Hitches affecting the utilization of immovable municipal assets in achieving tourism development in East London City, South Africa

T.O Dlomo and L.A Tseane-Gumbi *
Geography and Tourism
North West University, Mmabatho, 2735, South Africa
E-mail: Lisebo.tseanegumbi@nwu.ac.za

Corresponding author*

Abstract

This paper examines the challenges facing South African local municipalities in fully capitalizing on immovable municipal assets to develop, grow and promote tourism. Both qualitative and quantitative research approaches were used. Secondary data was deployed, whereas primary data was collected through a questionnaire survey. Purposive and stratified sampling methods were applied. Buffalo City Metropolitan Municipality (BCMM) departments’ responsible for immovable municipal assets and tourism within the city of East London were targeted. Out of the 38 departments, the researchers’ identified 6 departments that have a direct control over immovable municipal assets and tourism in East London city. A total of 31 employees were surveyed. The Statistical Package for the Social Sciences (SPSS) software version 22 was used for the analysis of the results. The Department of Community Services manages most, (60%), of the city’s immovable assets, yet these assets are less utilized for tourism development. Very few of the city municipal assets are considered for use in adventure, culture and sports activities. The key findings point to lack of safety and security, poor hygiene including lack of marketing and knowledge on tourism as the foremost problems thwarting the use of immovable municipal assets. Immovable municipal assets should be recognized and promoted in-line with tourism activities. Municipalities also need to increase tourism personnel and initiate roadshows and workshops to sensitize liable local government departments on prioritizing tourism. If managed properly, immovable municipal assets have the potential to increase both domestic and international visitation.

Keywords: Assets, development, municipality, local government, tourism

Introduction

The Department of Environmental Affairs and Tourism (DEAT) (1996), defines tourism as any travel, for whatever purpose, resulting in one or more nights being spent away from home and engaging in touristic activities. Equally important, tourism covers all geographic scales from the global corporation to remote highland villages, to the illegal beach vendor (Cole & Razak, 2009). With this in mind, tourists are attracted by some, but not all features of a destination (Bayat & Ismail, 2008). Many developing countries, such as South Africa are using tourism as a possible determinant in the hope of developing their economies (World Travel and Tourism Council (WTTC), 2012). Tourism has the potential to promote provincial and local municipality developments, job creation and foreign exchange inflows (Eugenio-Martin, Martin-Morales & Sinclair, 2008). It is also important to the economic welfare of a country as a whole as it generates revenues required to finance needed infrastructure and other projects that promote economic development (Lee & Chang, 2008).
Acheampong (2015) states that the significance of tourism to the Eastern Cape Province cannot be over-emphasized. The Eastern Cape Province is recognized as one of the most richly endowed tourism destinations in terms of its depth and mix of natural and cultural tourism resources (Acheampong, 2011). However, the province ranked last in foreign arrivals among the other eight South African provinces (Nelson Mandela Bay Tourism (NMBT), 2011). According to the South African Annual Report (2014), there has not been a change in terms of the growth of tourism in the province since 2011. The Eastern Cape Socio-Economic Consultative Council (ECSECC) (2009) pointed out that tourism is relatively underdeveloped in the province yet it is seen to have the potential to enhance the province’s developmental trajectory mainly due to the abundance of natural and man-made attractions that exist within its borders. East London River Port, which is situated in the province, for example, is the only river port in South Africa, yet is largely unknown as such, and less consumed for tourism activities. The Nelson Mandela Bay Tourism (NMBT) (2011) estimated that approximately 70% of all foreign tourists to the Eastern Cape Province visited Port Elizabeth City, 25% visited East London City and 5% visited Mthatha Town.

Acheampong (2015) believes that Eastern Cape municipalities have responsibilities to deliver services in general and play an important role in controlling tourism resources and assets that fall under their respective jurisdictions. However, South African Local Government Association (SALGA) (2014) highlights that tourism frequently falls low on the list of municipalities’ priorities, with little funding allocated for tourism. De Beer and Swanepoel (2000) and also Machaka (2012) argue that South African local government has still not gained direction to attain acceptable levels of economic viability including social stability, regardless of the 1998 Local Government White Paper giving directions for local government developments.

