

ECOTOURISM AND THE ECONOMY: CASE STUDY OF MARA & AMBOSELI IN KENYA

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Abstract

The Kenyan government sees ecotourism as having the potential of becoming a moderately useful tool for locally directed and participatory rural development based on a rational utilization of environmental and cultural resources on which tourism relays on. We therefore need a better understanding of ecotourism's impacts, and how those impacts are affected by various development and management strategies. Furthermore, ecotourism not only provides revenue and employment, but also causes undesirable environmental and social change. Unfortunately, these costs of ecotourism development are rarely evaluated in detail. If ecotourism is indeed promoting a region's welfare, it is vital that apart from the economic potential, environmental and social costs that also need to be identified, these costs enter into any decisions about ecotourism development. This paper contributes to a greater understanding of the linkages between ecotourism and the economy from the Kenyan perspective. Research was undertaken in communities adjacent to Masai Mara and Amboseli area in Kenya. The study examined the relationships between ecotourism and economy with a view to understanding how the benefits, if any, are utilized within the communities.

Key words: ecotourism, Kenya, local communities, tour operators.

JEL classification: L83, O10, Q26.

1. INTRODUCTION

Tourism in natural and protected areas is economically important to many countries, both developing and developed (Staiff *et al.*, 2002). Recognition of the economic benefits of tourism led the newly independent Kenyan government to create a Ministry of Tourism, Forests and Wildlife. This emphasized the environmental and especially the wildlife basis of the country's tourism industry. A World Bank economic development mission at the dawn of independence in 1962 set the tone of Kenya's future tourism policy. Tourism would be nurtured because it was an important foreign exchange earner, would stimulate domestic income, and generate employment in other areas related to tourism (Sindiga,

1999). These objectives which were further elaborated and articulated by the subsequent national development plans (Kenya, 1966; 1970; 1974; 1979; 1984; 1989; 1994a; 1997) may be summarized as follows:

- To increase the contribution of tourism to the growth of the country's gross domestic product (GDP);
- To increase foreign exchange earnings from the sector and maximize the retention of foreign exchange in the economy;
- To create and expand employment opportunities;
- To improve the quality of service offered by tourism enterprises; and
- To conserve wildlife and protect the environment.

These objectives show the Kenya's government continued enthusiasm in tapping tourism's economic outcomes and preserving biodiversity. The Kenya national economic statistics published in various government policy documents do not show tourism as a separate category in the national accounts (Kenya, 1994d; Kenya, 1997; Kenya, 1998a). Tourism statistics tend to be subsumed under services. Over the period 1982 to 1993, the absolute size of the tourism sector using 1982 constant prices grew from K£ 306.7 million to K£ 479.6 million representing an annual growth rate of 4.18% (JICA, 1995; Kenya, 1995). The share of tourism in the GDP increased from 9.97% to 11.06% or an average of 10.9%, over the same period. In relative terms, the share of the tourism sector in real GDP was fourth ranking after agriculture (28.5%), government services (15.3%) and manufacturing (13.1%) as revealed by JICA and Kenya (1995).

2. ECONOMIC VIEWS OF ECOTOURISM

Lindberg (2001) notes that there are two related, but distinct, economic concepts in ecotourism: economic impact and economic value. A common ecotourism goal is the generation of economic benefits, whether they are profits for companies, jobs for communities, or revenues for parks. Ecotourism plays a particularly important role because it can create jobs in remote regions that historically have benefited less from economic development programs

than have more populous areas. Even a small number of jobs may be significant in communities where populations are low and alternatives are few. The economic impact can increase political and financial support for conservation. Protected areas and nature conservation generally, provide many benefits to society, including preservation of biodiversity, maintenance of watersheds, and so on. Unfortunately, many of these benefits are intangible (Lindberg, 1996; 2001).

