

Tourism, Development, and Poverty Reduction: A Case Study from Nkhata Bay, Malawi

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AUTHOR'S DECLARATION

I hereby declare that I am the sole author of this thesis. This is a true copy of the thesis, including any required final revisions, as accepted by my examiners.

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ABSTRACT

Development agencies and policymakers are increasingly advocating tourism as a viable and legitimate poverty reduction strategy in least-developed countries (LDCs). However, the rhetoric surrounding tourism development mechanisms in the context of LDCs far outweighs the empirical evidence. Much of the tourism literature has examined impacts of tourism in LDCs, but little research has examined development processes and their impacts on poverty, comprehensively defined. This study examines the development processes by which tourism affects poverty, analyses the effects of tourism employment on poverty conditions, and explores ways that tourism can contribute to poverty reduction. These objectives are addressed using a multi-methods research approach and case study situated in Nkhata Bay, Malawi.

The research findings demonstrated that tourism development mechanisms of employment, local sourcing, and philanthropy were most prevalent in Nkhata Bay, while mechanisms such as direct sales, the establishment of small enterprises, taxes, and infrastructure were less apparent. Further analysis revealed that while tourism employment had positive effects on monetary and employment conditions of tourism employees, these effects did not reflect improvements in other facets of poverty. The main conclusions of the study are that tourism is not an indelible force for poverty alleviation, as it can have alleviating, perpetuating, and exacerbating effects on poverty. However, while tourism offers limited poverty reduction potential as a national economic development strategy, tourism facilitates alternative sources of development finance, such as philanthropy, which can support alternative development processes on a local level, and may be more effective in harnessing the potential of tourism to deliver poverty reduction objectives.

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DEDICATION

This thesis is dedicated to Grace.

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LIST OF ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
BCAP	British Central African Protectorate
CBT	Community Based Tourism
FINCA	The Foundation for International Community Assistance
GDP	Gross Domestic Product
GNP	Gross National Product
GNI	Gross National Income
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HPI	Human Poverty Index
LDC	Least Developed Country
MDG	Millennium Development Goal
MKW	Malawian Kwacha
MTWC	Ministry of Tourism, Wildlife, and Culture
NGO	Non-Governmental Organization
PAYE	Pay As You Earn
PPT	Pro-Poor Tourism
PRSP	Poverty Reduction Strategy Paper
SAP	Structural Adjustment Program
STEP	Sustainable Tourism for the Elimination of Poverty
TPA	Tourism for Poverty Alleviation
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNWTO	United Nations World Tourism Organization
USD	United States Dollar
VAT	Value Added Tax

1.0 INTRODUCTION

Development agencies and policymakers are increasingly advocating tourism as an effective way to reduce poverty in least-developed countries¹ (LDCs) (UNWTO, 2005). While such arguments have successfully influenced international and national development policies, there is little empirical evidence to support that tourism can reduce poverty (Goodwin, 2006; Hall, 2007), and much remains to be understood of development processes implicit in this claim. This study focuses on the relationship between tourism and poverty, and provides a critical analysis of the putative processes through which tourism development alleviates poverty.

1.1 Background

Tourism in LDCs is a node where opulence and depravity often meet. Depending on which sphere of reality one lives, the meaning and significance of tourism will vary. It is in the northern hemisphere that the tourism industry has thrived, emerging from an unrecognized economic sector to become one of the world's greatest export industries. Having capitalized on advancements in communication, transportation and a liberalized global market environment, tourism has shown consistent growth, reporting an average annual growth rate of 7% per year (UNWTO, 2006a). Annual international tourism arrivals have increased from 25 million in 1950 to over 806 million arrivals to date, while annual international tourism receipts have

¹ LDCs are states that are deemed highly disadvantaged in their development process, which face a higher risk than most countries of failing to reduce poverty. LDCs are qualified based on three criteria: a Gross National Income (GNI) per capita less than \$750, a Human Assets Index score of less than 55, and an Economic Vulnerability Index value of less than 37. GNI represents a single measure while the Human Assets Index includes measures of caloric consumption, under five mortality rates, adult literacy rates, and secondary school enrolment rates. The Economic Vulnerability Index includes measures of merchandise export concentration, instability of export earnings, the share of manufacturing and modern services in GDP, instability of agricultural production, and population size (UNCTAD website, 2008).

increased from 2.1 billion to over 682 billion dollars (USD) over the same time period (UNWTO, 2006a).

