>
</tr>
<tr>
<td>Business</td>
<td>3 tourist information centres; no small business development centres; no other significant supporting business infrastructure</td>
</tr>
</tbody>
</table>

3.5 Training and Education

As a workforce, Livingstone’s literacy rate is relatively high and its new growth is attracting a more educated population from Zambia’s other urban areas (Simango, 2004). Access to primary and secondary school education is above the national average and there are a number of tourism training schools and one technical college in town centre (Simango, 2004). English is widely spoken throughout the city and is the first language taught in primary and secondary schools throughout Zambia.

7 Mweene, 2005
The one government sponsored tourism training institute in Livingstone has a competitive application process is required for admission. To accommodate the high demand for tourism training, however, six private tourism training academies have opened over the past few years. Offering courses in hospitality, customer service, housekeeping, and food service, these businesses have been able to attract students that lack the education and skills necessary for entry level positions in the hotel industry. But without formal accreditation processes and few linkages with the larger international businesses, it appears that few of the programs are able to offer job placement opportunities of quality. The Government of Zambia is now in the process of setting standards for the businesses so that they can play a significant role in preparing the labour force of newfound job opportunities in the tourism sector (MTENR, 1999).

There are a few tourism-related training programs available to the informal sector through NGOs. These programs focus predominantly on small enterprise development of tours, handicrafts, other community-based products and services (USAID, 2004) (Van t’Land, 2005).

3.6 Business and Enterprise

Overall, the tourism sector in Livingstone is booming. Existing businesses are largely growing and expanding, while new businesses are emerging regularly. Local tourism revenues have been steadily increasing over the past decade and direct employment in the sector continues to rise (Rogerson, 2003). There is a high level of diversification within the sector and numerous existing and potential complementary business opportunities. The following section will provide an assessment of key tourism business sector areas, which are outlined and inventoried in Table 10 on the following page.

Table 10: Livingstone’s Private Sector Profile

<table>
<thead>
<tr>
<th>TYPE</th>
<th>EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodations</td>
<td>4 hotels; 17 lodges; 5 hostels; 60 guest houses; 8 campsites</td>
</tr>
<tr>
<td>Tour Operators and Booking Agencies</td>
<td>2 canoe outfitters; 1 crocodile park; 1 elephant safari; 1 fishing safari; 3 game drives; 1 horse trail outfitter; 6 river cruises; 2 walking safaris; 1 gorge swing/abseil; 1 bungee jump; 1 kayak school; 1 jet boat operator; 1 microlight operator; 4 rafting companies; 1 bicycle tour operator; 2 helicopter tours; 1 sport plane tour; 10 formal travel brokers; 50+ informal brokers</td>
</tr>
<tr>
<td>Transportation</td>
<td>3 airlines / 2 air charters; 4 car rental dealers; 2 bus services; 8 formal taxi services; numerous informal taxis</td>
</tr>
</tbody>
</table>

8 A microlight can be describes as a hang glider with a small two-stroke engine mounted to its rear for propulsion, particularly during takeoff from a runway.
### Ancillary and Support Services

<table>
<thead>
<tr>
<th>Ancillary and Support Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 restaurants; 4 take-aways; 5 night clubs; numerous informal shebeens; 5 craft shops; 2 craft markets; numerous informal vendors; 2 hotel suppliers; 1 hotel laundry service; 1 tourism consultancy</td>
</tr>
</tbody>
</table>

### Communications

<table>
<thead>
<tr>
<th>Communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 internet cafes; 2 formal telephone services; numerous informal phones providers</td>
</tr>
</tbody>
</table>

### Financial Services

<table>
<thead>
<tr>
<th>Financial Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 bureau de change; 4 banks; 3 accountants; 2 ATMs; numerous informal money traders</td>
</tr>
</tbody>
</table>

### Health Services

<table>
<thead>
<tr>
<th>Health Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 hospitals (Livingstone General and Batoka); numerous private doctors</td>
</tr>
</tbody>
</table>

### Cultural Tourism

<table>
<thead>
<tr>
<th>Cultural Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 cultural village program; 3 (at least) dance troupes; 5-10 musical groups</td>
</tr>
</tbody>
</table>

The informal sector is visible in all facets of Livingstone’s economy. Involving around 70% of the population, it is vital to the urban poor and rural subsistence economies (Van t’Land, 2005). Livingstone’s informal sector has strong ties to tourism as well. There are a number of informal tour guides, porters, vehicle / bicycle hires, and village home stays. In addition, the informal sector also provides long-distance phone services, food products, taxi transport, and currency exchange – although the latter is not always legitimate. Most significant for Livingstone’s formal tourism industry are the informal artisans and craft makers that produce and distribute clothing, curios, and other tourist memorabilia. They can be found throughout the city but congregate primarily around Mukuni Park in the centre of town and at the entrance to the Victoria Falls. These curio sellers make up the lion’s share of the tourism informal sector.

#### 3.6.1 Accommodations

It is estimated that there are over 1600 accommodation beds in the Livingstone area, most of which are attributed to the thirteen major hotels and lodges. Of the thirteen major facilities, only one is exclusively Zambian-owned (Ebony Consulting, 2002). The remainder can be accounted for through approximately 60 locally-owned formal and informal guesthouse accommodations. Accommodations are by far the largest contributors to Livingstone’s tourism economy, acting not only as hotels and lodges but as booking agents for tour operators as well. Commission fees paid to the hoteliers range between 10-25%, making in-house bookings a profitable activity for the accommodation businesses.

The average room rate in Livingstone is slightly over US$110 per night with an average occupancy of over 60%. Accommodation facilities currently contribute over 775 formal sector jobs to Livingstone, most of which are low-wage and unskilled positions (Ebony Consulting, 2002). Although the lion’s share of these jobs can be attributed to the three largest hotels, an analysis of jobs created per accommodation bed shows that the smaller, higher-end facilities are creating relatively more jobs (see Table 11).

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9 In Ireland and Scotland, a shebeen is considered to be an illicit bar or club where alcoholic beverages are sold without a license. In southern Africa the term shebeen refers to such establishments run by local people.
### Table 11: Snapshot of Livingstone Accommodations

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Rooms</th>
<th>Number of Beds</th>
<th>Ave. Room Rate (US$)</th>
<th>Ave. Room Occupancy</th>
<th>Jobs Created</th>
<th>Jobs per Bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zambezi Sun</td>
<td>212</td>
<td>414</td>
<td>269</td>
<td>65%</td>
<td>159</td>
<td>2.60</td>
</tr>
<tr>
<td>Royal Livingstone</td>
<td>173</td>
<td>346</td>
<td>403</td>
<td>65%</td>
<td>164</td>
<td>2.11</td>
</tr>
<tr>
<td>New Fairmount</td>
<td>75</td>
<td>150</td>
<td>23</td>
<td>70%</td>
<td>132</td>
<td>1.14</td>
</tr>
<tr>
<td>Jolly Boys Backpackers</td>
<td>25 Rooms</td>
<td>90</td>
<td>18</td>
<td>70%</td>
<td>23</td>
<td>3.91</td>
</tr>
<tr>
<td></td>
<td>24 Camp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fawlty Towers Backpackers</td>
<td>14</td>
<td>28</td>
<td>28</td>
<td>75%</td>
<td>16</td>
<td>1.63</td>
</tr>
<tr>
<td>Ngolide Lodge</td>
<td>16</td>
<td>32</td>
<td>36</td>
<td>80%</td>
<td>22</td>
<td>1.45</td>
</tr>
<tr>
<td>Wasawange Lodge</td>
<td>20</td>
<td>40</td>
<td>95</td>
<td>70%</td>
<td>25</td>
<td>1.60</td>
</tr>
<tr>
<td>The Zambezi Waterfront</td>
<td>27 Rooms</td>
<td>120</td>
<td>65</td>
<td>50%</td>
<td>71</td>
<td>1.69</td>
</tr>
<tr>
<td></td>
<td>30 Tents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The River Club</td>
<td>10</td>
<td>20</td>
<td>330</td>
<td>50%</td>
<td>50</td>
<td>0.40</td>
</tr>
<tr>
<td>Tongabezi Lodge</td>
<td>9</td>
<td>18</td>
<td>320</td>
<td>50%</td>
<td>87</td>
<td>0.21</td>
</tr>
<tr>
<td>Tongabezi Islands</td>
<td>4</td>
<td>8</td>
<td>260</td>
<td>45%</td>
<td>16</td>
<td>0.50</td>
</tr>
</tbody>
</table>

Adapted from: (Ebony Consulting, 2002)

### 3.6.2 Tour Operators and Booking Agencies

Tour operations are a significant driving force behind Livingstone's emergence into international tourism and its subsequent meteoric growth. These operations provide guided services for various wildlife, sport, and adventure activities in, above, or adjacent to the river. Perhaps most renowned are the water based operators that provide whitewater rafting, kayaking, river boarding, and jet boating adventures on the Zambezi. Other extreme adventures include a bungee jump, rappelling and ropes, microlight, helicopter, and sport plane tours of the falls. Other operators provide opportunities for the less adventurous, including horseback riding, fishing, walking tours, game drives, and scenic 'booze cruises'.

Among the twenty plus tour operators based in Livingstone, competition is relatively high. Virtually every tour and adventure service available has multiple businesses vying for the same market shares. This has helped to lower
consumer costs while, in some cases, improved efficiency in service delivery (Ebony Consulting, 2002). Because of the high cost of building competitive tour operations, there are few domestic operators of note (Rogerson, 2004).

While there are a number of informal sector tour operators, the Mukuni Community Development Trust's cultural tour program through Mukuni Village is the most prominent. By bringing tourists to the village, Mukuni is providing opportunities for informal sector artisans, craftsmen, and farmers to sell their products to tourists at a higher cost (Sekeso, 2001). In addition, the utilization of informal sector porters by tour companies, particularly those working in the Zambezi Gorges, has created opportunities for unskilled youths in Livingstone and its surrounding villages to generate income.

There are at least ten formal travel brokers in Livingstone that book a range of activities in the area as well as air transportation to other destinations (Livingstonian, 2004). But of greatest significance are the informal arrangements made between accommodations and tour operators to pay booking service fees to collaborating businesses. The majority of hotels, lodges, and backpackers hostels have made agreements with specific tour operators to promote their services. In exchange for each reservation provided, a 10-25% booking fee is provided to the business that set it up. These extraordinarily high booking fees can be largely attributed to high levels of competition, the lack of cohesion and communication among tour operators, and the enclave nature of the accommodation facilities in the area.

3.6.3 Transportation
The private sector, both formal and informal, has created a transportation sector that could be described as both saturated and inadequate. A number of daily bus services operate between Lusaka and Livingstone, although they are relatively expensive and often delayed by poor road conditions. Minibus services exist between Livingstone, Lusaka, and other communities of the Southern Province, but the lack of enforceable regulations on the semi-formal operators allow for overcrowding, mechanical disruptions, and frequent accidents. Local minibus and taxi services are widely available, although their informal status proliferate unsafe conditions and wild rate variations. Car rentals are also available to higher end travelers, but rental rates are high even by global standards and fuel shortages and price hikes can further increase costs.

Air transportation service to Livingstone is fast improving. The once outdated Livingstone airport has recently been upgraded to international aviation standards and now hosts two international airlines, one domestic carrier, and two charter operations. International carriers are now beginning to increase services directly to Livingstone and scheduled routes are often full in peak season months (NAC, 2004). Although regional flights within southern Africa are generally expensive, emerging discount airlines are now offering service from Johannesburg, South Africa to Livingstone for under US$100 each way.
Overall, the transportation sector is adequate for African standards. However, in order to promote more regional tourist flows throughout Zambia, vast improvements must be made to land-based transport. This is something that can only be realized through a concerted public sector decision to better monitor and regulate transportation operations while improving supporting transportation infrastructure.

3.6.4 Ancillary and Support Services

There is a relatively diverse and growing group of ancillary service providers within Livingstone’s tourism sector. As of 2005, there were nearly a dozen restaurants offering ethnic cuisines from Europe, Africa, and Asia and a number of fast-food take-away businesses catering to budget travelers (Livingstonian, 2004). Although competition in the food service industry is relatively high, the lack of regulatory standards and enforcement combined with the few quality food products available has resulted in a lack of restaurants catering to international standards. With the exception of a handful of foreign-owned pubs and restaurants, the majority of these businesses are rarely visited by travelers. Therefore, virtually all accommodation facilities provide food services to their guests with higher quality, albeit higher cost meals. However, all but the most expensive of these hotels and lodges, are unable to afford imported food stuffs, resulting in redundant menus with few opportunities for healthy and varying meals. Restaurateurs in Livingstone are more food providers than artisans, although this trend is beginning to change with the ever increasing investment into the area.

There are at least five bars and nightclubs in Livingstone and dozens of informal shebeens 10 outside of the CBD. Because of perceived safety concerns and the lack of tourist traffic to these businesses, most travelers visit the hotels and backpackers lodges for entertainment and drinks. There are also at least three gift shops and dozens of informal stalls that sell crafts and curios for travelers. The gift shops lose significant business to the informal craft markets, which provide similar products at far cheaper prices. And the craft markets are hindered by an overall lack of coordination and continued threats of relocation and removal by the local authorities (Bergdall, 2002). Craft products are readily available to these businesses through individual artisans and craft cooperatives in the local chiefdom.

There are two hotel supply services that provide food, beverages, and other supplies to the high-end hotels and lodge in Livingstone. They are responsible for the procurement of quality local products and the importation of foreign ones necessary to meet international standards. Recent reports have shown that suppliers are now flying fresh produce and other products that are available locally from South Africa to Livingstone daily. This has led to calls for more aggressive local procurement programs (Ebony Consulting, 2002). In addition to supplies, there is also one hotel laundry service and one hotel/tourism consultancy in Livingstone although there was no readily available information of their activities (Livingstonian, 2004).

10 A shebeen is an illicit bar or pub where alcoholic beverages are sold without a license. Arising from a word first used in Ireland and Scotland, the term is now widely used throughout Southern Africa.
3.6.5 Communications
Livingstone’s recent tourism boom has further bolstered the growth of its fast-improving communications sector. The recent accessibility of new internet and phone technologies has had a transformative effect on both business and daily life in the city. Although service is still sporadic, there is now access to high speed internet service in five internet cafes and a number of hotels and lodges. Cellular phone service has become the most widely available and cost effective method of communication among locals and tourists alike. SIM cards and pre-paid talk time can be purchased throughout the city and its outlying villages and network service is available almost everywhere in the country.

The informal sector has also adapted to these new technologies, with numerous street vendors selling cheap, pay-by-the-minute access to their cellular phones. For infrequent callers this can be a cost-effective service, although prices are essentially the same among formal and informal sector providers.

3.6.6 Financial Services
The financial services sector has yet to catch up to the demand created by the new influx of tourists into Livingstone. The city hosts four regional banks, although all have limited working hours and a lack of services for travelers. Credit card withdrawals are expensive and time consuming, bank foreign exchange rates are higher than local bureaus, and only two facilities have ATMs, each of which work sporadically at best. The majority of currency exchange transactions occur at the 6 bureau de change facilities in the CBD and the informal bureaus located within the hotels and lodges. Although rates are generally competitive, they only allow transactions with a dozen international and regional currencies. The bureau hours are also limited, with no evening and Sunday services.

