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Defects of Tourism Revenue Sharing Policies and Practices in East Africa

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ABSTRACT

Sharing of tourism revenues with local communities has for long been regarded as a key instrument in the arsenal for contemporary conservation. The approach is favored for its ability to simultaneously deliver both conservation and rural development moreover in mutually reinforcing ways. This paper reviews literature covering the practice at Protected Areas (PAs) in East Africa and a number of critical inadequacies are revealed. These include the marginal scale of benefits as observed in an evaluation of a regional project where per capita investment averaged only $ 0.36 over a five year period (2006-2010). Moreover, these revenues are frequently invested in public assets (e.g. schools and roads) which communities have limited appreciation of on the argument that these should be primary responsibilities of national and local governments to whose coffers the communities contribute through taxation. Even when individual households are targeted through household level projects, the sharing is plagued by a variety of governance failures including elite capture, and distributive inequity where for example the poor (the lower two to three quintiles) tend to be excluded. Inequity also exists at community level where some local administrative units are marginalized, and in other instances the revenues are used to reward loyalty while also there is a significant leakage of revenues along the vertical distribution chain of local government implementing the revenue sharing. Thus a lot remains to be done if these schemes for sharing tourism revenues are to deliver as premised. There is need to substantially increase the magnitude of the local share which then must be secured by competent and legitimate, but closely supervised, local institutions to ensure equitable distribution between and within local communities.

Keywords: Tourism revenue, benefit sharing, ecotourism, park outreach, East Africa.

INTRODUCTION

Tourism revenue sharing (TRS) has become a dominant policy action in several African countries that have wildlife [e.g. see 1–3]. It is considered a suitable strategy to improve local livelihoods of communities that live adjacent to protected areas [4,1,5,2]. The proponents of TRS present it as a policy action that can result into win-win scenario because it combines concerns of environmental conservation with those of local development [6]. TRS is very appealing to national governments, international financial institutions and also the private sector seeking to tap some rent [7]. Mainstream conservation has also embraced TRS thus attracting interest to research on it [8].

Several studies have been undertaken showing the outcomes and defects of the various TRS mechanisms however most of them are site-specific or based on national studies [e.g. 2,6,9,10]. This is amid increased acknowledgement that understanding local, national and regional processes is critical in the management of protected areas [11]. In this paper, we review literature on the TRS schemes in East Africa - a region with some of the most amazing wildlife that attract tourists from all over the world where TRS has been embraced by agencies responsible for protected areas and wildlife management TRS. We begin by identifying tourism revenue sharing mechanisms in East Africa. This is followed by identification of the defects and ends with a conclusion thereof. The paper is based on empirical studies from published and unpublished sources.

TOURISM REVENUE SHARING MECHANISMS IN EAST AFRICA

Models for tourism revenue sharing follow from the model of tourism governance at a particular site. Based on attributes such as such as kind of actors, forms and extent of power held by each, nature and extent of resource contribution, [e.g. see 12], five tourism governance and thus tourism revenue sharing models can be identified. The first, a public-private-community partnership, involves the public (in form of either government directly or a public agency), private investor(s) and a local community. The three actors manage the tourism outfit and share receipts in accordance with prior agreed terms. Second is a private-community partnership where a private investor enters an agreement on how to manage the outfit and share benefits with a local community. Third is the public-community partnerships arrangement where a government directly or acts through its agency collaborates with local communities in a joint management of a tourism resource and co-share the associated benefits. Fourth is a direct community engagement where the local communities are the major actor managing the tourism business and deciding on the resulting benefits. Fifth is what can be construed as a quasi-private – community partnership where a private investor leases or rents the wildlife resource (usually land and resources thereon) from the community and is henceforth solely entitled to the associated benefits. The first four models and examples thereof are well discussed by Ahebwa et al. [12] while the fifth is covered by Carter et al. [13].

DEFECTS

Marginal level of benefits

Typical arrangements for sharing tourism revenues provide that a proportion is retained in the central treasury of the national authority in charge of the nation's PA estate while the remainder is reserved for dispatch to PA sites to benefit the communities living adjacent. However, the tendency is for Protected Area Authorities (PAAs) to retain large portions of the revenues while reserving a marginal share for the communities. For example the shares reserved for local communities are 5% in Rwanda [4,14], and 20% of only the entrance fee portion in Uganda [1,6]. This frequently translates into marginal levels of benefits for the local people as demonstrated by a review of several cases. Around Uganda's Kibale National Park, a Chimpanzee (*Pan troglodytes*) based tourism revenue sharing scheme disbursed US$1 per beneficiary household per year in community projects [15]. In an evaluation of a transboundary collaboration programme in the Greater Virunga Landscape (Uganda, Rwanda, and the Democratic Republic of Congo), Krijnen et al. [16] found revenue sharing mechanisms to average a per capita investment of only $ 0.36 over a five year period (2006-2010). Similarly, a multi-site study of Maasai livelihoods revealed tourism to generally contribute at most less than 5% even then to a small proportion of local households [17]. In general, wildlife benefits to local communities remain insufficient to offset wildlife associated problems, particularly crop raiding [18].