The well-noted lucrativeness of the international tourism industry has garnered widespread recognition of tourism as a promising development agent for LDCs. Throughout the past fifty years, tourism has rapidly spread and has emerged as a major export sector in all but three of LDCs (UNWTOa, 2007). The decision to adopt tourism as an agent of development has been largely based on the expectation that tourism can: increase foreign exchange earnings, create employment, attract foreign investment, and positively contribute to local economies and the national balance of payments (Sharpley and Telfer, 2002). In other cases it has been said that tourism is turned to as a last option by countries that lack extractable resources, are burdened by foreign debt, and rely on international aid (Brown, 1998).

Yet despite the magnitude of this unabated growth industry, what is not shown is the disproportionate distribution of tourism across the globe. Of the 806 million international arrivals reported in 2005, only 2.5% originated in Africa, while 55.7% originated in Europe (UNWTO, 2006a). From the 682 billion dollars accrued in tourism receipts, Africa received less than 3%, while Europe accrued 51% of the share (UNWTO, 2006a). The average annual growth rate of the tourism industry fails to show stark fluctuations influenced by political to environmental factors that would otherwise reveal the acute volatility of international tourism markets. Although Africa has shown the highest rate of growth in the past two years (UNWTO, 2007a), such measures can be deceptive, as rates of tourism growth can manifold quite easily when tourism development is in an infantile state. In sum, while tourism figures are often referenced to show tourism exchanges primarily benefiting the South (UNWTO, 2007b), they conceal the reality that both consumption and production of tourism takes place in the developed, wealthy sphere of the North (Hall, 2007).

While the opulent hemisphere extends the virtues of modernization, relishing in the benefits of liberalized trade and travel, those in the southern hemisphere experience a much different reality. Despite more than fifty years of development efforts, this sphere of depravity persists, offering equally spectacular yet diametrical statistics. It is in this sphere that extreme poverty affects one in every five people (UNDP, 2006). Over 1.2 billion people in the world subsist on less than \$1US dollar per day. More than twice as many human beings subsist on less than \$2US dollars per day and endure inadequate living standards. They are born into a reality short of food, water, sanitation, education, and healthcare services, often inheriting the debts and burdens of generations prior.

The turn of the third millennia has seen a revived interest in poverty reduction. International funding organizations and even modern day celebrities are demonstrating a new awareness and commitment to the reduction of poverty. At the pinnacle of this renewed commitment has been the United Nations Declaration of the Millennium Development Goals (MDGs), which among numerous objectives pertaining to poverty reduction, aims to halve the number of people living in extreme poverty by the year 2015 (see Table 1).

Table 1: United Nations Millennium Development Goals

- | |
|--|
| <ol style="list-style-type: none"><i>1. Eradicate extreme poverty and hunger</i><i>2. Achieve universal primary education</i><i>3. Promote gender equality and empower women</i><i>4. Reduce child mortality</i><i>5. Improve maternal health</i><i>6. Combat HIV/AIDS, malaria and other diseases</i><i>7. Ensure environmental sustainability</i><i>8. Develop a global partnership for development</i> |
|--|

(Source: United Nations, 2000)

The progress of the MDGs has demonstratively fallen short in many LDCs, and extreme poverty levels are rising in Sub-Saharan Africa in particular (United Nations, 2006). This is intriguing when compared with the tourism statistics, which show a 5.7% growth in the African tourism industry between the years of 2000 and 2005 (UNWTO, 2006a). Such a contrast elicits two important questions: Is tourism helping to reduce poverty, increasing the wealth, health; quality, and quantity of life of the poor? Or is tourism capitalizing on the poor in their already fragile and vulnerable condition?