According to South Africa (SA) (2011), all local governments have a major role to play in the facilitation of developmental activities and the smooth running of the tourism industry. For the tourism industry to be self-sufficient and flourish, it is arguable that local governments should establish a safe and stable environment, which promotes tourism development. In accordance with the Local Government Municipal Systems Act (Act 32 of 2000), municipalities should promote local economic growth through the use of their local resources to improve the quality of local communities lives. Municipalities are also the keepers of their communities and have state assets that are legislated by virtue of being demarcated under their jurisdiction and care (South Africa (SA), 1998). Some of these state assets can be used to attract visitors if used effectively and assuming they are also well maintained (Cernat & Gourdon, 2007). Currently many municipal assets are used free of charge, and there is a challenge to pursue government to charge fees (Daily Dispatch, 2017). The Daily Dispatch reported that the Border-Kei Chamber of Business requested BCMM to upgrade Marina Glen Park, while introducing a minimum entrance fee to allow visitors access. Although there was an agreement on the upgrading of the Marina Glen Park, the BCMM mayor felt that the strategy of introducing entrance fees would limit the poor peoples’ access the area (Daily Dispatch, 2017).

Nonetheless, an asset is referred to any resource that has a potential to be utilized for different purposes in order to bring about needed transformation in a destination (Asset Management for Local Government, 2015). Chirisa (2009) explains assets are inventory which involves all other aspects such as human, financial, physical, social, natural and spiritual capitals that possess the community strengths for sustainable development. These assets are divided into movable and immovable. Movable assets are those that can be moved or relocated such as machinery, equipment, vehicles, aircraft, engines and cell phones (Charalambakis & Psychoyios, 2012). Immovable assets, on the other hand, consist of tangible assets namely land, subsoil assets, and
water resources; and fixed structures, such as bridges, houses, office buildings, roads (Total Asset Management Manual (TAMM), 2009). The White Paper on Local Government (1996) argues that these assets are very important in the development of tourism as they present a collective agenda where government, private sector and communities are expected to work together in identifying and managing these assets to contribute towards the diversification of tourism products.

The management of assets involves various phases which include the identification of several assets and documenting them, while also probing and reviewing their outcomes (Bakria, Yusuf & Jaini, 2012). Local municipalities in South Africa are faced with many challenges in managing their various municipal assets. For instance, there is lack of maintenance of both movable and immovable assets, while also there is usually an inadequate budget allocation directed to tourism projects in the municipalities (SALGA, 2015). This is regardless of the fact that an asset management program has been introduced in the South African local municipalities. The programme is an ongoing development programme that local governments’ practice to identify the assets that need special attention in areas such as maintenance, rehabilitation, replacement and financing (Asset Management for Local government, 2015). Beside this, in the current study, a strong argument is forged on the fact that many South African municipalities are failing to incorporate their assets effectively, more especially immovable assets to tourism activities.

Recently, the Department of Infrastructure Development in Johannesburg City identified a list of four hundred and thirteen immovable assets which have to be auctioned as these assets were agued not to be adding value to the city (Dlamini, 2016). This included the Gauteng premier’s house. Arguably such an immovable asset could be used for tourism activities. For example, converting the official residence of the Gauteng premier into a museum since it carries some of South Africa’s political history. This study strongly opposed the privatization of state owned assets, but rather advocates that such immovable assets like the official residence of Gauteng premier be used to showcase the Gauteng premiers’ history over the years. The researchers contend that this approach could generate a sustainable income in the city rather than a once-off payment which promotes neoliberalism. Neoliberalism of state owned immovable assets can increase inequality among citizens in which the rich gets richer while the poor remain impoverished (Tseane-Gumbi, 2016). Harvey (2006) contends that South Africa embraced neoliberalism immediately after its first democratic elections, yet the country is still facing its triple challenges of poverty, unemployment and inequality. Neoliberal theory encourages the reduction of public expenditure for social services and promotes individual responsibility instead, and capitalism ushered in a quest for economic power and domination of resources, while only partially promoting development (Schwenkel & Leshkowich, 2012; Tsukamoto, 2012). This brought about disparities between the rich and poor which remain and are growing.