Overall, the size of the benefits remains low, even at pricey and popular destinations. In a study by Tumusiime and Vedeld [19] around one of the most popular tourist destinations in East Africa, it was found out that an average household at the boundary of Bwindi Impenetrable National Park (Uganda) received $6.62 per year from the lucrative Mountain gorilla tourism. A single gorilla viewing permit cost $500 at the time of the study and has since increased to $600. In comparison with other sites, this is a relatively high level of benefit sharing. However, when looked at in terms of the objective of tourism revenue sharing, it is clear at once that such levels may neither be reliable to promote local economic development nor provide sufficient incentive to encourage substitution of PA based forest resources to encourage the poor PA neighbours to refrain from illegally sourcing livelihoods from the PAs.

Limited participation and influence of local people

Participation of local people and allowing them space to influence decisions which impact on their lives has for long been identified as a critical ingredient for social change [20–22]. Following from Vedeld [21], this importantly advantages marginalized local groups and by so doing eases tensions, mistrust and conflicts which may exist between local communities and the other usually external stakeholders. As such, local participation in setting policies and practices for tourism revenue sharing can be viewed either as a “means” to improve efficiency of the policies and practices or as an “end” in itself [see 18]. Either way, clear defects can be discerned within the East African context. On the one hand, there is adequate provision within the national and sectoral legislation of East African countries for participation of all legitimate rights holders in the formulation of national policies/laws (including those relevant for tourism revenue sharing), there are no mechanisms of evaluating and reporting by responsible agencies on local participation in decision making. The practice also hardly involves the local communities.

Mode of benefits

Government authorities frequently prioritise projects that invest in public assets, such as schools and roads. For example, in a study by Tumusiime and Vedeld [6], over 80% of community share of tourism revenues was found to have been invested in community level projects including the construction of council halls. In Rwanda, 5% of tourism revenues have traditionally been used on community projects in administrative sectors adjacent to the PAs generating the revenue. Projects invested in include education, environment protection, food security, infrastructure and water [14]. Communities typically have varied, but generally low appreciation of community level projects. The situation is even worse when the community projects are not implemented close to the park as was the case for Tanzania’s Mikumi National Park where nearly 50% of park-based support for community projects was spent in villages as far as 60 km from the park boundary [23].

Failure to account for differences in costs

It is now agreed that sharing of tourism revenues should be at the most local level possible at the PA boundaries since costs for PA establishment and daily management are highest here. Sharing of tourism revenues hardly takes care of variations between households and communities in magnitude and nature of PA costs incurred. The differences become especially pronounced when it is expected that these revenues will act as a form of ex-ante compensation of the kind discussed by Nyhus et al. [24] and Schwerdtner and Gruber [25]. Generally, East African countries have no mechanisms for direct compensation and it is expected that a share of the revenues will console the victims [26]. East African countries, except Rwanda, have not instituted mechanisms for ex-post compensating victim households from wildlife damage to crops even when the damage is caused by an endangered species. If tourism revenues are to assuage local discontent and generate a favourable relationship between conservation and the local people, the local share needs accurate targeting so as to accrue to cost victims.

Mismanagement of tourism revenues

Mismanagement of tourism revenues at the local level occurs in different forms, but the end result is the same. Revenues do not reach the rightful beneficiaries. One of the most common form of mismanagement identified in literature is the revenues getting captured by community elites. Examples include a case in Kenya's Maasai Mara where more than 93% of tourism revenues reserved for communities were captured by local elites [27]. The capture is always linked to the ubiquitous power asymmetries in communities by which the more powerful dominate local arenas for decision making including the distribution of such revenues [e.g. see 24–27]. Many PA sites also operate a Local Government revenue sharing model characterized by leakage of revenues along the vertical distribution chain [32, 33].

Inequity in benefit sharing

It has been observed that the distribution of PA benefits is a critical factor that shapes local attitudes towards wildlife and its conservation. It is more important in this respect than the sum of money shared, or even the costs locally incurred from the existence and protection of wildlife [34]. However, in practice the sharing of tourism revenues at East African PA sites consistently suffers from inequity both at the household and community levels. At community level, the sharing of tourism revenues tends to be spatially uneven. Local administrative units hosting park entrances tend to benefit disproportionately whereas units with high conflict levels with the PA or its management get comparatively marginalized. For example, in a study by Cavanagh [35] around Uganda's Mt. Elgon National Park, it was found out that a district which housed two farmers groups with a court dispute with the Ugandan Wildlife Authority, only 7.7% (approximately 3,027.31 USD – or 0.0085 USD per resident) of the revenues shared in the area had been allocated to this district over a period of nine years preceding the study. Besides the community level inequities, the sharing of these, as with other conservation benefits, tends to disproportionately accrue to the better off households as the poor (lower two to three quintiles) in the communities are frequently marginalised [see 13]. The inequity negatively incentivizes the local people in participating in conservation activities [32].

CONCLUSIONS

There are several efforts in both policy and practice at many Protected Area sites within East Africa to channel a portion of tourism revenues to the local people who it is agreed take a disproportionate share of the costs associated with the establishment and maintenance of these areas as PAs. From the records of Protected Area authorities, huge sums of money are being spent. However, as has been shown here, a lot remains to be done if these schemes for sharing tourism revenues are to deliver on the goal of a win-win outcome for conservation and the local people. What is clear is that there is need to substantially increase the magnitude of the local share which then must be secured by competent and legitimate, but closely supervised, local institutions for equitable distribution between and within local communities.

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