1.2 Statement of Problem

In the wake of the New Poverty Agenda, funding agencies and governments have been eager to accept tourism as an agent of poverty reduction, supporting age-old development strategies, despite debates by academics on the legitimacy of tourism as an effective developmental agent. Tourism continues to be promoted as a vehicle for development via economic growth, towards the recently specified development goal of poverty reduction. Discussion has barely surfaced in the tourism literature concerning the tourism-poverty nexus (Hall, 2007; Scheyvens, 2007; Schilcher, 2007; Zhao & Ritchie, 2007), and there is much work to be done to integrate the tourism, development, and poverty literature. The relationship between tourism and poverty, and the inherent processes by which tourism can deliver development objectives of poverty reduction remains unclear and poorly understood (Sharpley, 2002). Prevalent assumptions inherent to existing tourism development policy and process follow that tourism stimulates economic growth, and economic growth results in poverty alleviation (Sharpley, 2002; Zhao & Ritchie, 2007). Despite the pervasiveness of tourism in international and national development policymaking, the underlying rationale for tourism-poverty strategies remains far from transparent, lacking the empirical substance that might be expected when intervening with such pronounced and vulnerable populations. Empirical

analysis is required to better understand the relationships between tourism, development, and poverty reduction processes.

1.3 Research Questions, Purpose, and Objectives

This research addresses two fundamental research questions:

- How does tourism affect poverty?
- How can tourism reduce poverty?

The purpose of this study is to understand the processes through which tourism contributes to poverty reduction. More specifically, the objectives of this research are: 1) to examine the development processes through which tourism affects poverty, 2) to analyze the effects of tourism employment on poverty conditions, and 3) to explore the processes through which tourism can contribute to poverty reduction. These objectives will be addressed using a multi-methods research approach, and will be explored using a case study situated in Nkhata Bay, Malawi.

1.4 Case Study

Malawi is one of 46 LDCs that has included tourism in its poverty reduction strategy. High levels of impoverishment, along with an emerging tourism sector in light of declining agricultural exports and depleting fish stocks (Republic of Malawi, 2000) made it a suitable case study for this research. Sixty-two per cent of Malawi's population lives below the absolute poverty line of two dollars a day, and 21 per cent live on less than one dollar per day (UNDP 2007). Sixty-five per cent live below the national poverty line, and the GDP per capita amounts to 161 USD. Life expectancy at birth is 45 years, there is a ratio of two doctors for every 100,000 people, among an HIV prevalence of 14 per cent (UNDP, 2007).

Concurrently, tourism accrued 26 million dollars in 2005 and attracted 471,000 tourists in 2004 (UNWTO, 2006b). Although tourism has grown at a relatively slow rate of 1% when compared to other LDCs such as Sierra Leone

(50%) and the Central African Republic (23%) (UNWTO 2006b), even minimal rates of growth can have vital implications for poor populations. The case study presented an opportunity for the researcher to gain insight on tourism development processes, their impacts on poverty conditions, and allowed the researcher to provide preemptive recommendations for tourism planning for the benefit of poor populations in the town site of Nkhata Bay.

2.0 LITERATURE REVIEW

2.1 Introduction

This literature review is designed to provide a conceptual foundation for the subsequent methodology and is organized into three sections. The first section concerns poverty definitions and the prevalence of poverty in the world today. Such discussions are vital to the understanding of poverty as a multi-dimensional issue, the causal factors attributed to poverty, policy interventions designed to reduce poverty, and the methodologies employed to measure the effectiveness of those interventions. The second section focuses on development, as it is the most common approach to poverty alleviation. Within this discussion, several fundamental assumptions of development are critiqued, with special emphasis on emerging development philosophy and dominant development processes. Finally, the discussion places the poverty reduction and development debate within the context of tourism development in LDCs. More specifically, the critical appraisal of development is applied to recent approaches of pro-poor tourism and tourism as a means to poverty reduction initiatives, such as the Sustainable Tourism for the Elimination of Poverty (STEP) program. In bringing the tourism and the development literature together², it is hoped that such discussion provides the conceptual framework needed to better understand the complex relationship between tourism and poverty reduction.