The informal sector also plays an active role in financial services, with street side money changers operating throughout town. As these operations tend to be fraudulent, few tourists utilize these services. For the tourism operators, there are three certified accountants in Livingstone, although most of the larger facilities retain their own staff accountants (Livingstonian, 2004).

If Livingstone is to improve its financial services for tourists, it is integral that for-ex operations are more readily available and ATM machines are more widely distributed through the area. Also access to exchange for a wider range of currencies would allow for travel to be more affordable for tourists from origin communities with weaker currencies.

3.6.7 Cultural and Heritage Tourism
Cultural tourism in Livingstone has traditionally been spearheaded by the informal sector. For 30 years, Livingstone hosted only one formal sector cultural tourism operation, the Maramba Cultural Village (ZNTB, 2003). When it finally
shut its doors in 2000 due to a lack of funding, the city was left with no formal cultural programs, except for a handful of music and dance troupes that performed at the various hotels and lodges. But as Maramba was wrapping up its operations, the local Paramount Chief Mukuni was establishing the Mukuni Development Trust, an organization aimed at generating income for rural villages through programs for and tariffs on visiting tourists. The Mukuni Trust is now generating revenues through a number of methods: traditional land sales and leases, a $1 head tax on all guests traveling through traditional territory for river activities, and cultural tours through Mukuni Village and the Chief's palace. The income generated through these activities has gone to build schools, establish an orphanage, and create small businesses throughout the chiefdom.

The other significant cultural tourism programs in Livingstone are mostly related to the informal craft markets situated on the north and south ends of town. The southern location was upgraded in 2004 by the National Park Service and Sun Hotels to provide a higher quality experience for travelers, thus requiring vendors to pay a fee for their prime real estate adjacent to Victoria Falls. The other craft market, located on the north end of town, is on an informal site located in Mukuni Park. For years the municipality has rejected the vendor's occupation of this site and has attempted to remove them. However, the central location is an ideal site for access to tourists in the CBD. This market remains a point of contention between the City and the informal sector (Bergdall, 2002).

Other cultural tourism programs hosted in Livingstone include the Livingstone Festival, which was started in 1995 to introduce tourists to local Zambian culture. A lack of funding and mismanagement led to the festival's demise in 2003, leaving the city with a significant cultural void in relation to special events and programming (Djokotoe, 2004).

In addition to cultural opportunities, Livingstone also plays host to a number of heritage tourism activities. Tourists can visit the architectural remnants of colonial history in the town centre, learn about local history at the Railway and Livingstone Museums, or visit the "Old Drift" site where colonists first settled Zambia. Throughout the city, visitors can also learn about the history of David Livingstone's exploration of the area in the late 19th century. These programs are operated by the national government's National Heritage Conservation Commission, the only significant line ministry department based in Livingstone.

3.7 Chapter Three Summary

Livingstone's tourism sector is booming, with numerous businesses profiting and expanding each year. Investment into the sector is also on the rise, although most can be attributed to expatriate and foreign businesses. And direct tourism employment continues to increase, although much is considered to be low-skill labour. Of the many tourism investments into Livingstone, it is generally the medium-sized tour operators and lodges that provide the most jobs per dollar invested — debunking the 'smokestack chasing' notion that bigger is better.
Because tourism in the centerpiece of the otherwise struggling local economy, the informal sector is exceptionally visible, finding not only niches but also competitive advantages in areas such as cultural tours, handicrafts, and long-distance communications. However, the local government is not supportive of the street vending activities and continually attempt to remove or relocate the operators.

In regard to products and services, tourism in Livingstone is highly diversified by African standards. There is a wide variety of adventure activities, tour operations, restaurants, and accommodations. However, there is a shortage of accommodations and activities that cater to budget travelers, particularly indigenous Zambians from the country's growing middle class. There is also a distinct shortage in cultural tourism operations and few solid linkages between community-based activities and the larger formal sector businesses.

Perhaps most significant is the overall lack of infrastructure and services provided by the local government and national line ministries. Roads are in poor condition, electricity is sporadic, water quality is low, and waste removal is virtually non-existent. The local authorities lack the resources to provide services to the standards demanded by the tour operators and hoteliers and the private sector offers little support in return. The few places where major infrastructure upgrades have occurred tend to be in places where high numbers of tourists congregate such as the airport, the falls, and the area around the Sun Hotels complex.
IV. ENVISIONING POVERTY REDUCTION THROUGH TOURISM IN LIVINGSTONE

The following chapter represents two steps of the strategic planning process—visioning and issues and objectives—together answering the question, WHERE DO WE WANT TO GO? Using structured decision making methods, this chapter aims to establish a vision for pro-poor tourism in Livingstone. It then identifies, analyzes, and prioritizes key objectives for achieving that vision. In a more participatory approach, this visioning and objective setting would be presented as a facilitated decision-making process to democratically consider the perspectives of all relevant stakeholders. However, the constraints of this project do not allow for that level of participation. In this process, input data is borrowed from national and local level planning and policy documents with distinct tourism components, each created through varying degrees of public consultation. These seven seminal documents come from national, local, private, and donor stakeholders and together they act as the current guiding framework for tourism planning and development in Livingstone. They are described below.

1. Poverty Reduction Strategy Paper – A Poverty Reduction Strategy Paper (PRSP) is a country-led, country-written document that provides eligibility for World Bank/IMF assistance and debt relief under the Highly Indebted Poor Countries (HIPC) programme. The PRSP defines a nation's macroeconomic, structural, and social programs to promote growth and summarizes its objectives, policies, and measures for poverty reduction. The Zambian PRSP, completed in 2003, was created with stakeholder input throughout the process, from the development of the project's roadmap to sector specific planning activities to review of the final document. Zambia's PRSP devotes an entire chapter to tourism that includes significant poverty reductions components (IMF, 2003).

2. Zambia Tourism Policy – Zambia's Tourism Policy, drafted in 1999, is the first formal tourism policy declaration since independence in 1964. It establishes strategic directions and institutional roles/responsibilities in achieving tourism-related objectives. The document was produced over the course of three years of consultation with both the private and public sectors. Consultative workshops were held at key stages of the process - for policy review, action planning, and editorial review of the final document.

3. National Environmental Policy – Zambia’s National Environmental Policy, drafted in 2004, is the guiding policy document for the sustainable development and conservation of the nation’s "natural resources, ecosystems, habitats, soils, minerals, water, plants and animals, set in a rich social and cultural setting in Zambia (MTENR, 2004, p.9)". The document was developed through a broad consultative process that integrated participation, decentralization, and privatization into its framework for sustainable development. The Policy devotes Chapter 6-B to tourism.
4. **Livingstone Strategic Plan** – The Livingstone Strategic Plan, created in 2002, was developed over a five day workshop funded and facilitated by the United States Agency for International Development (USAID) and the International City/County Management Association (ICMA). Participation was limited to City Council and department heads, addressing issues related to their specific responsibilities. The resulting plan includes a five-year vision, an analysis of roadblocks and opportunities, establishment of strategic directions, milestones, and action plans for implementation. As Livingstone's primary economic driver, tourism is addressed throughout the document (Bergdall, 2002).

5. **Livingstone Local Economic Development Strategy** – This LED strategy for Livingstone, completed in 2002, was funded by USAID and facilitated by Ebony Consulting of South Africa. Participation in the document's creation was limited to one workshop with key stakeholders and over 60 focused interviews. The goal of the LED strategy was to "examine the potential and prospects for Local Economic Development" by identifying "a set of coordinated strategic interventions" (Ebony Consulting, 2002, p.4). Tourism is examined as one of Livingstone's two priority sectors (manufacturing being the other). Small business and the informal economy also received significant attention.

6. **Livingstone District Development Strategic Plan** – The Livingstone District Development Strategic Plan, funded by German Development Cooperation (GTZ) and completed in 2004, is an output resulting from the Zambian government's policy of decentralization. It is a process spearheaded by the District Development Coordinating Committee, a planning group comprised of the District Commissioner and the heads of district departments. This participatory strategic planning process engages stakeholder representatives at all levels of authority – DDCC committee members, ward councilors, and chief's representatives. The Strategic Plan is comprised of four components – District Poverty Assessment, District Development Strategy, District Poverty Reduction Strategy, and Annual Investment Plan. Tourism is a target sector of the District Poverty Reduction Strategy.

7. **Support for Economic Expansion and Diversification (SEED) Project Appraisal** – Although the SEED Project Appraisal is neither a government policy nor plan, it is nevertheless a seminal document in regard to tourism planning in Livingstone. The SEED project, funded and credited by the World Bank, is the largest donor operating in Livingstone today. Its funds are earmarked for select local public investments into areas that facilitate private investment into tourism. It also funds the tourism credit program implemented by the Ministry of Tourism. The Project Appraisal
Document, completed in 2004, is valuable to this process as it details and articulates a vision and key objectives of tourism for poverty reduction in Livingstone. It was created by the World Bank through consultation with the Ministry of Tourism, Zambian Wildlife Authority, and Livingstone City Council.

4.1 A Vision for Pro-Poor Tourism in Livingstone

Developing a vision is an important part of the strategic planning process as it allows for the imagination of an ideal future while grounding it in the realities of the current situation. Of the documents considered in this process, four have clearly articulated visions for the development of Livingstone – the Poverty Reduction Strategy Paper, the SEED Project Appraisal, the Livingstone Strategic Plan, and the District Development Strategic Plan.

At the national level, Zambia has articulated its vision for tourism in its Poverty Reduction Strategy Paper - the IMF/World Bank mandated document for debt forgiveness qualification. Although the statement does not specifically refer to Livingstone, the PRSP document identifies the importance of developing the city as the nation’s flagship destination. It states,

The government's long-term vision for the tourism sector is to ensure that Zambia becomes a major tourist destination of choice with unique features, which contributes to sustainable economic growth and poverty reduction (IMF, 2003, 66).

This vision articulates the national government's desire for competitive advantages, the diversification of tourism products, and the overall economic growth of the sector. But each of these desires is constrained by the pressing needs of sustainable development and poverty reduction. This PRSP contains Zambia’s only clearly defined pro-poor tourism vision statement.

At the local level, the vision for tourism is more specific and addresses issues specific to the local government. The vision, written by local government stakeholders with technical support from the World Bank under the Support for Economic Expansion and Diversification (SEED) project, states...

Livingstone (shall be) developed into an international competitive tourism destination, with wildlife and cultural assets in the area enhanced and the efficiency of public and private institutions improved (Teymorian, 2001, 2)

This statement, like the PRSP, articulates the desire to establish competitive advantages and enhance product diversification. It also considers the sustainability and enhancement of natural and cultural resources, a key principle of pro-poor tourism. However, the SEED statement also recognizes the need to strengthen the institutions (public and private), which regulate, monitor, and drive the growth of the sector.
The local government also has a broad-based vision statement for the City. Funded by USAID, the City of Livingstone’s 2002 Strategic Plan articulates its vision as...

To improve the quality of life for all, economically, socially, and environmentally (Bergdall, 2002, 4).

Parallel to the City’s vision for Livingstone is that of the District authority. According to the District Development Strategic Plan, the vision for Livingstone is...

To achieve greater economic growth to ensure that poverty among the most vulnerable is reduced to the very minimum thereby ensuring sustainable livelihood of the District population. (Simango, 2004, 7)

These four statements represent the visions for Livingstone and its tourism economy at the national and local levels of decision-making – each facilitated by respective donor agencies. Although each vision has its own distinctions, collectively they can be interpreted to contain four key components:

- Economic growth and diversity
- Sustainable development
- Good governance
- Poverty reduction

4.2 Issues and Objectives

Issues and objectives are the framework of strategies. They are the basis upon which to define priorities, determine actions, and assess opportunities. In strategic decision-making, they are the basis for making tradeoffs and building consensus (Trousdale, 2004). As mentioned above, this paper’s issues and objectives were identified through a survey of seven key policy and planning documents and project reports. Each was chosen for its direct connection to tourism policy and planning and its articulation of clear tourism and/or poverty reduction objectives.

The identification of issues is often used as a way to create a list of stakeholder interests and concerns, to be later restated as succinct objectives. As each of the seven aforementioned documents already contain articulated objectives, this thesis will prevent the redundancy of restating issues. Therefore, the following section identifies objectives for tourism and poverty reduction in Livingstone found in national, local, and donor driven documents. Each list of objectives is presented according to the respective policy or planning document in which it was found (Tables 12 & 13).
<table>
<thead>
<tr>
<th><strong>National Policy</strong></th>
<th><strong>Objectives</strong></th>
</tr>
</thead>
</table>
- Promote Livingstone as a priority development zone  
- Promote investment into tourism  
- Build capacity within private sector  
- Develop human resources  
- Conserve natural resources  
- Upgrade and maintain infrastructure  
- Improve marketing  
- Expand funding for and local participation in program implementation  
- Promote affordable financing for long-term development  
- Improve tourism product development  
- Promote affordability of transportation access  
- Address issues of land tenure  
- Promote environmentally sustainable growth  
- Good governance |
| Tourism Policy (MTENR, 1999) | - Encourage private sector growth  
- Diversify the tourism product from being wildlife based  
- Raise public awareness of the significance of tourism  
- Promote domestic tourism, leisure, and recreation  
- Promote regional tourism cooperation  
- Promote proper investment incentives for tourism  
- Improve tourist infrastructure  
- Facilitate the availability of local supplies to the tourism industry  
- Encourage indigenous ownership and management of tourism businesses |
| National Environmental Policy (MTENR, 2004) | - Promote tourism with an abundant scope for community-based and village-based tourism developments  
- Promote fair access to tourism market opportunities for local communities  
- Monitor compliance of tourism regulations  
- Encourage nature-based, sustainable tourism |

Table 13: Local Tourism Objectives

<table>
<thead>
<tr>
<th><strong>Local Plans and Programs</strong></th>
<th><strong>Objectives</strong></th>
</tr>
</thead>
</table>
| Livingstone Strategic Plan (Bergdall, 2002) | - Place strategic focus on economic growth  
- Facilitate small and medium business development  
- Support the informal sector  
- Improve tourism-related infrastructure  
- Increase local employment opportunities |
| Livingstone Local Economic Development Strategy (Ebony Consulting, 2002) | - Increase private investment in tourism-related activities  
- Increase number of tourism related jobs in Livingstone  
- Increase local revenues from tourism-related activities  
- Enhance personal security for tourists  
- Maximize the local sourcing of goods and services to tourism enterprises |
4.3 Streamlining Objectives

Using the lists identified in the section above, Section 5.3 will streamline the identified objectives by separating them into thematic areas as follows:

- Infrastructure
- Capacity and Skills
- Environment
- Private Sector Investment and Finance
- Planning and Regulation
- Marketing
- Product and Supply Chain Development
- Governance