The South African municipalities have the national mandate to develop and promote tourism within their areas with an aim of producing positive social change (SA, 1996). Internationally however, countries such as China, Mozambique and others, are using immovable municipal assets as a means of boosting their tourism industries. Tourism development is a process of improving human well-being through a rearrangement of resources that may involve some alteration of the environment (Department of Environmental Affairs and Tourism (DEAT), 1997). In South Africa, local government municipalities face many challenges, affecting service delivery, income collection and cost control. To provide these services, municipalities are expected to have resources, such as land, capital, and human labour to fulfill the needs of communities. Whilst municipalities are in possession of such assets, these assets could be used for the advancement of economic viability and social stability (Arivia Consulting, 2010).
Methodology

East London is a city on the south-east coast of South Africa in the Buffalo City Metropolitan Municipality of the Eastern Cape Province (South African Cities, 2011). The city lies on the Indian Ocean coast, largely between the Buffalo River and Nahoon River. It hosts the country’s only River Port, called Latima’s landing. East London city has a population of over 755,000. There are ten directorates of BCMM and 38 departments (BCMM Integrated Development Plan (IDP), 2016), in which the population sample for the current study derived from.

The Sample

This study used a mixed approach, a combination of both qualitative and quantitative research methods as supported by Creswell (2009). The survey population was chosen from the municipal departments handling immovable assets and tourism. Purposive and stratified sampling methods were used to identify government officials from each department. Purposive sampling was used for classifying local government departments that have a direct control over immovable municipal assets in East London city and or those responsible for tourism activities. The local government officials were first divided into various directorates and then departments, hence the application of stratified sampling method. For instance, under the directorate of Economic Development, the researchers identified Local Economic Development Department (LED), in which tourism unit falls under. Altinay and Paraskevas (2008) refer to this sampling method as stratified sampling, which involves the division of the population into similar, diametrically opposed clusters known as strata.

Survey Questionnaire

A survey was conducted using questionnaires, which elucidated both qualitative and quantitative data from respondents. A total of thirty one questionnaires were administered to BCMM officials in East London city. The Facility Department completed five questionnaires. Three questionnaires were completed by the Department of Environmental Affairs. Six questionnaires were obtained from Recreational Services and another six from the Community Services Department. Six officials from Tourism Unit and five from Local Economic Development Department were also involved and completed the questionnaire.

Secondary data used included government policy documents on tourism, and tourism literature obtained from academic journal articles, and books that are in line with tourism development, and other government documents, newspapers and online resources. The researchers arranged the raw data obtained from the respondents in the questionnaire and prepared it in order to obtain useful information. The data was coded and entered into (SPSS) version 22. According to Field (2009), data analysis takes place after the data has been sorted so that it becomes useful to make sense of the study and to reach certain findings. For the purpose of this study, quantitative data was converted using SPSS. SPSS software was used in this study to run statistical tests, so as to generate frequencies, tables and pie charts.

Findings

As indicated in Table 1, BCMM immovable assets in the area of East London city that were identified for this study were both man-made, natural and portray cultural, heritage based tourism products. Among the total number of 413 immovable assets that fall under BCMM, East London
city is responsible for 15 of them, which all were found to have a potential to attract tourists to visit the destination. These assets are depicted in Table 1.

The respondents were requested to list immovable municipal assets that belong to their respective departments, and 60% mentioned East London City Hall, the Art Centre, the Ann Bryan Art Gallery, the East London Museum, Gately House and the Queens Park Zoo, all of which belong to the Department of Community Services. However, 16% specified the Nahoon Estuary and Gonubie Caravan Shaley which resides under the Department of Facilities, followed by another 16% which articulated the popular East London Aquarium, East London Beach and Westbank Water World which is under the jurisdiction of the Department of Environmental Affairs. A total of 8% of respondents indicated the Desmond Tutu Monument, Marina Glen (Ebuhlanti) the Public Park, cemeteries, recreational facilities and Buffalo Park Stadium which reside under the Department of Recreational Services. The LED and Tourism unit were found not to own or manage any of the immovable assets in the city.

Table 1: East London city immovable municipal assets per department

<table>
<thead>
<tr>
<th>List of immovable municipal assets</th>
<th>Department</th>
<th>Total (n=31, in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Hall, Art Centre, Art Gallery, East London Museum, Gately House and Queens Park Zoo</td>
<td>Department of Community Services</td>
<td>60</td>
</tr>
<tr>
<td>Nahoon Estuary, Gonubie Caravan Park and Shaley Beach</td>
<td>Department of Environmental Affairs</td>
<td>16</td>
</tr>
<tr>
<td>East London Aquarium, East London Beach and Westbank Water World</td>
<td>Department of Facilities</td>
<td>16</td>
</tr>
<tr>
<td>Desmond Tutu Monument, Marina Glen Public Park, Cemeteries, Recreational facilities and Buffalo Park Stadium</td>
<td>Department of Recreational Services</td>
<td>8</td>
</tr>
<tr>
<td>None</td>
<td>Local Economic Department</td>
<td>-</td>
</tr>
</tbody>
</table>

The respondents were further asked to indicate the areas in which the identified immovable assets were situated. Table 2 shows that 40% are located in Quigney suburb while 25% are found in Westbank area, followed by 15% which are positioned in the CBD. Suburbs like Southernwood and Gonubie, constitute 10% of immovable municipal assets respectively.