² Though the terms of least-developed countries, less-developed countries, and developing countries have been used interchangeably within the tourism literature, this thesis refers to least-developed countries. However, it is important to note that the term 'developing countries' is inclusive of LDCs. LDCs share similar characteristics (i.e. foreign ownership of tourism businesses, loss of local control over resources) with other developing countries not classified as LDCs.

2.2.0 Poverty

The following section describes various definitions of poverty, the existence of poverty based on a multi-dimensional definition, responses to poverty. Finally, a rationale for poverty alleviation is offered.

2.2.1 Definitions

Definitions of poverty are the foundational building blocks to poverty reduction policies and plans. Yet inherent to each definition is a set of implicit assumptions, which have often been overlooked in poverty reduction planning (Ruggeri Laderchi et al., 2003). Such critique would evoke discussion on what aspects of life to include in poverty definitions, the universality of poverty definitions, and the methodology for assessing poverty. For example, poverty definitions can include economic, social, cultural, environmental, or political aspects of life, or any combination thereof. Poverty definitions have also been described in absolute terms, as seen in the United Nation's definition of less than \$2US dollar per day; or may be defined relatively through national poverty lines. Less frequently subjective definitions are used, which involve a self-assessment by those considered to be poor of their own condition.

The universal applications of poverty definitions are also of concern. According to Ruggeri Laderchi et al. (2003), monetary and capability approaches to defining poverty were initially created for developed countries. The extent to which definitions created in the Northern developed hemisphere can be applied to the developing Southern hemisphere is a debatable issue beyond the scope of this study, but has been taken as a worthy consideration in its analysis. These definitions have further implications for how poverty might be measured, as they determine who is and is not classified as poor. In the words of Ruggeri Laderchi et al., "to

devise policies to reduce poverty effectively, it is important to know at what we are aiming” (2003, p.243).

Poverty definitions, policies, interventions, and measurement methods have long been dominated by the monetary approach, but this is just one of many approaches to understanding poverty. Measures of economic disparity provide only a partial description of human depravity, and poverty has been said to be as much a political challenge as an economic one (Speth, 1998). Since the publication of the first Human Development Report (UNDP, 1990) more comprehensive definitions have been introduced and include approaches focused on capabilities, social exclusion, and participation (Ruggeri Laderchi et al., 2003). These approaches describe the poor as those people who not only have a low consumptive capacity to purchase basic life necessities such as food, water and shelter, but also includes those who lack access to primary education, are without safe drinking water, do not have adequate sewage and sanitation systems, and have limited access to healthcare services, pharmaceutical drugs, and vaccinations. The poor are also subject to gender and/or ethnic discrimination, and often have reduced ability to participate in governing decisions affecting their lives. A multi-dimensional notion of poverty elucidates that poverty is not just one aspect affecting the lives of people and their ability to consume the necessities for survival or their ability to help themselves. Moreover, different facets of poverty are mutually dependent (UNDP, 2006). For example, if a household does not have access to a clean water source, most often it is the young girl who will be removed from school to retrieve water from a remote drinking source. The subsequent lack of education she receives will affect the job she will be qualified to do, her ability to support her family, and her ability to read her ballot in the next election. In sum, her deprivation in one aspect of poverty will have an integral effect on her economic, social, and political empowerment (Scheyvens, 2000).

2.2.2 Prevalence of Poverty

In order to gain a comprehensive understanding of poverty, it is essential to extend beyond traditional monetary definitions. Since definitions of poverty determine methodologies for measuring poverty levels, the following statistics illustrate the prevalence of current poverty levels, using a multi-dimensional definition.

Extreme poverty is a reality for one in every five people in the world today (UNDP, 2006). There are currently one billion people who do not have access to safe drinking water and 2.4 billion people lack access to improved sanitation (UNDP, 2006). Thirty thousand children die every day from preventable illnesses such as AIDS, tuberculosis, and malaria. Five hundred thousand women die every year in pregnancy and childbirth, and this number increases one hundred fold for those who live in Sub-Saharan Africa (UNDP, 2006). Of the 33 million people in the world currently living with HIV, 67% live in Sub-Saharan Africa (World Health Organization, 2008). A further two million people die each year from tuberculosis, another one million from malaria. A lack of education is consistently experienced by the impoverished. One hundred and fifteen million children do not attend primary school. In Sub-Saharan Africa, 57% of children are enrolled in primary school, but only one out of every three will complete their primary studies. One in every six adults across the world is illiterate (UNDP, 2006).