The objectives are then separated according to means and ends, and each means objective is then linked to its corresponding ends objective. Table 14 and Table 15 provide a list of final means and ends objectives and finally Figure 9 provides an objectives diagram, a graphic representation that links means to ends.
4.3.1 Objectives

A. Infrastructure

- Improve tourist infrastructure
- Improve tourism-related infrastructure
- Improve infrastructure
- Upgrade and maintain infrastructure
- Establish infrastructure which aids economic recovery and poverty reduction

Grouped and Restated Objective:
- Improve infrastructure
- Poverty reduction

B. Employment

- Develop human resources
- Increase local employment opportunities
- Increase number of tourism-related jobs in Livingstone
- Poverty reduction through job creation
- Build capacity within the private sector
- Build individual, community, and institutional capacity for conservation and management of tourism resources

Grouped and Restated Objective:
- Build human resource capacity
- Increase employment
- Poverty reduction

C. Environment

- Promote environmentally sustainable growth
- Ensure environmentally sustainable growth
- Conserve natural resources
- Encourage nature-based, sustainable tourism
- Preserve existing natural wonders through conservation measures
- Conserve the environment for social benefits
- Promote wildlife conservation and protect biodiversity
Grouped and Restated Objective:
✓ Conserve environment and natural resources

D. Business and Investment
- Promote investment into tourism
- Encourage private sector growth
- Encourage indigenous ownership and management of tourism businesses
- Facilitate small and medium business development
- Increase private investment in tourism-related activities
- Encourage local investment
- Promote proper investment incentives for tourism
- Support the informal sector
- Promote local cottage industries
- Facilitate sustainable investments into tourism and wildlife resources
- Promote affordable financing for long-term development

Grouped and Restated Objectives:
✓ Promote tourism investment
✓ Provide affordable financing
✓ Support small businesses/informal sector
✓ Sustainable tourism growth
✓ Increase local ownership and participation in tourism

E. Governance
- Strengthen local government oversight and regulatory functions
- Livingstone as a priority development zone
- Focus planning and development on Livingstone
- Place strategic focus on economic growth
- Good governance
- Institute effective management systems
- Promote monitoring and evaluation of tourism programs
- Promote affordable transportation access
- Enhance personal security for tourists
- Monitor compliance of tourism regulations
- Increase local revenues from tourism-related activities
- Expand funding for local participation in program implementation
- Strengthen line ministries’ ability to monitor and regulate tourism in Livingstone
- Address issues of land tenure

**Grouped and Restated Objective:**
- Good governance to support tourism
- Expand opportunities for participation and local revenue generation
- Increase local revenues
- Support a more equitable and sustainable form of tourism
- Enhance planning and regulation for tourism-related services

**F. Marketing**
- Improve marketing
- Raise public awareness of the significance of tourism
- Promote domestic tourism, leisure, and recreation
- Promote regional tourism cooperation
- Promote tourism with an abundant scope for community-based and village-based tourism developments

**Grouped and Restated Objective:**
- Improve marketing and promotion

**G. Product and Supply Chain Development**
- Improve tourism product development
- Diversify the tourism product from being wildlife-based
- Maximize the local sourcing of goods to tourism enterprises
- Achieve broad-based economic development through tourism, agriculture... and rural development
- Maximize economic linkages between tourism and the manufacturing and agricultural sectors
- Facilitate the availability of local supplies to the tourism industry
- Promote fair access to tourism market opportunities for local communities

**Grouped and Restated Objectives:**
- Support local procurement of tourism-related goods and services
- Improve diversity of tourism product base
4.3.2 Final Means and Ends Objectives

Table 14 and Table 15 provide a summary list of objectives, separated according to means and ends objectives.

**Table 14: FINAL MEANS OBJECTIVES**

- Improve infrastructure
- Build human resource capacity
- Conserve natural resources
- Enhance planning and regulation for tourism-related services
- Promote sustainable investments into tourism
- Support small businesses/informal sector
- Provide affordable financing
- Improve marketing and promotion
- Support the local procurement of tourism-related goods and services
- Improve diversity of tourism product base

**Table 15: FINAL ENDS OBJECTIVES**

- Sustainable tourism growth
- Enhance local ownership and participation in tourism
- Increase employment
- Increase local revenues
- Support a more equitable and sustainable form of tourism
- Good governance supporting tourism
- Poverty reduction

4.3.3 Linking Means to Ends Objectives

In Figure 9 on the following page, final means and ends objectives are linked to one another so as to ensure that strategic process components are consistent with the end goals and strategic objectives. As exhibited in the diagram, each of the means objectives relates to one or more of the ends objectives, validating them as applicable steps toward the end goal of poverty reduction through tourism.
Figure 9: Objectives Means-Ends Diagram

1. Improve infrastructure for economic growth and poverty reduction
2. Build human resource capacity for tourism, management, and conservation
3. Conserve natural resources for sustainable growth
4. Promote both indigenous and foreign sustainable investments into tourism
5. Support the informal sector, small and medium businesses, and cottage industries
6. Provide affordable financing
7. Enhance planning and regulation for transportation, health, security, and other tourism-related services
8. Improve marketing and promotion of all scales of tourism activities, both domestically and abroad.
9. Support the local procurement of tourism-related goods and services
10. Support the establishment of a diverse tourism product base.
11. Expand opportunities for participation and local revenue generation while providing a legal and institutional framework to do so effectively.

A. Sustainable tourism growth
B. High levels of local ownership and participation in tourism
C. More jobs with higher incomes
D. Increased local revenues
E. A more equitable and sustainable form of tourism
F. Good governance supporting tourism
G. Poverty reduction
4.4 Relating Objectives to Opportunities

The next phase of the strategic planning process involves linking the ends objectives identified in section 4.3 with opportunities for poverty reduction through tourism in Livingstone. This begins by establishing measures for each of the end objectives, to be used for assessment of the opportunities. These proxy measures establish a range of success that each opportunity can achieve toward each objective. The measures were established according to a scale of high, medium, and low – with low representing the 'business as usual' status quo.

The next step in relating objectives to opportunities was to identify distinct opportunities for poverty reduction through tourism in Livingstone. These opportunities were identified in one of two ways: (1) from policy and planning documents in which they are listed as potential actions and (2) from data collection and my analysis of the current situation. Through this thesis' literature review, numerous pro-poor tourism opportunities identified in previous planning works were earmarked for assessment. These opportunity ideas came from national, local, and donor documents for tourism and poverty reduction. In addition, as the primary researcher, I identified additional opportunities not previously documented based on what I perceived to be prior gaps in analysis. The compiled opportunities were then grouped and restated into succinct statements. These eleven opportunities were then technically assessed in relationship to the seven ends objectives. Each was ranked for their potential to achieve each of the ends objectives - according to a scale of high, medium, and low. The scores were then tabulated, with the three highest scores chosen as potential opportunities for closer analysis. Because of a tie, the end result was a list of seven distinct opportunities that are likely to be best suited to achieving the ends objectives. The following sections outline the planning process relating objectives to opportunities.

4.4.1 Establishing Measures for Technical Assessment of Opportunities

Table 16 on the following page establishes quantitative and qualitative proxy measures for each of the ends objectives identifies in section 5.3. They are ranked according to high, medium, and low – with low representing 'business as usual'. These measures will be used to assess potential opportunities for poverty reduction through tourism in Livingstone.
Table 16: Technical Assessment Measures

<table>
<thead>
<tr>
<th>END OBJECTIVE</th>
<th>HIGH</th>
<th>MEDIUM</th>
<th>LOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable tourism growth</td>
<td><strong>50% INCREASE IN GROWTH (3-5 YRS)</strong></td>
<td><strong>25% INCREASE IN GROWTH (3-5 YRS)</strong></td>
<td><strong>LITTLE OR NO CHANGE</strong></td>
</tr>
<tr>
<td></td>
<td>- US$75 million in receipts per annum</td>
<td>- US$63 million in receipts per annum</td>
<td>- US$50 million in receipts per annum</td>
</tr>
<tr>
<td></td>
<td>- US$11 million per year in investments</td>
<td>- US$9 million per year in investments</td>
<td>- US$7 million per year in investments</td>
</tr>
<tr>
<td>Local ownership and</td>
<td><strong>100% INCREASE IN LOCAL ACTIVITY (3-5 YRS)</strong></td>
<td><strong>50% INCREASE IN LOCAL ACTIVITY (3-5 YRS)</strong></td>
<td><strong>LITTLE OR NO CHANGE</strong></td>
</tr>
<tr>
<td></td>
<td>- 30 - 40 indigenous businesses linked to tourism supply chain</td>
<td>- 23 - 30 indigenous businesses linked to tourism supply chain</td>
<td>- 15 - 20 indigenous businesses linked to tourism supply chain</td>
</tr>
<tr>
<td>More jobs with higher</td>
<td><strong>100% INCREASE IN JOBS / INCOME (3-5 YRS)</strong></td>
<td><strong>50% INCREASE IN JOBS / INCOME (3-5 YRS)</strong></td>
<td><strong>LITTLE OR NO CHANGE</strong></td>
</tr>
<tr>
<td>incomes</td>
<td>- 2400 direct tourism jobs</td>
<td>- 1800 direct tourism jobs</td>
<td>- 1200 direct tourism jobs</td>
</tr>
<tr>
<td></td>
<td>- US$60 - 120 per month</td>
<td>- US$45 - 90 per month</td>
<td>- US$30 - 60 per month</td>
</tr>
<tr>
<td>Increased local revenues</td>
<td><strong>100% INCREASE IN REVENUES (3-5YRS)</strong></td>
<td><strong>50% INCREASE IN REVENUES (3-5YRS)</strong></td>
<td><strong>LITTLE OR NO CHANGE</strong></td>
</tr>
<tr>
<td></td>
<td>- US$150,000 – 250,000 collected per yr.</td>
<td>- US$150,000 – 250,000 collected per yr.</td>
<td>- US$150,000 – 250,000 collected per yr.</td>
</tr>
<tr>
<td></td>
<td>- 50% of commercial rates collected</td>
<td>- 50% of commercial rates collected</td>
<td>- 50% of commercial rates collected</td>
</tr>
<tr>
<td>More equitable &amp;</td>
<td><strong>200% INCREASE IN PROJECTS (3-5YRS)</strong></td>
<td><strong>100% INCREASE IN PROJECTS (3-5YRS)</strong></td>
<td><strong>LITTLE OR NO CHANGE</strong></td>
</tr>
<tr>
<td>sustainable tourism</td>
<td>- 3 govt. / donor funded tourism project</td>
<td>- 2 govt. / donor funded tourism project</td>
<td>- 1 govt. / donor funded tourism project</td>
</tr>
<tr>
<td></td>
<td>- 3 non-profit pro-poor tourism projects</td>
<td>- 2 non-profit pro-poor tourism projects</td>
<td>- 1 non-profit pro-poor tourism projects</td>
</tr>
<tr>
<td>Good governance</td>
<td><strong>BETTER GOVERNANCE FOR TOURISM</strong></td>
<td><strong>GOOD GOVERNANCE FOR TOURISM</strong></td>
<td><strong>LITTLE OR NO CHANGE</strong></td>
</tr>
<tr>
<td>supporting tourism</td>
<td>- Devolve tourism decision-making and necessary fiscal resources to</td>
<td>- De-concentrate tourism-related line ministries to local level</td>
<td>- No direct roles in tourism development planning for local authority</td>
</tr>
<tr>
<td></td>
<td>local level</td>
<td>- Improved local bylaws for tourism / poverty reduction</td>
<td>- No local tourism strategies or plans</td>
</tr>
<tr>
<td></td>
<td>- Improved bylaws according to local strategies for tourism and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>poverty reduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poverty reduction</td>
<td><strong>SIGNIFICANT CHANGE</strong></td>
<td><strong>SOME CHANGE</strong></td>
<td><strong>LITTLE OR NO CHANGE</strong></td>
</tr>
<tr>
<td></td>
<td>- 20% employment in informal sector</td>
<td>- 15% employment in informal sector</td>
<td>- 10% formally employed</td>
</tr>
<tr>
<td></td>
<td>- 0.5 Human Development Index</td>
<td>- 0.45 Human Development Index</td>
<td>- 0.4 Human Development Index</td>
</tr>
</tbody>
</table>

11 (Ebony Consulting, 2002)
12 (Mweene, 2005)
13 (Ebony Consulting, 2002)
14 (Van t’Land, 2005)
15 (Ebony Consulting, 2002)
16 (Chikosi, 2004)
17 (Sekeso, 2002)
18 (Van t’Land, 2005)
19 (CSO 1999)
20 (UNDP 2004)
4.4.2 Identification of Opportunities

The following list of opportunities was generated through an analysis of planning and policy documents that identify specific opportunities for poverty reduction through tourism in Livingstone. Each source is listed in parentheses after the opportunity. The remainder of the opportunities was identified through my analysis of the data collected for the situation assessment. This list was then grouped and restated as succinct opportunity statements for later analysis.

- Streamline tourism small business support and licensing services (Ebony Consulting, 2002)
- Provide improved finance and credit programs for poor to participate in tourism (Simango, 2004)
- Establish partnerships for tourism infrastructure and service provision (Ebony Consulting, 2002)
- Establish local zoning and bylaws that promote pro-poor tourism in Master Development Plan (Chikosi, 2004)
- Establish broadly representative stakeholder group for tourism planning and consultation (Bergdall, 2002);
- Create local (pro-poor) tourism strategy and management plan for Livingstone (Strategic Plan / NEP)
- Establish regulatory incentives and tax holidays for tourism investors (Bergdall, 2002); (Ebony Consulting, 2004);
- Prepare and disseminate environmental guidelines for tourism development (MTENR, 2004)
- Improve accessibility of land title and tenure programs for potential small tourism operators
- Implement pro-poor tourism marketing activities
- Develop tourism-specific labour standards
- Provide streamlined tourism training opportunities for the poor in Livingstone
- Provide support to the tourism informal sector
- Establish tourism agriculture program with local farmers and tourism operators
- Integrated training and capacity building program for tourism

Grouped and Restated Opportunities

1. Tourism Credit and Finance Programs
2. Partnerships for infrastructure and service provision
3. Tourism zoning and bylaws
4. Small tourism businesses support (registration, business development, land tenure, informal sector)
5. Stakeholder group
6. Tourism Strategies (zoning and bylaws; pro-poor tourism, environmental)
7. Tax incentives for tourism investment
8. Pro-poor marketing
9. Labour standards for tourism
10. Tourism training and capacity-building
4.4.3 Technical Assessment of Opportunities

The following technical assessment of opportunities for poverty reduction through tourism relates the potential opportunities listed above to each of the established ends objectives. Referencing the measures established in section 5.4.1, this assessment values and ranks each opportunity on a scale of high, medium, and low – with high receiving 3 points, medium receiving 2, and low receiving 1. The four highest scoring opportunities were chosen for their most direct relationship to the ends objectives. They are listed by ranking below.