Hence, the benefits associated with recreation and tourism in protected areas tends to be tangible. For example, divers at a marine park spend money on lodging, food, and other goods and services, thereby providing employment for local and non-local residents. These positive economic impacts can lead to increased support for the protected areas with which they are associated. This is one reason why ecotourism has been embraced as a means for enhancing conservation of natural resources. Lindberg (1996) suggested that the impacts of ecotourism, or any economic activity, can be grouped into three categories: direct, indirect and induced. Direct impacts are those arising from the initial tourism spending, such as money spent at a restaurant. In the words of Lindberg (2001), the restaurant buys goods and services (inputs) from other businesses, thereby generating indirect impacts. In addition, the restaurant employees spend part of their wages to buy various goods and services, thereby generating induced impacts. Of course, if the restaurant purchases the goods and services from outside the region of interest, then the money provides no direct impact to the region – it leaks away. By identifying the leakages, or conversely the linkages within the economy, the indirect and induced impacts of tourism can be estimated. In addition, this information can be used to identify what goods are needed but are not produced in the region, how much demand there is for such goods, and what the likely benefits of local production would be.

Against this background, Sindiga (1999) notes that a number of critical reviews have dismissed tourism as a final form of colonialism in which Europeans subjugate Africans. The reviewers' main argument according to Sindiga (1999) is that international tourism is controlled by Euro-American entrepreneurs and that the benefits that trickle down to local communities are meager. Local people are removed from the general operations of tourism business. Hotels are owned by investors from elsewhere and so are the tour operations. Some local inhabitants may obtain low level of employment in tourism enterprises. In a number of places local people have started to sell tourist art thereby making a little money. As a result, the revival of certain Kenyan art is associated with mass tourism. Such include the

Akamba wood carvings, Kisii soapstone carvings which provide income to 5,000 people (Kenya, 1994e), Kikuyu and Kamba baskets, Masai and Okiek beads, necklaces and earrings, Pokomo mats, and arts and crafts produced by many other communities. The African arts and crafts are built on traditional expertise but may be modified to conform to the customers desires.

In Kenya, the makers of curios and souvenirs lose money to middlemen who purchase the articles at throw-away prices and then sell them to the tourist market locally and abroad at handsome profits. Lindberg (2001) therefore suggests that to determine the total impact of tourism, it is not only necessary to identify the impact of each dollar spent (indicated by the multiplier) but also the amount of dollars spent. This can be done by asking tourists how much they spend or asking businesses how much they earn from tourists. When the region of interest attracts both ecotourists and general tourists, then only ecotourists' spending should be used to calculate the ecotourism's impact. When a given person visits ecotourism and general tourism attractions, the researcher must determine how to allocate the person's expenditure across these two activities. Economic impacts outweigh other considerations in most assessments of tourism development in the Third World. However, the extensive literature has tended to be much more specific about expected benefits than costs, and extends from the discussion of broad effects on the whole economy to detailed impacts of a single new project. The unifying feature is a focus on things capable of being measured and evaluated by the tools of economic analysis.

A failure to investigate the secondary and tertiary effects of tourism spending makes it very difficult to discover where it goes and what the effects of its circulation are. Therefore, considerable care needs to be exercised in the use and interpretation of economic multipliers in tourism. The size of the multiplier varies according to the method used, the scale of the economy, the structure of the economy, the volume of imports used by tourists and so on (Lea, 1993).

3. TOUR OPERATORS ROLE IN THE ECONOMY – MARA AND AMBOSELI

Tour operators in the Mara and Amboseli encourage the visitors to learn about environmental, social and economic realities faced by the locals through engaging in conservation projects, poverty eradication, visiting Masai manyattas, learning of negative social effects and culture of the locals as well as economic empowerment of the people. This is done through opportunities where both the visitors and

locals meet for cultural talks and dances, and participation in community activities. However, sometimes this may not be possible for some tour operators because some clients may not be interested or there may be time limitation and availability of those involved.

The majority of the tour operators have a good relationship with the locals (70% of operators to Mara and 60% to Amboseli). This is due to the fact that locals depend largely on sales of curios and donations from the visitors including books for education and typewriters, employment provided by the tour operators, development of projects such as building of schools, ownership of campsites and their management, having Masai lectures and dances at a fee. There is some debate as to whether the local guide (one who is native to the destination country or region or even the local community being visited) is better than a foreign guide. Clearly, the training and employment of local guides help to ensure that the host community feels more economic benefits. Tour operators to Mara supported community development through developmental projects such as building of schools, clinic, bursaries, providing employment and enhancing economic development, government coordinated functions, eco-friendly properties managed by the locals and enhancing cultural tours.