2.2.3. Responses to Poverty

There are three possible responses to the current global poverty crisis, and these are to increase, sustain, or reduce poverty levels. Most would agree that to increase or sustain the prevalence of poverty would be morally indefensible, yet those that hold this view are often unaware of the far-reaching effect of their consumptive activities (Pogge, 2005). Pogge (2005) provides a compelling argument that beyond the option of reducing poverty lies a moral duty and responsibility. The arising inequality between

developed and LDCs has been widely acknowledged as the result of imperialistic, colonial times and it has often been said that current global inequalities are perpetuated by the new global order (Pogge, 2005; Mowforth & Munt, 2003). While citizens of the developed world have benefited from the imperialistic activities of their ancestors, citizens cannot be expected to assume responsibility for the wrongdoings of their ancestors. Here Pogge (2005) contends that they do, however, have a moral responsibility not to cause harm, and that citizens of developed countries are inflicting harm so long as they perpetuate unjust global institutional arrangements.

The idea that citizens of developed countries have a moral duty to respond to the problem of poverty may seem impalpable. Midgley (2006) reminds that universal rights, such as the right to life, knowledge, and adequate living standards are not limited by national borders, and neither is moral responsibility³. Most developed countries have a functioning governance system, which ensures that universal rights are respected, and those who violate such rights are punishable by law. The International Court of Justice is reserved for extreme transgressions; but the unlikelihood that citizens will be caught or held accountable for their actions does not absolve them from their moral responsibility to distant global citizens. Within the context of international tourism and LDCs, the physical distance between affluent tourists and those living in extreme poverty is reduced and hence, a

³ More specifically, poverty defies Article 3, 25(1), and 26(1) of the Universal Declaration of Human Rights (United Nations General Assembly, 1948.)

Article 3: Everyone has the right to life, liberty and security of person.

Article 25: (1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

Article 26: (1) Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.

lack of awareness of global poverty among tourists who travel to LDCs is decreasingly a plausible excuse for inaction. In other words, nation states are social constructions, and moral responsibilities are not reducible to geographical borders, particularly for the tourists who cross them.

Anand and Sen (1996) take a similar view insofar as they advocate the integration of universalism into the poverty debate. They introduce a slightly different approach that regards intragenerational equity as a pre-requisite to sustainable development:

The goal of sustainability- increasingly recognized as being legitimate- would make little sense if the present life opportunities that are to be sustained in the future were miserable and indigent (Anand & Sen, 1996, p. 2).

This is an important point considering the recent shift in development policy to reflect ideals of sustainable development. While the idea of sustainable development has rippled through academic literature and policy documents since the release of the report entitled Our Common Future (WCED, 1987), the same arguments have been applied to policies concerning tourism and poverty reduction⁴. While emphasis has often been placed on preserving natural resources for future generations, the inequitable distribution of resources within our current generation have often been overlooked. In sum,

the moral value of sustaining what we now have depends on the quality of what we have, and the entire approach of sustainable development directs us as much towards the present as towards the future (Anand & Sen, 1996, p.4).

The authors also allude to the point that poverty reduction is a pre-requisite to environmental conservation. Impoverished families are highly dependent on natural resources, have limited capacity to respond to environmental shocks, let alone invest in conservation. Their immediate concerns for survival will sometimes preclude their concerns for

⁴ One such program is the Sustainable Tourism for Eliminating Poverty Program, which will be discussed in further detail later.

environmental degradation. However, the existence of poverty does not necessarily imply environmental degradation (for a more in depth discussion on environment and poverty, see Pearce and Warford [1993] and Mink [1993]).