1. Support small tourism businesses (business development, registration and licensing, informal sector, land tenure and title)
2. Improve and expand tourism credit and finance programs
3. Establish pro-poor tourism marketing programs
4. Expand training and capacity building programs for tourism

Table 17 on the following page provides the technical assessment of pro-poor tourism opportunities. In the following chapter, these opportunities will be further examined and elaborated upon, each containing an in-depth analysis of how they can achieve the objectives of this process and the necessary action steps to do so.
## Table 17: Technical Assessment of Pro-Poor Tourism Opportunities

<table>
<thead>
<tr>
<th>END OBJECTIVE</th>
<th>TOURISM CREDIT / FINANCE</th>
<th>PARTNERSHIP (infrastructure and services)</th>
<th>ZONING &amp; BYLAWS FOR TOURISM</th>
<th>SMALL TOURISM BUSINESSES SUPPORT (registration, land tenure, informal sector)</th>
<th>TOURISM STAKEHOLDER GROUP</th>
<th>TOURISM STRATEGIES (bylaws; local tourism, environ.)</th>
<th>TAX INCENTIVES FOR INVESTMENT</th>
<th>PRO-POOR TOURISM MARKETING</th>
<th>LABOUR STANDARDS FOR TOURISM</th>
<th>TRAINING AND CAPACITY BUILDING FOR TOURISM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustained tourism growth</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>H</td>
<td>M</td>
<td>M</td>
<td>H</td>
<td>L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local ownership and participation</td>
<td>H</td>
<td>M</td>
<td>M</td>
<td>H</td>
<td>H</td>
<td>M</td>
<td>M</td>
<td>H</td>
<td>M</td>
<td>H</td>
</tr>
<tr>
<td>More jobs with higher incomes</td>
<td>H</td>
<td>M</td>
<td>M</td>
<td>H</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>M</td>
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<td>H</td>
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<tr>
<td>Increased local revenues</td>
<td>H</td>
<td>H</td>
<td>M</td>
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<tr>
<td>More equitable &amp; sustainable tourism</td>
<td>H</td>
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<td>Good governance supporting tourism</td>
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<tr>
<td>Poverty reduction</td>
<td>H</td>
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<td>M</td>
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</tbody>
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| RELATIVE SCORE                              | 19                       | 17                                        | 17                          | 20                                                                             | 15                        | 17                                                   | 16                             | 18                          | 17                            | 18                                |

*High = 3 pts - Medium = 2 pts - Low = 1 pt
V. ASSESSMENT OF OPPORTUNITIES FOR PRO-POOR TOURISM IN LIVINGSTONE

This chapter examines the four opportunities for poverty reduction through tourism identified in Chapter V. This assessment correlates with the third strategic planning question, **HOW DO WE GET THERE?** For each of the opportunities, a description is provided that summarizes its target issue, describes its approach, identifies critical action steps and their implementing organizations, and provides rationale for doing so according to the determined ends objectives. Each opportunity is presented in order of its assessment score (from high to low), and is broken down into three sub-sections:

- **Issue Summary** - A summary of the dominant issue the opportunity is targeting
- **Description of Activities** - A description of the opportunity, its action steps, and corresponding implementing institutions
- **Rationale** - The rationale for its selection, in relation to each of the ends objectives

In this chapter, the following four opportunities for promoting poverty reduction through tourism in Livingstone will be examined in further detail:

1. **Small business support** - including business development services, registration and licensing, informal sector activity, and issues of land tenure and title.
2. **Credit and Finance** - including expanded micro-credit programming
3. **Marketing** - including pro-poor and SME marketing programs and a sustainable tourism certification program
4. **Training and Capacity Building** – including the expansion of public sector programs and the monitoring and regulation of private sector activities.
5.1 Support Business Support

5.1.1 Issue Summary
One of the more common approaches to combating urban poverty is the support and development of small and micro-enterprises (SMEs). In tourism-based economies, this approach can be quite successful because of the sector's extensive supply chains. In Livingstone, where the informal economy dominates most sectors, the support for SMEs can play a vital role in poverty reduction. In the previous chapter, four specific opportunities for supporting SMEs in Livingstone were identified. They are (1) providing accessible business development support services, (2) streamlining business licensing and registration, (3) supporting the informal sector, and (4) promoting structural changes to Zambia's land title and tenure system. The following paragraphs will provide background for each of these activities, describing the context of the current situation.

(A) Small Business Development - The task of promoting an enabling environment for small and medium businesses is one that should fall to all levels of government. However (according to statutory law) the primary institution responsible for promoting entrepreneurship and business development is the national Ministry of Commerce, Trade, and Industry. This ministry is charged with implementing various business development programs through its agencies including: the Export Board of Zambia (EBZ), which provides market information and support services to private sector; the Small Enterprises Development Board (SEDB), which provides non-financial services to micro and small-scale enterprises; and the Patent and Company Registration Office (PACRO), whose mandate is to facilitate business registration and the protection of intellectual property rights (Van t'Land, 2005). Of specific interest to the tourism sector are SEDB and PACRO, the primary institutions designated to support the emergence and expansion of small and medium-sized businesses in Zambia.

SEDB, as the primary provider of non-financial services to small business, is positioned to promote growth of small business in Livingstone. However, its location in Lusaka makes it largely inaccessible to Livingston-based entrepreneurs. Its overall lack of funding and quality human resources renders it a virtually impotent institution to entrepreneurs without easy access to its facilities (Van t'Land, 2005). And a lack of tourism sector representation on the board limits its sensitivity to the needs of the small-scale tourism enterprises. SEDB's primary financial operation, the Micro and Small Enterprise Development Fund, is not easily accessible either. With only one application location in Lusaka, and a lack of consistent budgetary funding, the Fund has not achieved the success anticipated prior to its implementation (Van t'Land, 2005).

(B) Registration and Licensing - PACRO's business registration process for small businesses is also an inefficient one. With offices only in Lusaka and Ndola, accessibility is a significant barrier for residents of Livingstone and the Southern Province. To compound matters, the registration process is both complex and
time consuming. All applications must be made in person and are subjected to long queues and wait times for assistance. The application requires not only literacy but an understanding of business language not easily understood by the average Zambian. Business registration is restricted to persons over the age of 21 (MCTI, 2005). A classic example of the complexities of the business registration process is stated in the Registration of Business Names Act. According to the Act, "all documents to be left with or sent to the Registrar shall be upon foolscap paper of a size approximately three hundred and twenty-five millimetres by two hundred millimetres, and shall have on the left-hand part thereof a margin of approximately fifty millimeters" (MCTI, 2005). These legal and bureaucratic inefficiencies only hinder the poor for participating in the formal economy.

Entrance into the direct tourism sector possesses even more challenges. In order to operate any tourism enterprise in Zambia, a license is required by the Zambia National Tourist Board. Obtaining this license can be a challenge for SMEs, as it is both complex and relatively expensive. As part of the initial application process, all applicants must provide:

- Certificate of Incorporation;
- Title deeds (see Land tenure and title below);
- A detailed project report for the proposed venture according to ZNTB guidelines;
- In case of construction, approval of building plans by the relevant local planning authority (ZNTB, 2004a).

License renewal must occur on an annual basis and all businesses are subjected to biannual inspections. In addition, businesses are required to maintain detailed statistical data of their activities (submitted monthly) or their license will be subject to revocation (Zambia, 1995). The cost of a ZNTB license is also prohibitive, with prescribed fees ranging from US$286 to US$2,143. The list below details ZNTB licensing costs as amended to the Registration of Business Names Act in 1995 (Zambia, 1995).

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
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</thead>
<tbody>
<tr>
<td>Campsites</td>
<td>US$ 286</td>
</tr>
<tr>
<td>Travel agents</td>
<td>US$ 289</td>
</tr>
<tr>
<td>Night clubs or discos</td>
<td>US$ 571</td>
</tr>
<tr>
<td>Water rafting or canoeing</td>
<td>US$ 714</td>
</tr>
<tr>
<td>Safari camps</td>
<td>US$ 714</td>
</tr>
<tr>
<td>Car hire operators</td>
<td>US$1,143</td>
</tr>
<tr>
<td>Restaurants</td>
<td>US$1,143</td>
</tr>
<tr>
<td>Tour operator or safaris</td>
<td>US$1,429</td>
</tr>
<tr>
<td>Lodge, motel or hotel</td>
<td>US$2,143</td>
</tr>
</tbody>
</table>
The informal sector comprises the lion's share of Zambia's domestic economy, accounting for 90% of the labour force – when taking into account subsistence agricultural economies (Simango, 2004). In Zambia, like most of the world's poorest countries, the informal sector must be seen as a survival-motivated tactic rather than being driven by a return on investment (Rauch, 1991). It is a subsistence existence that largely parallels the levels of poverty and underemployment in an economy. As exhibited in the situation assessment Chapter IV, the informal sector is highly visible in Livingstone, with numerous entrepreneurs linked directly to the growing tourism economy.

In Livingstone, like in most of Zambia's urban areas, the informal sector is regarded both as necessity and nuisance. It is seen as a necessity by most consumers, often providing lower prices than formal businesses with roadside accessibility and longer hours of operation. Livingstone residents in virtually every income bracket regularly purchase goods and services from the informal sector, particular with regard to providers of produce, bread, phone cards, clothing, music, art, and labour (gardening, housecleaning, security, maintenance), to name a few. Tourists also rely on the informal sector good and services, contributing to its growth through transactions for crafts and curios, local transport services, guides and porters, food products, currency exchange, and in some cases, prostitution.

Although the informal sector has established strong niches in Livingstone's local economy, the local government sees it to be largely a nuisance, choosing to focus its attention on the removal of street vendors from the CBD and the reclamation of informal market sites (Chisanga, 2005). This seems to support the common belief that tourism foreign exchange earnings are of greater value than the majority of the employment base. In Livingstone's tourism economy, the informal sector has a strong presence providing guide services and craft/curio sales at two prominent locations – at Mukuni Park in the centre of town and at the entrance to Mosi-oa-Tunya National Park and the Victoria Falls. Each of these locations provides a steady flow of consumers on a daily basis, catering to both the enclave tourists staying at the high-end hotels near the falls and the backpacker tourists staying at the hostels and guesthouses in the city centre. However, the City has not provided adequate support and stability to these informal operators, by regularly removing vending stalls from Mukuni Park and by charging rents for use of the recently upgraded stalls near the National Park (Mweene, 2005). The City's attempts to remove and/or formalize the tourism informal sector have exhibited few positive results and have been met with significant resistance from the area's urban and rural poor.

The legality of land tenure and title is a complex issue in Zambia. This is largely due to the post-independence structural changes that occurred between the First Republic presidency of Kenneth Kaunda and the current system begun by Frederick Chiluba and carried forward by
the current president, Levy Mwanawasa. During the First Republic all lands were nationalized, to be distributed by the state according to the needs of the populace. Traditional leaders were stripped of the power of land allocation and were relegated to being simply the eyes and ears of their territories for the central government. But in the late 1980s, traditional leaders were afforded more controls over their customary lands, most of which were rural holdings that were deemed to have little economic value (Van t'Land, 2005). As a result of this empowerment of local kings and chiefs, there is now a dual land tenure system in place that has created broad inefficiencies in the allocation and distribution of lands (Hyakobe, 2005).

Today, most rural chiefs assert control of their customary land holdings, allocating portions to their constituents for rural agricultural and housing purposes. However, according to the Lands Act, the President actually still holds title to all Zambian lands. And any land transfer or sale must be approved not only by the traditional leadership, but also by the Ministry of Lands as well as municipal or district authorities (MOL, 1996). In cases where businesses make agreements with traditional leaders to acquire a portion of their lands, the complexities and inefficiencies come to further light. Bureaucratic requirements necessary to transfer title of lands are virtually impossible to meet for smaller enterprises. The process is time-consuming, expensive, and requires substantial legal assistance, making title acquisition prohibitive to the majority of Zambia's entrepreneurs (Van t'Land, 2005).

Although not as inefficient as title transfers, lease acquisitions are also difficult to obtain. They too must be approved by the Ministry of Lands and often require substantial legal assistance, a particular challenge for SMEs. Commercial leases of customary lands are legislated to be at least five years in length, with a maximum tenure of no more than 99 years (MOL, 1996). This range of tenure lengths is prohibitive on all accounts, adding risk to new businesses with little investment capital and limiting security of tenure over the long-term for more permanent developments. All leaseholders are also required to pay ground rents to the central government. Although commercial plots are only scheduled at K40000 (approx US$10) per month, this can be cost prohibitive to micro and small-scale entrepreneurs with minimal flexibility in overhead costs. Compounding matters, all tenure and title applications must be handled in person at the central office in Lusaka, a full day's bus ride from Livingstone. In addition, the long queues and bureaucratic inefficiencies of the Ministry of Lands office often forces applicants to spend days waiting in line to process applications. Only those with political connections or bribe money can avoid this problem, but the process is still relatively time consuming and expensive (Van t'Land, 2005).
5.1.2 Description of Activities

Although there are numerous approaches to providing support to small and businesses, not all are applicable to the context of Livingstone. Both the local and national governments are cash strapped and Zambia’s civil society has few resources and little inclination to support the private sector – with more pressing needs of health, hunger, and education at the forefront of poverty reduction efforts. Therefore each of these activities takes into account the limited resources available to implementing institutions – particularly the local government. For the following activities, descriptions of each approach are presented with key action steps that refer to potential implementing institutions.

(A) Small Business Development --With minimal public sector support and funding, a number of opportunities are available for supporting MSE development in Livingstone’s tourism sector. Two relatively low-cost and easy to implement options are (a) setting up a small business development centre, and (b) establishing a local stakeholder group. Both of these activities would offer localized services that are currently handled by the Small Enterprise Development Board in Lusaka. As noted above, although SEDB is charged with providing services to small businesses throughout Zambia, it is hardly accessible to the majority of SMEs in Livingstone (Van’t Land, 2005). And as the forthcoming decentralization program has no plans to de-concentrate the Ministry of Commerce, Trade, and Industry (or SEDB), another institution of its kind is desperately needed in Livingstone.

Establishing a small business development centre in Livingstone can be as frugal or as grandiose as needed. What is vital, regardless of budgetary constraints, is that the centre provides the necessary support to assist micro and small entrepreneurs. This includes providing services such as:

- General business advisory services
- Facilitation of funding, loan, and grant applications
- Facilitating the development of linkages and local supply chains
- Supporting the establishment of public-private partnerships
- Providing technical assistance for business plan and marketing strategy development
- Assisting with financial management
- Assisting with registration, licensing, and certification
- Establishing links between SMEs and the local Chamber of Commerce and other private-sector stakeholder organizations
- Representing SMEs in local policy and planning decision-making
- Providing basic business training and services to the informal sector

Ideally, small business development centres should be self-supporting. However, particularly in the context of Livingstone, this may pose a challenge. The dominant condition of poverty would likely prevent the centre from charging fees high enough to cover its overhead. Establishing service fees on a sliding scale (with free
services to the informal sector) may help to alleviate this problem, with larger businesses paying higher rates. Nevertheless, it is necessary to focus the centre's services on the smallest businesses to prevent a divergence from achieving the primary goal of poverty reduction. This initial investment to establish the facility would be flexible, dependent on the size and makeup of staff and the quality of the facilities. Determining whether to provide communications services (internet, fax, etc.) will also be significant to the overall cost of the facility.