Table 2: Location of East London municipal assets

<table>
<thead>
<tr>
<th>Areas</th>
<th>Total (n=31, in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quigney</td>
<td>40</td>
</tr>
<tr>
<td>Westbank</td>
<td>25</td>
</tr>
<tr>
<td>Central Business District (CBD)</td>
<td>15</td>
</tr>
<tr>
<td>Gonubie</td>
<td>10</td>
</tr>
<tr>
<td>Southernwood</td>
<td>10</td>
</tr>
</tbody>
</table>

Table 3 indicates municipal assets that are currently used for tourism activities in various BCMM departments. The results show a tie between the East London Aquarium (20%) and Nahoon Estuary Nature Reserve. This is followed by East London Museum with 15%. Similarly, Buffalo Park Stadium, Queens Park Zoo, Desmond Tutu Monument and East London City Hall both obtained equal percentages (10%). However, Ann Bryant Art Gallery was noted by only 5% of respondents.
The respondents were further asked to mention immovable assets that they consider under-utilized for tourism purposes as seen in Table 4. The results revealed that 37.5% of respondents indicated Gately House was under-utilized. Furthermore, 5 immovable municipal assets obtained equal percentage of 12.5%. Such assets include, Marina Glen Park popularly called Ebulanti. This was followed by Graves of Local Heroes and Heroines and Cove Rock.

A number of immovable municipal assets were found to be under-utilised as mentioned in Table 4, and as such it was considered important to identify reasons hindering these assets usage for tourism development. The results are visually displayed in Table 5.

Many respondents, 61% mentioned lack of safety, a total of 12% of respondents never thought of using immovable municipal assets for tourism activities. However, there was a tie (10%) between respondents that mentioned a lack of public hygiene, especially the lack of hygienic ablution facilities and a lack of exposure of these immovable municipal assets to the public. Lastly, 7% of respondents were not specific about any aspect.

The respondents were further requested to identify the general challenges that are facing BCMM departments in using immovable municipality assets for tourism promotion and development in East London city. A total of 58% respondents mentioned inadequate promotion and marketing of municipal immovable assets. Others totalling 25%, indicated poor safety and security, while, 19%
said absence of communication among BCMM departments. Another 19% highlighted insufficient maintenance, followed by 7.7% who reported limited funds for tourism activities. Inexperienced staff, lack of understanding of the tourism industry and poor access to some of immovable municipal assets in the city were mentioned by 3.9% respectively. Results are shown in Table 6.

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Total (n=31, in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of promotion and marketing</td>
<td>58</td>
</tr>
<tr>
<td>Inadequate safety and security around immovable municipal assets</td>
<td>25</td>
</tr>
<tr>
<td>Poor maintenance</td>
<td>19</td>
</tr>
<tr>
<td>Lack of communication between BCMM departments</td>
<td>19</td>
</tr>
<tr>
<td>Limited funds</td>
<td>19</td>
</tr>
<tr>
<td>Inexperienced staff</td>
<td>7.7</td>
</tr>
<tr>
<td>Lack of understanding tourism</td>
<td>3.9</td>
</tr>
<tr>
<td>Some assets are not easy to reach</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>140.4%</strong></td>
</tr>
</tbody>
</table>

**Discussions**

Immovable municipal assets are indeed useful in a drive to promote tourism. BCMM is known as an adventure destination and a home of national legends. The identified municipal assets could easily be aligned to the municipality’s strategic goals; to promote adventure, culture and heritage, while the area can also use immovable municipal assets to promote sports events. East London is famous for sport activities such as boxing and cricket. It has also been the home of a national Rowing Regatta on the Buffalo River for many decades. However, this has been difficult to achieve since different municipal departments in BCMM manage immovable municipal assets. This complicates the management and use of such facilities and they lose their huge value.