It has been noted that there has been a frequent blurring of definitions, symptoms, causal factors, and interventions within poverty research (Speth, 1998). For the purpose of this study, poverty will be conceptually defined as a deprivation of basic human needs. This study also employs a multi-dimensional, operational definition of poverty, which bears key implications for its scope and methodology. The author openly takes the position that poverty should be reduced, not avoided or perpetuated, and that so long as tourism is developed towards the objective of reducing poverty, the effectiveness of tourism-poverty interventions should demonstrate a reduction in poverty levels. Having explored the definition and prevalence of poverty and the rationale for responding to global poverty, and saving the dubious discussion of causal factors of poverty for another time, the discussion now turns to the most commonly employed intervention: development.

2.3 Development

In the words of Gita Sen, there is an “irony that is evident in the area of poverty research and action: namely, the diversity of concepts versus the uniformity of strategies for poverty eradication” (1999, p.685). Since the post-war era, the most prevalent response to poverty has been centred on economic growth, and free trade has been placated as the ‘corner-stone’ of development funding sources (Mowforth & Munt, 2003). However, trade is but one of many sources of development finance, along with debt relief, international taxes, philanthropic giving, and official development assistance (Addison et al., 2005). While poverty is understood and analyzed as a global phenomenon, poverty reduction strategies have largely been viewed as the

responsibility of nation states (Mowforth & Munt, 2003). Development as an economically driven process continues to dominate poverty interventions, and for this reason, it is the primary focus of this study.

Development is a word with an ever-changing definition. It has no shape, no parameter, and has a connotation of which assumes the most convenient definition for the context in which it is applied. Yet despite numerous semantic debates found within both the tourism and the development literature, it is important to recognize that such discourse is not an end in itself, but merely a launching point for important, meaningful methodological discourse and design (Midgley, 2006).

Development is best described as a “philosophy, a process, the outcome or product of that process, and a plan guiding the process towards desired objectives” (Sharpley, 2002, p. 23). As a philosophical concept, it describes a desirable future state to which a society might progress, and will highly influence the formation of development policies. Development policies involve value judgements, and imply the allocation of limited funding to development plans. Development plans describe the steps for achieving the desired development outcomes. Development as a process is the route a society takes towards reaching a desirable future state. Though all four elements of development are of considerable relevance, this study is particularly concerned with the *process* of development. While it is the philosophy which serves as a foundation from which poverty reduction and tourism policies, plans, and projects are derived; the process of tourism development; the rate at which it occurs (Wall & Mathieson, 2006) and the form it takes has profound impacts on LDCs.

2.3.1 Philosophies of Development

What is often forgotten in the development debate is that the mantra of development is not based on empirical fact, but is fundamentally built on philosophical ideals. Rapley (1996) suggests that the greatest change in

development practice took place around the 1950's when development philosophy assumed a new identity, substituting science for philosophy. The development debate then shifted from discussing how society ought to be, to describing society as it was. Hence, it is worthwhile to briefly review the emergence of development theory, so as to provide the context for current ideas regarding poverty and development. Such discussion may give light to why tourism is considered to be an effective force for poverty reduction, which will be discussed in the third section of this literature review.

Following the depression era of the 1930's, it became increasingly recognized among development theorists that LDCs could not develop out of their impoverished positions based on laissez faire economics and the free market economy alone. Influenced by the ideas of John Maynard Keynes, in what became known as the post war Keynesian consensus; development theorists began to advocate for increased state involvement during times of economic recession, and less state involvement during times of economic success. Structuralism was an ideology that paralleled Keynesian thought and maintained that structural obstacles were impeding LDCs from industrializing, were limiting their ability to become self-sustaining, and perpetuated their dependence on trade with developed countries. Modernization theories emerged during the 1950's, and held that the inability of LDCs was due to two factors: a lack of capital, and a lack of capitalist values. Hence, the way for the developed world to assist LDCs to overcome poverty was to share capital and entrepreneurial expertise (Rapley, 1996).