The responsibility for establishing the centre should fall upon both the national and local governments. The Livingstone City Council could provide in kind planning and development services (and perhaps a facility) with financing coming for one of a number of funding programs, the most applicable of which is the Zambia Social Investment Fund (ZAMSIF). Through the combined efforts of both levels of government, donor funding could also be targeted, particularly the World Bank's SEED-Tourism project, which is due for revision and renewal in 2007 (IMF, 2006). Regardless of the project's leadership, this process of planning and implementing a small business development centre in Livingstone should be as inclusive and participatory as possible – so as to ensure that the needs of stakeholders, particularly the small, micro, and informal sector entrepreneurs, are adequately addressed.

Another activity that would undoubtedly help to support SMEs in Livingstone is the establishment of a local stakeholder group. A local stakeholder group is an organization that is established to increase participation in decision-making, bringing stakeholders without adequate representation into planning processes. They allow stakeholders to interact in a formal structure while creating an environment conducive to networking and partnership-building. In the case of Livingstone, there is no current organization that promotes participation from SMEs or the informal sector. A recent central government program has led to the establishment of Area Development Committees (ADC), local stakeholder groups that are tasked with providing input into political decision-making under the current decentralization policy. The establishment of ADCs has been a popular structural reform program throughout Zambia (Van t'Land, 2005). However, the ADCs do not address the specific needs of the private sector. Although they do often lobby for improved infrastructure and government services, they are not considered an adequate mechanism for representing the private sector.

A local stakeholder group for tourism in Livingstone could be established at a low cost. However, facilitating the planning and creation of the group would require a champion – the best of which is likely to be the local government. There are incentives for the City of Livingstone to do so, as boosting SME activity in the area will provide more local revenues and promote a more localized flow of currency. The tourism stakeholder group could be established with limited resources, requiring little more than a dedicated staff member to
implement. By simply identifying tourism and tourism-linked activities in the area and providing space and accessibility for broad public participation, a stakeholder group can come together with relative ease. This group could be established as a local government pilot project with a limited time frame, giving participants a window of opportunity to adequately organize and determine a fee structure to sustaining their activities. This would ensure that the City of Livingstone is not tied to a long-term budget item.

A local stakeholder group for tourism in Livingstone could provide support to both formal and informal SMEs in a number of ways, particularly by:

- Providing a forum for SMEs, formal and informal, to engage in dialogue around tourism
- Providing representation for government tourism policy and planning
- Establishing formal linkages between tourism-related SMEs and higher order institutions (e.g. Chamber of Commerce, Area Development Committees, Livingstone Tourism Association, planning committees)
- Facilitating supply chain linkages among SMEs
- Promoting local procurement of goods and services by larger tourism businesses
- Establishing a accessible institution for the poor seeking economic activity in the tourism sector

(B) Business Registration and Licensing

The task of streamlining the process of business registration and licensing falls squarely upon the national government. It is because of the bureaucratic inefficiencies of the Patent and Company Registration Office (PACRO) and the outdated policies of the Zambia National Tourism Board (ZNTB) that registration and licensing is less than accessible to SMEs and the poor.

As the Zambian government has no plan to de-concentrate PACRO business registration services to Livingstone, consideration must be given to improving the accessibility of the current structure. This begins by minimizing the complexity of the business registration process for the poor and illiterate. One option is to dedicate a staff member and the necessary resources to a mobile PACRO services office that rotates among Zambia's urban areas. By simply securing a facility for a few days per month, PACRO could provide registration services to Livingstone that are more accessible and present fewer financial barriers. Creating an environment of person-to-person interaction, support services could also be provided for the poor and illiterate. Another option is to create an on-line of mail-based business registration program. This would help to lessen the current load on the PACRO office in Lusaka, allowing for greater efficiency in providing services. However, it would have less of an impact on the poor as the support services would not be available. Lastly, if it is national government's intent to promote local economic development and poverty reduction, particularly in a youthful tourism sector, then raising the legal business registration age from 18 to 21 would provide broader youth participation.
Streamlining business registration services to make them more accessible to all Livingstonians would offer numerous benefits to SMEs and the poor, particularly by:

- Providing support for the business registration process - making it more accessible to the illiterate and poor
- Providing satellite business services - de-concentrating government services as per decentralization
- Supporting youth entrepreneurship and business activity
- Supporting the formalization of the informal sector – contributing to local economic development

Tourism businesses licensing is also less than accessible to the majority of SMEs in Livingstone. This is due to the largely outdated policies of ZNTB, which are outlined in the Tourism Act of 1999. In order to promote poverty reduction through tourism, a key objective of all implementing institutions responsible for upholding the Tourism Act, amendments must be made to do so. Until a new Tourism Act is adopted, which is scheduled to happen in the next few years, a number of policy changes can be made to ZNTB’s implementation programs (Mweene, 2005). This begins by simplifying the tourism licensing process. This can easily be achieved through the current ZNTB satellite office in Livingstone. By providing staff services in the already under-utilized office at the tourist information centre, ZNTB can make licensing more accessible to the poor and illiterate. In addition, allowing for the collection of licensing applications locally - in Zambia’s tourism capital - would undoubtedly increase the number of formalized businesses in Livingstone, contributing to increased licensing revenues for ZNTB.

The Tourism Act is clearly inhibiting participation of the poor in the tourism sector. As the Ministry of Tourism begins the process of revising the Act this year, there are a number of key issues it must address to encourage a more pro-poor tourism economy. Considerations to be made include reforms such as:

- Allowing tourism license applications from non-incorporated businesses
- Removing land title requirements from the tourism licensing program
- Creating specific guidelines for the licensing of cultural and village-based tourism facilities
- Offering discounted licensing rates for pro-poor tourism activities

This will establish legislation that specifically promotes poverty reduction through tourism, institutionalizing an objective already evident in Zambian tourism policy. And it will provide greater opportunity for the poor to participate in the formal tourism sector.
(C) Informal Sector

Supporting the informal sector can be accomplished in a number of ways. However, simply attempting to formalize it is rarely the best approach. Although formalization should be a long-term objective, formalization cannot occur until an environment has been created that helps it to grow and thrive. Livingstone’s tourism sector poses an excellent opportunity for the local government to provide direct support to informal operators - through the provision tourism infrastructure. Tourism also presents an excellent program opportunity for donors and civil society – promoting local economic development and poverty reduction by helping to establish cooperative business frameworks.

There are currently two informal sector tourism facilities in Livingstone, the Mosi-oa-Tunya Market at the entrance to the falls (provided by a partnership of the City and Sun Hotels) and the unsanctioned market at Mukuni Park. The recently renovated Mosi-oa-Tunya Market is often busy, visited by groups of tourists and guests of the four- and five-star hotels in the Sun complex. But outside of the peak and early shoulder season this market is relatively quiet, due to its relative isolation 15 km from the CBD. This low season makes the rent costs less affordable to the informal sector artisans and vendors that are stationed there.

Operating in the town centre’s main square is the Mukuni Park Market. This market has been a point of contention within the local government, with calls for its removal a constant threat. It has been labeled insecure and an eyesore by numerous council members over the past few years (Chikumbi, 2005). However there have been few concerted efforts to forcibly remove its occupants. Mukuni Market has operated extra-legally for decades and it has remained due to the resilience of its vendors, its low prices, and its visibility in the centre of town.

The provision of basic physical infrastructure at Mukuni Park would undoubtedly have the greatest direct impact on Livingstone’s tourism informal sector, affecting upwards of 100 informal businesses. As the craft market has become a mainstay of tourist activity in an otherwise barren CBD, the local government should consider a shift from its antagonism toward the market. If its primary concerns are about safety and being an eyesore, the provision of minimal infrastructure with good design should alleviate much of this problem. Much like at the falls market, the City could partner with the private sector to provide basic facilities for the vendors and artisans in the market. As it is in the CBD, there are numerous vested interests with deeper pockets that would like to see the increased beautification of the downtown core. If a partnership can be developed to improve Mukuni Park, the cost to the City would be relatively small. By providing a low-cost latrine system and a more-aesthetic, more-permanent market structures, the park could go from being an eyesore to a centerpiece of activity in the CBD. To address concerns of security, orienting the market structure to face the road to create greater lines of visibility is a simple option.
To help subsidize the cost of the infrastructure provision and maintenance (and other potential additions such as security detail, lighting/electricity, or signage) the City could institute a rent program for vendors. Rental rate structures could be established in a number of ways. However it is imperative to keep costs as low as possible and allow for short and long-term rental agreements for flexibility.

With improved physical infrastructure in place, donors and NGOs can step in by establishing any number of programs that support the tourism informal sector. One low-cost, locally-applicable approach to doing so is to set up cooperative business frameworks for market vendors and artisans. For donors and non-profits, funding cooperative development is a relatively cost-effective program with potential for immediate impacts on poverty reduction. It would require little more than facilitation and technical support on behalf of the donor, with some funding available for basic overhead expenses. Mosi-oa-Tunya Market provides an excellent opportunity for setting up a pilot cooperative business framework, as it already has an established, and largely inefficient, supply chain.

Currently, the Mosi-oa-Tunya Market vendors are a relatively unorganized group of independently-operating entrepreneurs competing for returns that provide a subsistence living at best. Independent artisans sell their crafts and curios to independent vendors who, in turn, pass the goods on to the consumer for a profit. The majority of the craft producers live in the surrounding villages, producing inexpensive curios that are sold to the vendors for a minimal price. This production economy is virtually saturated, with hundreds of village men choosing to work as carvers. Conversely, competition in the craft market is high. With no other centralized location to attract tourists, dozens of vendors selling similar low-quality products are sharing the same space – each competing for the same tourist dollars. This high level of competition has kept prices low and has arguably created an aggressive and unpleasant shopping environment for tourists.

To address these issues, a cooperative could be established for craft production and sales. Organizing a village-based arm of the cooperative for artisans would help to reduce their overhead costs for inputs such as wood, bone, tools, sandpaper, and polish. Bringing these artisans together collectively would also help to promote product diversification and quality control, which could lead to higher sales costs. A cooperative framework could also help to allocate tasks and roles, limiting redundant activities and, hence, inefficiency. On the vendor’s end, the cooperative could help to organize sales and marketing at Mosi-oa-Tunya. Working collectively would allow vendors to specialize in particular products such as pottery or jewelry or woodwork - preventing unnecessary competition, aggressive activities, and under-priced products. Vendor stalls could be collectively organized to promote a more pleasant shopping experience for tourists, allowing them to easily identify and purchase products with greater ease. In addition, the transport of products could also become more efficient through the allocation of tasks. Currently, vendors must walk or take a matatu
(mini-bus) from the villages to the market with products in hand. Organizing transport tasks would make this task significantly easier and less time consuming.

Each of these informal sector support activities are relatively low-cost alternatives to achieving poverty reduction through tourism in Livingstone. With limited support from the public sector, donors, and civil society, these two activities could directly impact hundreds of informal sector tourism operations, contributing to the primary objective of poverty reduction.

(D) Land Tenure and Title
Although in many ways an issue rather than an opportunity, the legal and regulatory framework of land tenure and title transactions plays a key role in the tourism economy in Livingstone. However, a concerted effort of multiple levels of stakeholders working to reform the dual Zambian land system can be a vital step in creating an environment for urban and rural development (and the establishment of linkages between the two). Having a secure and efficient land title and tenure transaction process is critical to all economic sectors - and tourism is no exception. Whether it is securing a lease of urban commercial space or acquiring rural tracts for tour operations, land is a crucial element of the tourism sector. Access to land is considered to be a key poverty indicator throughout the world.

Streamlining and reforming Zambia's dual land tenure and title system is a significant if daunting task. The quick political transition from the Kaunda's Second Republic to Chiluba's Third left Zambia with a complex dual land system, with competing lands claims between traditional leaders and central government. The process of land reform is a responsibility of the central government, a political decision that would be implemented by the Ministry of Lands, and ideally in consultation with local kings and chiefs. As this would be a rather time-consuming and expensive process, significant funding would be required to plan and implement a land reform program. This is an opportunity for donor intervention; particularly the bilateral aid agencies (Netherlands, Denmark, United States, Sweden) and UNDP, all of which have active governance reform programs (Van t'Land, 2006).

The specific actions required for comprehensive reform of the land transaction process are too numerous to address in detail. However, there are a number of key issues to be addressed that would benefit Livingstone's poor. They are listed below.

- Devolve the authority of lease allocations to traditional leaders in rural and peri-urban areas
- Within Livingstone, establish institutional linkages between the Ministry of Lands and the local planning office
• De-concentrate the Ministry of Lands by establishing regional lands officers in a Livingstone office
• Improve lands database and compilation of GIS data to create more efficient processing of applications
• Restructure ground rent policy by providing discounts for low-cost and pro-poor programs
• Restructure lease agreements by shortening minimum length standards to one year or less, mitigating the risk of debt for services not provided

5.1.3 Rationale
The following section relates the pro-poor tourism opportunity of small business support and its potential activities with the respective ends objectives determined in Chapter V. For each activity, a description of its relationship to one or more of the ends objectives is provided.

Small Business Development
• A small business development centre would promote sustained tourism growth by facilitating the development of more tourism businesses and a more diversified product base.
• A small business development centre would promote high levels of local ownership and participation in tourism by supporting the establishment of new local businesses in tourism.
• A small business development centre would promote more jobs with higher incomes in the tourism sector because more businesses provide more jobs and build more capacity within the sector.
• A small business development centre would help to increase local revenues by generating more formal commercial activity in the tourism sector, generating more local revenues through rents and taxes.
• A small business development centre would promote poverty reduction by creating more opportunities for entrepreneurial activity among the poor.
• A local stakeholder group would support local ownership and participation in tourism by facilitating business linkages and creating a mechanism to address sector-specific needs.
• A local stakeholder group would help create a more equitable and sustainable form of tourism by providing smaller (and poorer) stakeholders opportunities to participate in tourism-related decision-making.
• A local stakeholder group is a step toward good governance supporting tourism by providing a framework for democratic decision-making at the lowest most local levels of tourism activity.

Registration and Licensing
• Streamlining business registration services supports sustained tourism growth by creating an enabling environment for the establishment of MSEs in Livingstone’s tourism sector.
Streamlining business registration services promotes higher levels of **local ownership and participation in tourism** by providing easy and cost effective means of formalizing private sector activities.

Streamlining business registration services is a step toward **good governance supporting tourism** as it reflects the central government's desire for de-concentrated and decentralized government services.

Streamlining business registration services helps promote **poverty reduction** by providing specialized services for the poor and illiterate who would otherwise not have the ability to establish a formal business.

Reforming the ZNTB tourism licensing program would promote higher levels of **local ownership and participation in tourism** by creating opportunities for small businesses to link to the larger tourism sector.

Reforming the ZNTB tourism licensing program would create a **more equitable and sustainable form of tourism** by having a broader membership base that supports participation from tourism SMEs.