On the other hand, tour operators to Amboseli paid locals to perform cultural dances and entertain visitors, the visitors are also encouraged to pay tips, establish organizations that will look into the welfare of the community, support communities through visit to their manyattas, purchase of artefacts, souvenirs, donating books to locals and contribution to ongoing projects in the community. Some visitors also contribute money and material things which are given to the elders to distribute equally among the locals for developmental projects, whereby repeat visitors inspect the use of the money and materials donated when they next visit.

4. LOCAL COMMUNITIES' VIEW OF ECONOMIC IMPACT

One of the most obvious and immediate benefits of ecotourism associated with local communities is employment opportunities and income generation for the host region. In this study, 70% of community in Mara and 53% in Amboseli are recorded to have businesses linked to tourism for the most part and falling in the income bracket of less than \$100 per month. Unfortunately, employment opportunities for local communities are often restricted. Professional occupation (10% in Mara and 7% in Amboseli) is wanting. Other occupations (7% in both Mara and Amboseli) included baboon chasing, naturalist and Masai cultural lectures. Conversely,

tourism is often advocated as a major employment generator due to its labour-intensive nature. These assumptions are often misleading as tourism often does not essentially generate significant amounts of employment and is less labour-intensive than sometimes espoused by operators seeking community support.

According to Wearing and Neil (1999), through interactive processes between the visitor and host population both can benefit experientially from ecotourism. Local communities can benefit from ecotourism economically if they play a greater participatory role in the tourism process. The greater the control over tourism in their region, the more culturally sustainable they become. When considering whether or not a community has been economically empowered by an ecotourism venture, it is necessary to consider opportunities that have arisen in terms of both formal and informal sector employment and business opportunities.

While some economic gains are usually experienced by a community, problems may develop if these are periodic and cannot provide a regular, reliable income. In addition, concerns may arise over inequity in the spread of economic benefits (Okech, 2003a; Scheyens, 2000). Economic empowerment is also related to a community's access to productive resources in an area targeted by ecotourism. When ecotourism focuses on preservation of natural resources, economic livelihoods of local people may be threatened.

Table 1: Sources of Income (in %)

SOURCES	MARA (N=30)	AMBOSELI (N=30)	TOTAL (N=60)
Household cultivation	27	30	28.5
Household livestock production	23	33	28
Agriculture wage labor	10	7	8.5
Organized small business	50	40	45
Qualified personnel	13	3	8
Income from rent	10	17	13.5
Informal work	37	20	28.5
Traditional medicine/healer	3	3	3
Other	7	7	7

Note: The above table is in multiple responses therefore the totals do not add to 100%

There are differences in term of sources of income (**Table 1**) in both Mara and Amboseli.

Organized small business was the major source of income in Mara (50%) while Amboseli had 40%. A significant difference was also seen in qualified personnel (13% in Mara and 3% in Amboseli) and informal work (37% in Mara and 20% in Amboseli). The communities, however, would also like to have other sources of income from ecotourism such as nursing, teaching, waiters, guides, plantation farming, bee keeping and fish industry, working for NGOs, game rangers, working for the government, small community projects, income from rent, compensations in the case of wildlife-human killings as well as businesses in the communities.

Other sources of employment cited by 7% of respondents in Mara and Amboseli included teaching, carrying water, selling second-hand clothes and curios as well as working as drivers and getting employment in lodges. The success of Amboseli and Mara community populations thus depends on the creation of alternative incomes for these people.

5. CONCLUSION

We can therefore deduce that economically, ecotourism can affect the sustainability of natural resource use at ecotourism sites in several ways. Primarily, ecotourism may generate higher economic returns than other resource activities and secondly, ecotourism may benefit local economies, providing an incentive to ensure nearby biodiversity is sustainable used. Also, direct financial inputs are critical to the success of local ecotourism efforts along with other indirect inputs such as entry fees and local expenditures on food, accommodation, transport, and souvenirs. However, local expenditures can be seasonal, inflationary, transitory, or sensitive to political or economic situations (Hvenegaard and Dearden, 1998). Therefore, if managed carefully, ecotourism can contribute towards conservation efforts in both Mara and Amboseli and if successful, the management could be applied to other attractions in the country and can act as a positive indicator for other natural areas in the world at large.

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