It was in the 1960s and 1970s that Dependency Theory emerged, which countervailed widely accepted development theories of the time. Authors such as Baran and Frank (as cited in Rapley, 1996) contested that underdevelopment and development were inexorably interlinked. The progress of the developed world was attributed to corollaries of imperialism that drained LDCs of the resources needed for their own development. It was

also recognized that the impetus to industrialize LDCs often originated from developed countries, as a way of accessing protected markets and inexpensive labour. Foreign owned enterprises in LDCs were criticized for increasing overall import bills, draining foreign currency reserves, the remittance of profits to their home country, in turn compelling host countries to export more goods to developed countries (Mowforth & Munt, 2003; Rapley, 1996).

Neo-classical theory originated much earlier during the late eighteenth century and resurfaced again in academic circles during the 1930s. But it was not until the late 1950s that neo-classical political philosophy and neo-classical economic theory began to shape the political environment of developed countries. While neo-classical economics focused on the withdrawal of state involvement, regulation, and minimal taxation; neo-classical liberalism laced with anti-communist sentiments, advocated principles of individualism, freedom from state control, and innovation. Together, the convergence of neoclassical philosophy and economic theory, along with the economic stagnation and high inflation experienced by developed economies in the 1970s, generated a powerful influence on major political leaders who also exercised powerful leverage with international organizations. Leaders of developed countries, most notably the United States and Britain, embraced neo-classical theories of development (Rapley, 1996). These theories pervaded policies of major international funding organizations such as the World Bank (Hawkins & Mann, 2007), International Monetary Fund, and the United Nations, which in turn through policy regulation and funding programs, shaped policy making in LDCs (Mowforth & Munt, 2003). Hence, the early 1980's witnessed a major shift in international development policy.

2.3.2 Development Policy

Induced by the global economic crisis and rising interest rates of the 1970's and based on the neo-liberal consensus that pervaded institutions such as the World Bank and the International Monetary Fund, structural adjustment programs (SAPs) were offered to LDCs as a means of debt relief. New loans were offered contingent on austere stipulations that would attempt to restructure fiscal policies of borrowing countries. Conditions such as the boosting of export production, the devaluation of national currencies, and the relaxation of import tariffs, were ordered to increase the earnings of foreign aid capital. The privatization of state run enterprises, removal of public spending for public services (such as health, education, and security), and deregulation were imposed as a means to reducing state involvement in the economy and enforcing the alignment of LDCs with the global free-market orthodoxy. Measures were also introduced to reduce inflation, cut interest rates, and encourage investment (Mowforth and Munt, 2003, p. 263). Poverty Reduction Strategy Papers (PRSPs) were later introduced after 2000 as a participatory alternative to SAPs. These documents were created by the national governments of the borrowing countries as a requirement of development funding.

Neo-classical philosophy currently dominates development theory and policy, to such an extent it is often accepted as a universal truth. The World Bank is one of many development agencies that supports the development of tourism in developing countries. Between 2000 and 2006, this institution allocated over \$3.5 billion (USD) to tourism related projects in developing countries (Hawkins & Mann, 2007). While this level of investment is indicative of political support and recognition of tourism as a viable industry, what remains unclear is the process by which these developments have a reducing effect on poverty.

2.3.3 The Development Process

Tourism is one of many sectors that has been promoted as a source of economic diversification, growth, and sustainability by national governments and development agencies in LDCs. As mentioned in the introduction of this thesis, tourism has emerged as a major sector in all but three of LDCs (UNWTO, 2007a). In many countries, such as Kenya, the tourism sector has surpassed other traditional economic sectors (Dieke, 2000). In some cases the tourism sector has grown so prominent that countries have become reliant (Wall & Mathieson, 2006). Economic growth as a development process has gained such wide acceptance that the terms economic growth and development have been used synonymously (Sharpley, 2002) and are often truncated as 'economic development'. While there have been numerous studies focused on the significance of tourism's contribution to the economic development process, very few have examined the rationale of using tourism as a vehicle for economic development (Wall & Mathieson, 2006). Within the tourism literature lies a conceptual gap between the economic benefits of tourism and development broadly conceived (Sharpley, 2002). It is suggested here that few studies in the tourism literature have examined tourism's contribution to the economy with specific reference to poor populations, and even fewer have focused on the process through which the contributions of tourism by way of economic growth relate to poverty reduction. Moreover, the relationship between tourism, economic growth, and poverty reduction has largely remained unchallenged as the most effective route to development and poverty reduction.