Reforming the ZNTB tourism licensing program would support **poverty reduction** by supporting the legitimization of MSE and informal sector tourism activities through the provision of marketing services.

**Informal Sector**

Providing infrastructure for informal sector tourism activities in Mukuni Park would promote sustained tourism growth by bolstering craft and curio sales, providing exposure for Zambian arts and culture.

Providing infrastructure for informal sector tourism activities in Mukuni Park would support higher levels of **local ownership and participation in tourism** by providing opportunities for higher investment returns and increased growth.

Providing infrastructure for informal sector tourism activities in Mukuni Park would promote **poverty reduction** by creating healthier, sanitary, enabling conditions for business activities.

Establishing cooperative business frameworks would facilitate higher levels of **local ownership and participation in tourism** by creating economies of scale that support higher ceilings of growth.

Establishing cooperative business frameworks would provide a **more equitable and sustainable form of tourism** by creating a localized approach to democratic decision-making, profit sharing, and human resource development.

Establishing cooperative business frameworks would support **poverty reduction** by establishing efficient and equitable linkages between rural/peri-urban producers and urban consumers.
Land Tenure and Title

- Reforming Zambia's land tenure and title transaction process would promote sustained tourism growth by creating an investment enabling environment for both domestic and foreign entrepreneurs.
- Reforming Zambia's land tenure and title transaction process would promote higher levels of local ownership and participation in tourism by making the acquisition of operations space more timely and cost effective.
- Reforming Zambia's land tenure and title transaction process would help to increase local revenues by increasing the taxation and rents base of the local government.
- Reforming Zambia's land tenure and title transaction process is a step toward good governance supporting tourism as it addresses one of the nation's most significant structural inefficiencies.
- Reforming Zambia’s land tenure and title transaction process would help to promote poverty reduction as it would help to provide tenure security for the poor, one of the key tenets of sustainable economic development and poverty reduction.

5.2 Credit and Finance

5.2.1 Issue Summary

Access to credit is a significant limiting factor to small business development in Livingstone’s tourism sector and hence, to poverty reduction through tourism. Prior to 2003, there were no credit programs for small entrepreneurs entering the tourism sector and banks would rarely make loans to groups or individuals without substantial equity or collateral. In the late 1990s, two credit programs were introduced to Livingstone, the Christian Entrepreneurial Trust of Zambia (CETZAM) and Promotion of Rural Initiatives and Development Enterprise (PRIDE) Africa. Each of these programs mirrored the Grameen Bank model, in that loans were distributed to groups rather than individuals to create a condition of peer pressure to ensure that loans would be repaid in a timely manner. However, both programs required weekly payments on the loan for a maximum period of 4-6 months, making repayment difficult for upstart businesses (Chitembo, 2004). Both programs have since shut their doors.

In 2003 a new credit program was established by the Ministry of Tourism with technical assistance from the World Bank. The Tourism Development Credit Facility (TDCF) was created to empower indigenous Zambians, especially local rural communities, for wealth creation and poverty reduction through directed tourism financing into specific activity areas. These micro, small, and medium sized loans, each with differing loan amounts, interest rates, and repayment plans, have been widely applied for. To date over 1000 applications have been received, with over K1.5 billion being disbursed to 23 different projects, only two of which are Livingstone-based (Hickey, 2006). According to Errol Hickey, former Chairman of ZNTB, the success of the program has been questionable because of a lack of
oversight with regard to disbursements. He suggests that a significant portion of funding has gone to other non-tourism sector areas since neither ZNTB nor the Ministry of Tourism has the adequate capacity to monitor their loans (Hickey, 2006). In addition, the short 12-month time period for repayment of micro loans does not allow for adequate time to establish business operations in the tourism sector, particularly low-cost word of mouth marketing and promotion of activities (MTENR, 2003). And the inconsistent project fund totals (due to annual budget determinations) leave the program with little long-term security.

The micro-scale loans, earmarked largely for poverty reduction, carry stipulations that do not necessarily facilitate accessible and functional entrepreneurship, particularly in Livingstone. With only 45% of all loans designated to be micro in size, and only 55% of that allocated for urban and peri-urban uses, less than 25% of the funds are available to Livingstone's urban poor (MTENR, 2003). With an approval rate under 10%, and a non-refundable K70000 (approx. US$14) application fee, Livingstone's poor have little chance of receiving funds under the TDCF program (Hickey, 2006). Similarly, the TDCF also requires that loan recipients pay a 20% down payment on their loan before disbursement (Kaingu, 2004). This essentially removes participation by the poor in the program.

More extensive research into the implementation of the TDCF was recently completed by Crispin Matenga, a University of Zambia lecturer and former senior investigations officer in Zambia's Anti-Corruption Commission. His conclusions of its political and bureaucratic shortcomings are listed below.

- Non-adherence to implementation guidelines
- Little progress in program implementation
- Lack of transparency
- Political interference
- Lack of information for communities
- Inconsistencies in allocation of funds
- Programs aimed at sector expansion, not directly at the poor
- Potential for poverty reduction exists - but there is a need for a deliberate and conscious effort to redistribute benefits to the poor (Matenga, 2005)

5.2.2 Description of Activities

There are nearly as many models for providing credit and financing as there are providers. This is because each context requires unique program activities, guidelines, and policies to operate successfully in its local socio-economic environment. In the context of Livingstone's tourism economy, the TDCF remains the most viable and applicable program for financing tourism SMEs. Although it would be ideal if a donor organization could establish another Livingstone-specific credit and finance program, it seems evident that energy could be better spent on reforming and improving the Ministry of Tourism's current credit program. At relatively low cost and with only minor bureaucratic
changes, the Ministry could restructure the Tourism Development Credit Facility to better support Livingstone's tourism SMEs - and its overall objective of poverty reduction.

**Strengthening the Tourism Development Credit Facility** begins with restructuring its requirements and guidelines to better promote poverty reduction. One key area for consideration is loan duration. Currently the smallest tourism businesses are only offered a 12 month loan cycle, limiting the time to establish a client base and gain a reputation from word of mouth marketing. As tourism is a sector that relies heavily on marketing, this short loan duration could be the difference between failure and success. Extending the micro-loan duration to 24 months would provide a broader window of opportunity for achieving self-reliance. Another concern is that TDCF disbursements have been weighted heavily toward the small and medium-sized loans, diverging from the program's primary target of financing, - the poor. As the facility's objective is to promote economic development and poverty reduction, greater attention should be given to the smallest scale entrepreneurs. And greater impacts can be made by providing more small loans as opposed to a few larger loans. Borrowing for the Grameen Model, incentives could be established that would provide larger loans with longer repayment terms to group applicants, using existing social networks and peer pressure to ensure timely repayment.

It is equally problematic that a credit program intended for poverty reduction has an application fee of US$14 – more than most Zambians make it two weeks. Providing this service for free to micro-loan applicants would undoubtedly broaden participation from the poor. It should also be recognized that Livingstone is Zambia's only city with experience in the tourism sector. Ensuring that a significant portion of loan disbursements go to Livingstone will help to generate more linkages between SMEs and larger tourism businesses than anywhere else in Zambia.

Most importantly, the program must maintain support at the political level. Matenga (2005) suggests that there is significant political interference in the implementation of the TDCF. In order for it to function properly, it must have broad political support as well as consistent program funding in the Ministerial budget. It must also become a more transparent and democratic program, preventing the corruption and nepotism that undoubtedly exists in the government bureaucracy. If program implementation could be decentralized and de-concentrated to the local level, democratic decision-making could be easier achieved. Establishing a broad committee of stakeholders to make decisions on applications and disbursements would allow that. Bringing together former loan recipients, business owners, planners, policy-makers, and representatives of the poor to oversee the TDCF would provide a more informed and equitable program implementation process. This alone would help to mitigate many of the concerns identified by Matenga (2005).
5.2.3 Rationale

The following section relates the pro-poor tourism opportunity of improving credit and finance provision with the respective ends objectives determined in Chapter V. Specifically, this involves reforming the Tourism Development Credit Facility (TDCF) to be better target poverty reduction in Livingstone. A description of this activity in relationship to one or more of the ends objectives is provided below.

- Improving the TDCF promotes **high levels of local ownership and participation** in tourism as it is. However, by making program implementation more transparent, pro-poor, and Livingstone-focused, opportunities for local participation would increase.
- Improving the TDCF would help to create **more jobs with higher incomes** through the disbursement of more loans of smaller sizes.
- Improving the TDCF would **increase local revenues** by supporting the establishment of more formal sector commercial enterprise, increasing the local revenue base from rents and taxes.
- Improving the TDCF would **promote a more equitable and sustainable form of tourism**, focused on poverty reduction through tourism rather than the growth of the sector alone.
- Improving the TDCF would promote **good governance supporting tourism** through the establishment of a multi-stakeholder oversight committee, providing transparency, representation, and democratic decision-making.
- Improving the TDCF by orienting it more directly on the poor would **promote poverty reduction**.

5.3 Marketing

5.3.1 Issue Summary

Marketing Livingstone’s tourism products is a primary responsibility of the Zambia National Tourist Board (ZNTB). As an agency of the Ministry of Tourism, ZNTB is the statutory agency tasked with the facilitation, information, regulation, marketing and promotion of tourism. It is also the organization responsible for branding, naming Zambia as “the Real Africa... and the home of the Victoria Falls” and Livingstone as “Zambia’s Tourist Capital” (ZNTB, 2004).

An analysis of ZNTB promotional materials over the past three years shows that the dominant marketing focus for the country lies in four target areas: national parks, safaris, sport and adventure, and special interest holidays. The geographic focus of its efforts is dominated by activities in and around Livingstone, with particular attention given to wildlife viewing, adventure sports, and viewing opportunities of the Victoria Falls. However, the majority of ZNTB promotional materials focus on high value tourism products such as high-end accommodations, expensive safaris and adventure activities, and government-run heritage initiatives. Although poverty reduction has been made an explicit mandate of ZNTB, none of the agency’s publicly-available materials make mention of opportunities to promote poverty reduction through tourism, nor do they mention operations that are locally-driven or deemed to be...
more sustainable (Kalifungwa, 2004). There is no readily available information on responsible or ethical travel alternatives in Zambia and virtually all advertisements in ZNTB materials have been purchased by large hotels and other enclave tourism operations. For the potential traveler interested in visiting Zambia and more specifically Livingstone, there appear to be no opportunities for sustainable, pro-poor, or cultural tourism opportunities, except for one mention of the cultural tours in Mukuni Village. This is because ZNTB has made one of its strategic objectives to target high value, low volume tourism. Its targeted goal of increasing revenues per tourist to US$515 reflects that objective (Chileshe, 2005). This approach to tourism marketing is counterintuitive to the objective of poverty reduction through tourism as expressed in the PRSP, the government's guiding economic policy document.

5.3.2 Description of Activities
The establishment of more pro-poor tourism marketing program could play a significant role in establishing Livingstone (and Zambia) as a leader is the promotion of sustainable and pro-poor tourism enterprises. This can be accomplished in a number of ways, two of which are described below. In the context the Livingstone, two potential options available to (1) include specific pro-poor tourism marketing activities in ZNTB programming, and (2) establish a tourism certification program for sustainable and pro-poor enterprises. Although both of these approaches can operate independently, they would be most effective if coordinated. This requires a partnership between ZNTB and another institution willing to fund and implement the certification program – likely a donor agency or NGO. Although marketing and certification programs can be costly, they can also be done affordably while still providing broad and long lasting benefits across the sector.

The task of tourism marketing in Zambia is the responsibility of ZNTB. However, ZNTB operates on a sparse budget while being the main provider of government services to the tourism sector. Until the government decides to transfer its non-marketing activities to the Ministry of Tourism, ZNTB will likely remain an overburdened institution. Nevertheless, if ZNTB marketing programs are to become more pro-poor, some institutional policy changes must be made. These changes are relatively low cost. However, they require a significant shift in ZNTB's focus – balancing the objectives of sector growth and poverty reduction.

This shift of focus begins with ZNTB promotional materials (e.g. brochures, tourism guides, advertising). An analysis of ZNTB materials from 2005 shows that the primary focus of its marketing are natural wonders, wildlife, adventure activities, and high-end resort accommodations. In only one brochure, one paragraph mentions cultural activities, essentially excluding Zambian people and culture from their marketing efforts. This neglect of the human component of the tourist experience is not even in line with ZNTB's own brand of "Zambia... the real Africa".

ZNTB marketing can be broken down into two areas: government-driven and fee-for-service. The government driven marketing is comprised of basic descriptions of tourism sector activities. However, this government service is not aligned with Zambia's overarching goal of poverty reduction, as it neglects to include any significant information on
pro-poor, cultural, or sustainable tourism activities. These materials largely dehumanize Zambia's tourism sector by glossing over a significant reason why international tourists visit Africa – the human experience of engaging with other people and cultures. Simply by paying more lip service to Zambia's diverse people and rich cultures, ZNTB would help to inform travelers of activities other than the expensive (and foreign-owned) adventure tours provided in Livingstone and elsewhere in Zambia. A slight shift of marketing toward a more human-centered approach on behalf of ZNTB would help to lay the foundation for a more sustainable tourism economy – attracting more responsible, ethical, and sustainability-minded travelers to the region. This could be accomplished with minimal effort and low cost as ZNTB marketing materials are revised and reprinted annually.

The other significant ZNTB activity is the sale of advertising space. This fee-for-service marketing can be found in virtually all ZNTB materials. Although it is understood that the paid advertising helps to subsidize other ZNTB activities, the allocation of some advertising space to pro-poor tourism operations and SMEs would have little financial impact on the institution. Simply by devoting 10-15% of ad space to operations with poverty reduction or community-based activities could have a significant impact on the way Zambia is perceived overseas. Reduced rates could be established for non-profit groups and some ad space could be donated to pro-poor and sustainable tourism activities as incentive for establishing best practices. These best practices could be determined in partnership with a tourism certification program.

Gaining momentum in tourism economies across the globe are Tourism Certification Programs (TCPs), a.k.a. eco-labels. TCPs are simply programs that certify tourism businesses as sustainable, with predetermined guidelines and benchmarks established collectively through participation with a broad range of sector stakeholders. TCPs are an efficient and cost-effective method of regulating the private sector by establishing a marketing and promotion program that provides consumers a guarantee that certified products and services are deemed sustainable. They are a mechanism for encouraging sustainable tourism practice without requiring detailed regulatory frameworks, cumbersome bureaucratic controls, or expensive inspection procedures. In regions that lack public sector resources to adequately monitor and regulate the tourism sector, TCPs can support governments to ensure that operators meet regulatory compliances without having to allocate extensive resources to do so. And TCPs act as an incentive scheme to promote holistic planning and sustainable development, leading operators toward compliance in order to garner the benefits of the ‘sustainable’ label.

Tourism Certification Programs come in a number of forms, the most common of which are the Green Globe 21, Costa Rica’s CST, and Australia’s NEAP (Myers, 2003). Although there are numerous models for TCPs, there are key principles that should underline them all.