LED, of which tourism is a sub-unit does not manage or own any of the identified immovable municipal assets. This forces tourism to be dependent on other departments. Thus, the tourism department requires an effective strategic approach and resources to convince those managing the assets to understand the importance of using immovable assets for tourism purposes. This can often be a time-consuming process. Currently tourism is not a stand-alone department in BCMM. It is a unit that falls under LED, with very few personnel that are dedicated to tourism activities. Consequently the tourism unit’s capability to interact and sensitise other departments in pursuit of municipal assets’ promotion for tourism drives is questionable. Hence departments such as Community Services manage many immovable assets, while many of them are underutilised for tourism purposes. Moreover, areas such as Quigney which has the highest concentration of municipal assets have a very bad reputation based on past experiences, thus resulting in poor visitation.

The perceived high crime rate along the Quigney Beach Front ranging from rape to robbery threatens tourism development in the area (Daily Dispatch, 2014; Daily Dispatch, 2015). However, safety and security, and lack of capacity building are not the only problems facing the use of municipal assets for tourism purposes. In South Africa municipalities are in the main faced with facilities that are in poor state due to a lack of maintenance of existing public sector amenities and inadequate budget allocations for local municipal tourism functions (SALGA, 2015). This is contributing factor in the under-utilisation of immovable municipal assets for tourism development. This idea is supported by some responses from respondents in this study. Gately House for instance, was reported underutilised and yet it is one of the country’s national monuments, and it has a history about old furniture design and was home to the first mayor of East London city. Marina Glen Park, is a popular entertainment place used for picnicking and barbequeing. The
Graves of Local Heroes and Heroines are important sites, and Cove Rock is also known as a remarkable sandstone formation that serves as a venue for breeding seabirds - yet all of these assets are mentioned by respondents as being underexploited immovable municipal assets which could boost tourism. While these assets are not entirely used for tourism, revenue for the municipality is lost, history is not told and communities become less protective towards the assets which leads to vandalism of immovable assets. Many such areas are being used as hot spots for criminal activities.

Lack of tourism knowledge by many municipality departments leads to the underutilisation of many immovable municipal assets. For instance, the Statue of a Zulu warrior, depicting the conflict between the Xhosa and Zulu peoples was not recognised as a tourism asset, including the East London Coastal Zone and Nahoon Point Nature Reserve. On other hand, although Marina Glen Public Park was mentioned, it currently attracts mostly domestic tourists and less international tourists are inclined to visit it. Generally, a lack of safety, poor marketing and poor hygiene including poor maintenance and limited funding are some of the main problems that face the city in capitalising on immovable municipal assets which would help it to develop and promote tourism in the city. This was found to be in line with SALGA (2014) findings which highlighted that tourism frequently falls low on the list of municipalities’ priorities, with little funding allocated. Inexperienced staff, a lack of understanding of the tourism industry and poor access to some of immovable municipal assets in the city are also the focal difficulties facing the use of immovable assets for tourism in many local municipalities.

**Conclusions and Recommendations**

The purpose of this paper was to explore the challenges faced by local municipalities in capitalizing on immovable municipal assets so as to develop and promote tourism. The study indicates may challenges ranging from for example, a lack of safety and security, poor hygiene and inadequate marketing, a lack of funding and knowledge on tourism, which continue to hinder the usage of immovable municipal assets as tourism assets. It is only through the active involvement of all tourism stakeholders, effective training, awareness campaigns and exchanging of ideas and issues facing the development of tourism, that an enhancement and the transformation of municipal immovable assets could hope to be achieved.

While increasing the relationship with other municipal departments, the Tourism Department should continuously educate other local government departments through workshops so as to integrate tourism activities in their business plans. If possible, those municipalities that do not have a full department of tourism could be encouraged to appoint a tourism official in each of the tourism related departments. This individual should be assigned to projects that are linked to each other. There is also a critical need to improve the safety and security and hygiene of the existing immovable municipal assets so that they can be promoted for tourism projects and tourism sustainability. The improvements and use of these immovable municipal assets could assist in municipal cash flow generation, which in turn can be used to for asset maintenance. Visitors could also be encouraged to pay a small entrance fee and this could be used to assist in sustaining and preserving the identified immovable municipal assets as highlighted.

Many countries have a comparative advantage in tourism and the sector can reach cities and even remote and rural areas and thus help address poverty alleviation. The challenges of the tourism sector in East London are numerous however an enabling environment would promote the city for tourism ventures. There must however be a careful co-ordination of problems –across
municipalities and departments and only in this way can there be any meaningful use of assets for tourism activities and ultimately, sustainability and collective growth.

References