- Be simple to adopt
- Be affordable for all businesses
- Assist in educating owners in new environmental practices
• Improve environmental standards within the country (e.g. waste, water and energy management)
• Assist the local economy (e.g. purchasing local products)
• Encourage better facility design, landscape and surroundings
• Enhance guest relationships
• Promote better staff training
• Provide support for local communities and local environmental efforts
• Encourage transparency through independent auditing (Myers, 2003)

Working with these principles in mind, the process of planning and implementing a TCP should be a comprehensively participatory one. This will require substantial resources even prior to the implementation of the program. And as TCP programs are designed to be permanent, they require substantial operational capital over the long term. Therefore, in Zambia, some external funding would be required. This would likely come from a donor organization with expressed mandates for tourism planning and development. In Zambia, there are a number of bilateral and multi-lateral agencies working in some capacity with the tourism sector, specifically USAID, GTZ, SADC, and the World Bank. Together with donor funding and technical assistance, the Zambian government (through ZNTB) could establish a certification program that both supports the creation of a more sustainable tourism sector and alleviates some of the government’s responsibilities of oversight and regulation.

The establishment of a Tourism Certification Program for Zambia and its neighbours has previously been identified as an opportunity by the Okavango Upper Zambezi International Tourism Spatial Development Initiative (OUZIT). However the broad target region of the SADC member states participating in OUZIT and other SADC program initiatives with higher priority have rendered the certification program slow to materialize (Small, 2004).

5.3.3 Rationale

The following section relates the pro-poor tourism opportunity of establishing pro-poor marketing and certification programmes and its potential activities with the respective ends objectives determined in Chapter V. For each activity, a description of its relationship to one or more of the ends objectives is provided.

✓ Including pro-poor tourism activities in ZNTB marketing to would promote higher levels of local ownership and participation in tourism by promoting the products and services of more local and indigenous operators.
✓ Including pro-poor tourism activities in ZNTB marketing to would help to increase local revenues by providing more visibility for Livingstone’s cultural and indigenous tourism products. More income earned by local businesses creates greater revenues for the local authorities through rents and taxes.
✓ Including pro-poor tourism activities in ZNTB marketing to would help to create a more equitable and sustainable form of tourism by including the poor in government programs supporting tourism
Including pro-poor tourism activities in ZNTB marketing to would support poverty reduction by providing visibility and recognition of Zambia’s culture and its SMEs.

Establishing a tourism certification program for Zambia would support higher levels of local ownership and participation in tourism by promoting local businesses that employ local staff, support local development, and contribute to poverty reduction.

Establishing a tourism certification program for Zambia would support a more equitable and sustainable forms of tourism by providing marketing to operations that achieve benchmarks for equity and sustainability.

Establishing a tourism certification program for Zambia would promote good governance supporting tourism by alleviating some of the government’s bureaucratic burdens of monitoring and regulations, allowing ZNTB to focus on its primary task of marketing Zambia’s tourism sector.

Establishing a tourism certification program for Zambia would support poverty reduction by providing information about pro-poor tourism activities to the market and by providing exposure to pro-poor and sustainable tourism providers.

5.4 Training and Capacity Building

5.4.1 Issue Summary

Skills and capacity are widely considered to be a limiting factor for local participation in the tourism sector in Livingstone. According to Zambia’s Poverty Reduction Strategy Paper, there is a lack of professionally trained workers at all levels of the tourism sector, leading to a lack of customer satisfaction and a belief that businesses need to import skilled workers from outside the region (IMF, 2003). In particular, medium-sized firms exhibit this shortage of skilled labour, often lacking adequate managerial and supervisory staff (Chikosi, 2004). Therefore human resource development of the tourism sector has been identified as a high priority of the national government.

The most substantive government effort to address capacity deficiencies in the tourism sector has been the establishment of the Hotel and Tourism Training Institute (HTTI) in Livingstone. Recognizing the need for a training facility in Livingstone, the Ministry of Tourism (with World Bank support) began the construction of the Livingstone HTTI in 2001 (Chitembo, 2001). This facility was built so as to help de-concentrate government sponsored tourism training service from Lusaka to the city where most of the country’s tourism activity takes place. However, this new facility cannot solve Livingstone’s capacity deficiencies alone, as neither HTTI campus (Livingstone nor Lusaka) has ever been able to provide enough programs and job placements to satisfy demand (Thompson, 2005).

In Livingstone there are also a number of private training colleges that provide tourism training services – Livingstone Trust International College; Livingstone Institute of Business and Engineering Studies; Taripa Training Centre; and
Patience Pays Institute. However, neither of these programs has received accreditation from the Zambian government, nor do they provide curriculum and faculty with significant oversight or regulation. In addition, costs for these private programs are relatively high, with a six-month course costing upwards of K600,000 (US$120). None of the schools offer on-the-job training or guaranteed job placements after graduation.

Although no formal information is readily available, it appears that very few formal hotel and tour operators in Livingstone provide in-house training for staff promotion. Individual hotels train current staff for specific low-skill service positions, but offer few opportunities for advancement into supervisory or managerial positions. This is largely because of Livingstone's high level of unemployment, which provides businesses with a steady flow of relatively unskilled labour, allowing them to keep wages low and if necessary, turnover high. An exception to this is tour guiding, which regularly promotes low-skill porters and labourers to positions as guides. Guides can earn upwards of US$50 per day, a far cry from the US$2-3 per day earned as a porter. As guiding requires a certain level of language, physical fitness, and local knowledge, porters provide a steady flow of applicants who possess these traits while having an understanding of the demands of foreign tourists.

Aside from tour operators, who are second to the accommodation sector in terms of job creation and revenue generation, there are few opportunities for upward mobility and capacity building within the private sector. And with the short supply of legitimate tourism training programs available to Livingstonians, a condition has been created that keeps the local tourism employment base low-skilled and low-paid.

Currently the only government or donor intervention addressing Livingstone's training and capacity needs is the SEED-Tourism project, the US$10 million program implemented by the Ministry of Tourism and World Bank. Its objective for tourism capacity building is quoted below (Chikosi, 2004, p.28):

Training in tourism-related activities (e.g. catering, hotel services, tour operation, wildlife management, production of handicrafts) will enable the communities to respond to the increasing demand for tourism-related goods and services. (Presently, these needs are being met mainly through importation of goods and services from the sub-region - with very little benefit to the communities whose land and natural resources provide the basis for tourism).

It is too premature to assess the project's training and capacity activities as it is still in the early stages of implementation.

5.4.2 Description of Activities

As stated in numerous government planning documents, Livingstone (and Zambia as a whole) lacks adequate human resource capacity to staff its growing tourism sector. In addition, current training programs available to Livingstone are either oversubscribed or unsanctioned. And neither the private nor public programs have created
strong linkages with the established tourism businesses. To compound matters, the larger multi-national businesses have been able to usurp government immigration policies, allowing for the import of management-level employees, many of which are from South Africa (Van t'Land, 2006). This has left Livingstonians virtually locked into low-paying, labour-intensive employment within the tourism sector.

This project has identified two program activities that could help to alleviate this problem, delivering more accessible and higher-quality training by – (1) providing accreditation for the private sector providing training programs, and (2) by establishing a public-private partnership (PPP) for tourism training program delivery. Each of these activities would require the concerted participation of both the public and private sectors. However, each activity would also provide benefits to both, delivering a more skilled local workforce to businesses and higher-quality, lower-cost tourism training to the public.

If the government is stretched in its resources to provide enough quality tourism training programs to meet market demand, the private sector can step in to fill that gap. In Livingstone this has already occurred, with four private colleges now providing tourism training programs. But these are non-accredited programs that go largely unregulated, allowing them to provide sub-standard services and leaving students with few employable skills. By establishing an accreditation program for private tourism training schools, the Zambian government would support the private sector in filling the training gap, while providing quality control for program delivery. Accrediting private programs would undoubtedly limit the risk to students in search of tourism training. It would promote competition among the accredited programs, leading to lower costs for students. And it would provide businesses with confidence that prospective employees will meet certain standards of excellence.

The responsibility for accrediting tourism training programs is a task for the central government. Whether the implementing agency is in the Ministry of Education or the Ministry of Tourism is, at this stage, unclear. What is evident is that this should be a government-driven initiative planned in collaboration with the private sector. And although this would be a relatively expensive program in the short-term, long-term cost savings could be significant – as the private sector is often able to provide more cost effective services than the government. Other benefits of accreditation include:

- Providing businesses with higher quality of services, promoting improved customer relationships;
- Providing businesses with potential for greater profitability because of a more skilled employee base
- Providing students with greater security when investing in tourism education and skills training
- Providing students with a higher degree of marketability and competitive advantage in the marketplace
- Providing schools with a recognizable logo indicating government accreditation and support
- Provides tourists with an assurance of professional service (consistency, reliability, quality)
The other significant opportunity to be examined in further detail is the establishment of a **public-private partnership** (PPP) for tourism training program delivery. Although a PPP for tourism training could take many forms, the most obvious approach would be a partnership with the government's Hotel and Tourism Training Institute (HTTI), which was recently de-concentrated to include a campus in Livingstone. As training facilities have already been allocated by the government, an implementing partner could be brought in to provide new technologies, specialized programs, internships, job placements, and other needs. Developing a partnership for HTTI, albeit a long-term project, would likely have the greatest long-term impact - lessening the government's burden to provide tourism training, improving the quality of training for students and supplying tourism businesses with a higher-skilled workforce. To establish a PPP, the Ministry of Tourism would have to begin with pre-feasibility and feasibility assessment of the opportunity, determining whether a partnership is indeed a viable approach to training provision in Livingstone. If the PPP is indeed deemed viable, a procurement process would then be established to identify and determine partners. However, consideration should be also given to proactively targeting potential local partners, including Sun International and Legacy Hotels - the two largest multinational businesses in Livingstone. Once a partner is secured, the process of detailed planning can commence, including engaging local tourism stakeholders in determining programming and curriculum.

A number of factors must be taken into account when planning and eventually establishing the partnership. The public and private sectors do business very differently and need to nurture their relationship with one another. This can be accomplished by:

- Sensitizing both the government and private sector to how each engages in business
- Maintaining the involvement of the private sector through profit generation
- Establishing a common vision and agreed-upon objectives
- Staying innovative and creative the use of new activities and technologies
- Promoting collaboration with linked and related sectors
- Ensuring that benefits are mutual and shared equitably
- Sharing the responsibility of both successes and failures

The infusion of working capital from private enterprise into government tourism training would help to provide programs that exceed the quality of current services, creating greater opportunities for participation in the tourism sector. It would lessen the Ministry of Tourism's burden of managing the HTTI. And it would create opportunities of upward mobility for Livingstone's poor working class. As long as the government maintains a reasonable stake in the oversight and regulation of activities, it can relinquish virtually all operational control of the institute while still ensuring that a high standard of excellence in service delivery is maintained. This partnership opportunity, with proper planning and support, could provide net benefits for virtually all stakeholders – government, business, and labour.
5.4.3 Rationale

The following section relates the pro-poor tourism opportunity of improving training and capacity building programs for tourism and its potential activities with the respective ends objectives determined in Chapter V. For each activity, a description of its relationship to one or more of the ends objectives is provided.

- Creating an accreditation program for tourism training would promote **higher levels of local ownership and participation in tourism** by providing a more skilled and employable workforce.
- Creating an accreditation program for tourism training would support the creation of **more jobs with higher incomes** by creating quality programs for professional development, providing greater upward mobility.
- Creating an accreditation program for tourism training would promote **a more equitable and sustainable form of tourism** by encouraging greater participation from the labour force and by providing employable skills that demand higher wages.
- Creating an accreditation program for tourism training would promote **poverty reduction** by increasing employment opportunities and providing skills that lead to higher paying jobs.
- Establishing a public-private partnership for managing the HTTI would promote **higher levels of local ownership and participation in tourism** by providing a curriculum of employable skills to a larger number of students at a potentially reduced rate.
- Establishing a public-private partnership for managing the HTTI would help to produce **more jobs with higher incomes** by developing more people into a larger, higher-skilled workforce that demands higher incomes.
- Establishing a public-private partnership for managing the HTTI would be a step towards **good governance supporting tourism** by mitigating the bureaucratic inefficiencies and budgetary constraints of the current HTTI.
- Establishing a public-private partnership for managing the HTTI would help promote **poverty reduction** by helping to develop a higher-skill, more employable labour force.
VI. CONCLUSION

The four opportunities described in Chapter VI do not represent the end of the planning process. In reality they are simply the beginning, laying only a foundation for future planning at best. Good strategic planning is an iterative process. And inside each step of the planning cycle, are smaller cycles of lower-order planning processes. This thesis has only gone a short distance in the broad process of planning for pro-poor tourism in Livingstone. However, it has provided the necessary background information to identify and validate four broad opportunities for pro-poor tourism in Livingstone. Within these four opportunity areas, ten specific actions were identified as potential program options. They are listed according to the opportunity they relate to in Table 17 below.

Table 18 - Identified Opportunities and Action Potential Steps

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>ACTIONS</th>
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<tbody>
<tr>
<td>Small Business Support</td>
<td>• Establish a small business development centre</td>
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<td></td>
<td>• Create a local tourism stakeholder group</td>
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<td></td>
<td>• Streamline small business registration process</td>
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<td></td>
<td>• Reform tourism business licensing program</td>
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<td></td>
<td>• Provide tourism infrastructure for the informal sector</td>
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<td></td>
<td>• Facilitate the establishment of artisan/vendor cooperatives</td>
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<td></td>
<td>• Reform Zambia's land tenure and title system</td>
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<tr>
<td>Credit and Finance</td>
<td>• Strengthen the Tourism Development Credit Facility with transparency and participation</td>
</tr>
<tr>
<td>Marketing</td>
<td>• Include pro-poor activities in ZNTB marketing</td>
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<tr>
<td></td>
<td>• Establish a sustainable tourism certification program</td>
</tr>
<tr>
<td>Training and Capacity</td>
<td>• Institute an accreditation process for tourism training schools</td>
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<tr>
<td>Building</td>
<td>• Establish a public-private partnership to expand the Hotel and Tourism Training Institute</td>
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6.1 Next Steps

Before any significant steps are taken, it is recommended that a significantly detailed, integrated, and participatory tourism strategy be completed for Livingstone. Currently Livingstone's tourism industry is booming but its government is not. There is little cohesion and integrated planning among government and non-government stakeholders in Livingstone's tourism industry. Ministries and local authorities are constrained by small budgets and are party to significant bureaucratic inefficiencies. But with proper planning and informed decision-making, much can be made from little. It is often the inexpensive and easy to implement projects that have the broadest impacts.
In order to create a local tourism strategy that is relevant and has longevity, it is critical to identify and engage as many stakeholders as possible. As mentioned in the previous chapter, one way to do so is through the establishment of a local stakeholder group. This group could have representatives from all levels of government and all sub-sectors of the tourism industry. Sub-groups could also be established to engage SMEs and the informal sector working in or on the fringes of the tourism sector, ensuring greater consideration for poverty reduction. With some planning, this local tourism stakeholder group could become the framework for all future consultative decision-making for tourism in Livingstone. This would also be a relatively low-cost and easy to implement way of building momentum and local buy-in for the larger planning process. This is undoubtedly the 'low hanging fruit' that could be implemented in the short-term, supporting other future activities.

6.2 Other Factors for Consideration

A number of the actions identified in this process relate specifically to issues of governance. Whether it is business registration, tourism licensing, land tenure, micro-credit, accreditation, or a public-private partnership, each activity requires structural changes in bureaucracies and the programs they implement. This requires a certain level of political will. Currently it appears that this political will exists. The Zambian government has clearly identified tourism as a national priority sector, with Livingstone as its core, and with economic growth and poverty reduction as its overarching objectives. The government has also been actively working toward a more decentralized system of governance, planning, and service delivery. The process of decentralization is already underway, with numerous health, education, and infrastructure services de-concentrating to the local level. However, the current Decentralization Implementation Plan does not include a process for decentralizing economic services (MLGH, 2005). It is in this area where decentralization and devolution of authority can have the greatest impacts, providing input and consultation from stakeholders who know their markets the best. If Zambia is intends to be comprehensive in its approach to poverty reduction (as it claims in its PRSP), then addressing its inefficiencies in governance for economic services should be considered a priority.

6.3 Final Thoughts

The meteoric growth of the tourism sector in Livingstone over the past decade has provided many opportunities to assist in the fight against poverty. However, in a desperate attempt to attract foreign investment, the Zambian government jumped head first into the tourism sector without the proper planning and capacity to do so. As a result, Zambia's flagship tourism destination has become a city of contrasts, where a broad range of incomes, ages, races, and nationalities now live in a sort of symbiotic disharmony. Livingstone is a city where time stands still yet speeds forward simultaneously; where extravagant wealth stands face to face with extreme poverty; where the rich are getting richer and the poor are still poor. This is a condition that cannot change, will not change, without the concerted effort of the public sector. The government's first objective was to attract investment into Livingstone's tourism sector. Mission accomplished. Now it is time for the government to take a more proactive role in the local
tourism economy, ensuring that the economy continues to grow, but in a way that is equitable, sustainable, and assisting in the fight against poverty.
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APPENDIX A: PRO-POOR TOURISM

Pro-Poor Tourism
When tourism first became a target sector for national and local economic development in the 1950s, countries like the USA, Australia, UK, France, and Spain began to implement plans and policies to actively promote its investment and development (Elliot, 2005). It was believed that tourism would help to diversify the economy, create jobs and catalyze private-sector development, thereby stimulating both rural development and urban renewal. Scores of countries followed suit, including many countries of the ‘Third World’ that had hopes that tourism could be a panacea for economic development.

However, it was soon recognized that with tourism came increased pressure on the natural, cultural, and human resources of its hosts. And in vulnerable areas where poverty had already placed heavy strains on local resources, aggressive approaches to tourism investment promotion and development were sometimes devastating – resulting in significant impacts: environmental (Cochrane, 2000; Dearden, 1996; Daniel, 1998; Robinson, 1994; Smith, 1994; Stevens 1993); socio-cultural (Belsky, 1999; Drumm, 1998; Echtner, 1999; Long and Wall, 1996; Mansberger, 1995; Saul, 1999);, and economic (Alexander, 1999; Chopra, 1991; Hitchcock, 1993; Mulligan, 1999; Place, 1998; Shakley, 1994).

As a result, new approaches began to appear that focused on integrating principles of sustainability (environmental, socio-cultural, and economic) into tourism planning and practice. These approaches, often describes as eco-, community-based, ethical, and sustainable tourism, have been institutionalized into the tourism lingua franca over the past two decades. Today, following the introduction of the Millennium Development Goals 21, Agenda 21 22, and other pro-poor policy statements, a new approach to tourism planning and development is gaining a foothold – one that is specifically based on generating net benefits for the poor at all levels of decision-making. This approach toward poverty reduction through tourism is commonly called ‘pro-poor tourism’ or PPT.

Pro-poor tourism is simply tourism that generates net benefits for the poor (Roe, 2001). It is not a specific sector or even a product. It is rather an approach to the tourism industry in a specific location that is based on unlocking opportunities for the poor within the industry rather than simply focusing on the growth and expansion of the industry as a whole (Ashley et al, 2001; Gerosa, 2003). PPT is not a specific form of tourism, restricted to projects, products, services, or any one other aspect of the industry. Rather it is set of principles that suggest poverty reduction opportunities at all levels of tourism decision-making.

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21 The Millennium Development Goals are a United Nations program with the objective of reducing global poverty by 15% before the year 2015 (UN, 2006).
22 Agenda 21 is a comprehensive plan of action to be implemented globally, nationally and locally by United Nations organizations, governments, and civil society in all areas where humans impact the environment (United Nations, 1992).
The Overseas Development Institute, one of the founding institutions and primary project donors of the approach, has established six key principles underlying PPT:

- Participation of the poor in decision making
- A holistic livelihoods approach rather than a focus on returns and job creation
- Equitable distribution of both benefits and costs
- Flexibility in the pace and/or scale of development to promote positive impacts for host communities, particularly the poor
- Commercial realism – working within the constraints of commercial viability while enhancing benefits for the poor
- Learning by drawing from lessons in lower analysis, environmental management, good governance, and small enterprise development (Ashley et al, 2000).

Strategies for Poverty Reduction through Tourism

The dominant literature of pro-poor tourism suggests that, for tourism to promote poverty reduction, a concerted and collaborative effort is required at all stakeholder levels; from donors and civil society to the public and private sectors. The belief is that, in order for pro-poor tourism to work, projects must be backed by policy, planning, and action at all levels of decision-making (WTO, 2002). Table 18 presents a catalogue of potential actions to promote pro-poor tourism, extracted thirteen seminal works of PPT literature.

Table 18: Potential Actions for Poverty Reduction through Tourism

<table>
<thead>
<tr>
<th>Institutions</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Governments</td>
<td>• Create enabling policy for participation of the poor in employment, small business development, and tourism</td>
</tr>
<tr>
<td></td>
<td>• Link tourism policy to budgeting cycles, develop implementation capacity, and devolve resources and decision-making</td>
</tr>
<tr>
<td></td>
<td>• Develop conservation programs for natural and cultural resources</td>
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<tr>
<td></td>
<td>• Develop regulatory policy for tourism that is enforceable</td>
</tr>
<tr>
<td></td>
<td>• Consult the poor when making decisions about tourism in their region</td>
</tr>
<tr>
<td></td>
<td>• Provide secure tenure of land and assets for the poor</td>
</tr>
<tr>
<td></td>
<td>• Use investment incentives to encourage private sector commitments to poverty reduction</td>
</tr>
<tr>
<td></td>
<td>• Encourage tourism opportunities in poor areas through infrastructural investment and marketing (e.g. urban/rural development)</td>
</tr>
<tr>
<td></td>
<td>• Integrate tourism into pro-poor growth strategies when appropriate</td>
</tr>
<tr>
<td></td>
<td>• Facilitate tourism market access for citizens, particularly the poor (e.g. micro-credit, marketing, transportation)</td>
</tr>
<tr>
<td></td>
<td>• Develop standards and guidelines for tourism activities</td>
</tr>
<tr>
<td></td>
<td>• Promote strategic planning of tourism on a regional scale (multiple destinations, cluster development)</td>
</tr>
<tr>
<td></td>
<td>• Foster domestic tourism</td>
</tr>
</tbody>
</table>
| **Local Governments** | • Institute zoning and bylaws including those specific to tourism  
• Provide a physical location for informal sector tourism operators (*e.g.* craft markets, roadside sales)  
• Promote community participation in planning and decision-making  
• Facilitate linkages between the formal and informal sectors  
• Address competing local uses of natural resources for the poor  
• Promote beneficial investment in the local tourism industry  
• Provide local monitoring of the tourism sector |
| **Private Sector (Formal & Informal)** | • Maximize use of local suppliers and staff. Identify as support the removal of commercial obstacles  
• Develop partnerships/linkages with local, small businesses engaged in tourism (equity sharing, concession arrangements, marketing)  
• Engage in public-private partnerships  
• Share or fund infrastructure, technology, and service provision costs  
• Respect and promote local laws, guidelines, values, and norms  
• Educate and/or train the poor to participate in and/or better understand the tourism industry  
• Promote pro-poor commitments to customers and suppliers  
• Expand employment opportunities for the poor  
• Reduce seasonality |
| **Donors / Lenders** | • Loans and grants for pro-poor tourism developments  
• Funding for institutions supporting poverty reduction through tourism (lobbying, pilot projects, assistance)  
• Require poverty reduction assessments for all tourism-related distributions  
• Require tourism opportunities assessments for all poverty reduction programs  
• Inform consultants of strategies for poverty reduction through tourism  
• Promote tourism for poverty reduction within the international agenda  
• Support gender sensitive programming and education for tourism |
| **Non-Governmental Organizations** | • Act as a catalyst and facilitator between stakeholders  
• Provide capacity building and technical assistance for the poor to better understand the tourism industry  
• Build political will to fight poverty through people’s experiences as tourists  
• Promote linkages between the tourism sector and poor suppliers of complementary products  
• Amplify the voices of the poor at the policy level  
• Support campaigns and public relations for poverty reduction through tourism  
• Promote pro-poor tourism products to originating markets |

Sources: Ashley, 2002; Ashley, 2004; Ashley et. al., 2004; Boyd, 2000; CDCITA, 1999; DFID, 1999; Elliot, 2005; Gerosa, 2003; Goodwin, 1999; Goodwin, 2001; Roe, 2001; UNESCAP, 2003; WTO, 2002
APPENDIX B: FINAL OPPORTUNITY RISKS AND MITIGATION MEASURES

Small Business Support Risks and Mitigation Measures

Every opportunity has risks. But good strategic planning should help to alleviate those risks. By identifying potential risks and obstacles to success prior to implementation, mitigation measures can be established to deal with problems as they arise. The following section identifies potential risks to implementing the identified small business support activities - providing mitigation measures to address them if they occur.

**Risk:** Small business development centres can get hijacked, creating an environment of exclusivity that is not supportive to new entrepreneurship.

**Mitigation:** Maintaining local government oversight and management longer will allow for more time to democratize the institution.

**Risk:** Small business development centres can fail to due to budgetary constraints and a lack of long-term human resources.

**Mitigation:** Establishing an exit strategy for the implementing institution early in the process, will lay the foundation for the centre’s self-sufficiency. Options include establishing the centre as a non-profit or social enterprise.

**Risk:** Local stakeholder groups for tourism can lack participation from relevant actors and even linked sectors.

**Mitigation:** Engaging key stakeholders in a participatory planning process for establishing the group will help to identify and engage relevant actors and sectors into the process.

**Risk:** Local stakeholder groups can be time consuming for the implementing institution.

**Mitigation:** Establish the as a pilot project with a clear timeline for management and intervention. This places a clear deadline an establishing program activities, fee structures, and self-sufficiency.

**Risk:** Providing tourism infrastructure for the informal sector could become cost prohibitive if rents are not paid and facilities are not maintained.

**Mitigation:** Establishing a vendor’s cooperative could help establish a group rent payment program, with the responsibility of rent collection occurring among partners and peers. It would also establish collective responsibility for the maintenance and upkeep of facilities.

**Risk:** Establishing cooperative business frameworks for vendors and artisans could be undermined a lack of leadership and democratic decision-making.

**Mitigation:** Establishing the cooperatives along village, clan, or tribal social networks (as democratically determined by participants) would help to mitigate leadership struggles and negative group dynamics.
Credit and Finance Risks and Mitigation Measures
The following section identifies potential risks to reforming the government's tourism credit and finance program – Tourism Development Credit Facility (TDCF). It then provides mitigation measures to address these risks if they should occur.

★ Risk: Reforming the TDCF to disburse more, smaller loans can lead to an overload of applications
✔ Mitigation: Devolving decision-making to local committees and having rolling deadlines would prevent unmanageable loads of applications.

★ Risk: Reforming the TDCF to have longer repayment terms for micro-loans could lead to cash shortages if a backlog of unpaid loans is formed
✔ Mitigation: Create incentives that give group applications longer repayment terms and better rates than individuals – utilizing peer pressure and social networks to ensure timely repayment.

★ Risk: Reforming the TDCF to include a multi-stakeholder oversight committee could create loggerheads that slow the application and disbursement process
✔ Mitigation: Establishing a committee with an odd number of members that is facilitated by an external advisor would create a structure conducive to democratic decision-making.

Marketing Risks and Mitigation Measures
The following section identifies potential risks to reforming Zambia's approach to tourism marketing to support sustainability and poverty reduction. It then provides mitigation measures to address these risks if they should occur.

★ Risk: Including pro-poor components in ZNTB marketing activities could create budget shortfalls from a loss in advertising revenues
✔ Mitigation: Establishing a fee program that is structured on a sliding scale for lower income businesses would only slightly lower ZNTB revenues. However, because of greater competition among larger businesses for advertising space, higher fees could be charged to subsidize the pro-poor program.

★ Risk: Increased pro-poor marketing by ZNTB could create a perception that Zambia is an eco-based tourism economy lacking in traditional ‘fun and sun’ and high-end leisure products
✔ Mitigation: Establishing linkages between pro-poor and traditional tourism marketing activities could help to validate the smaller operators while presenting consumers with a diverse tourism product with leisure, adventure, and cultural components.

★ Risk: Tourism certification program funding from donors may be short lived or insufficient over the long-term
✔ Mitigation: Once the program has gained some momentum credibility, establishing a sliding fee structure for members could help to fund the maintenance of the program. Establishing the program as its own non-profit entity would also qualify the program for other funding sources from across the globe.
Risk: Tourism businesses do not see the benefits of certification and chose not to adhere to certification standards

Mitigation: Linking the TCP to a government institution such as ZNTB would offer the program increased credibility and increased opportunities for reaching potential members. If the program was funded by the World Bank or another UN agency, its global visibility would help to lure potential businesses into the program.

Training and Capacity Building Risks and Mitigation Measures
The following section identifies potential risks to improving tourism training and capacity building through (1) creating an accreditation program for tourism training schools and (2) establishing a public-private partnership for the operation of the Hotel and Tourism Training Institute. For each activity, a description of its relationship to one or more of the ends objectives is provided.

Risk: Creating an accreditation program for tourism training schools could place an extended burden on Ministerial budgets

Mitigation: Linking training accreditation to a larger tourism certification program (see Chapter 6.3) could lessen the bureaucratic burden on and reduce costs for the Ministry of Tourism

Risk: Establishing a public-private partnership for managing the HTTI could make training less accessible to the poor if the new investment capital makes programs more expensive

Mitigation: Creating a detailed capital improvements plan that is supported by both government and the implementing business will help to ensure that spending on improvements does not necessitate significantly higher fees for students

Risk: A poorly structured public-private partnership for managing the HTTI could lead to the withdrawal of the private sector partner

Mitigation: Establish a PPP structure rooted in democratic decision-making, where risks and rewards are shared equitably. Provide external program reviews annually to identify issues and obstacles to success.