The debate inspissates, as processes of development and the inherent assumptions of development theory are re-evaluated. Development policies rarely explicate what is to be developed, the desired outcomes of development, and how interventions of choice can deliver specified objectives. The justification for investments in one facet of society at the expense of another, along with evaluation and empirical evidence in support

of such decisions are far less apparent. What does the process of development look like? What is to be developed? How is it to be developed? How does development reduce poverty? And what does this have to do with tourism? Such is the focus of the following analysis.

2.3.3.1 Tourism Development and Economic Growth

The notable support of development agencies towards international tourism in LDCs and the argument that tourism can be a force for poverty reduction is based on two central assumptions. The first assumption is that tourism development leads to economic growth. The second is that economic growth can effectively reduce poverty. Proponents of the former tend to support the contention that a liberalized free market global economy is the optimal environment to facilitate economic growth, and that tourism can strengthen the economies of developing countries (Sharpley & Telfer, 2002; Williams & Shaw, 1998). Tourism is embraced for its potential to create employment, contribute to the national balance of payments, provide capital needed for investments in infrastructure, help to create inter-sectoral linkages within the economy, and produce multiplier effects. More specifically, the United Nations World Tourism Organization (2006b) promotes tourism as a suitable economic growth sector in LDCs based on the arguments that tourism is consumed at the point of production; is a labour intensive and diverse industry that can potentially support other economic activities; and tourism can provide community infrastructure and opportunities for small enterprise creation. Moreover, it is believed that LDCs have a comparative advantage over developed countries, possessing a wealth of cultural and natural assets such as art, music, wildlife, and favourable climates. As a result, tourism can provide more than material benefits for the poor, but also cultural pride.

However, tourism development has received much critique since the cautionary phase of tourism research (Jafari, 2001). Tourism development

was increasingly critiqued for its economic theoretical basis and neo-classical philosophies from which tourism development theories and plans were derived. While in theory the aim of tourism development was to redistribute wealth from developed countries to LDCs, tourism research revealed a continued inequitable redistribution of wealth among the North and South. Britton (1983) argued that transnational companies involved in tourism development degraded rather than developed these countries through exploitive trade relationships. Brohman (1996) outlined problems associated with outward growth strategies. Limitations to tourism development in developing countries were brought to fore, such as high rates of foreign ownership and leakages, local loss of control over resources, low economic multiplier effects, the reinforcement of socio-economic inequality, and a disproportionate spatial distribution of benefits.

2.3.3.2 Economic Growth and Poverty Reduction

Advocates in support of economic growth as an effective intervention for poverty reduction (Dollar & Kray, 2002) tend to see economic growth as both the cause and solution to world poverty. They adopt monetary definitions and devise monetary solutions, and are more concerned about liberalizing economic trade relations. They often assume ill-defined mechanisms of wealth redistribution and follow that economic growth fundamentally precedes progress in other aspects of society such as human development, environmental preservation, and political stability.

Trickle down mechanisms are often cited in development and tourism literature as the process whereby economic benefits will naturally reach the poor as wealth naturally spreads from the richest to the poorest of a society. Despite the axiomatic support of the trickle down hypothesis as a 'theory', no reputable economist, let alone academic of international development ever articulated or employed this theory (Arndt, 1983). While multiplier effects may bear a slight resemblance, they imply the lateral flow of direct,

indirect, and induced economic benefits of tourism (Wall & Mathieson, 2006), they do not, however, explain the quantity or proportion of benefits that reach the poor.

There is an increasing proportion of research that challenges the relationship between economic growth and poverty reduction (Ravallion, 2004), some of which also challenges the prioritization of economic growth as a development intervention (Ranis et al., 2000). Ravallion (2004) finds that there is no direct relationship between levels of economic development and poverty reduction, but rather that the rate of economic growth is a determinant of the rate of absolute poverty reduction. He identifies two causes that influence different rates of poverty reduction at given rates of growth: the initial level of inequality, and how inequality changes over time. At very high levels of initial inequality, he asserts, “the poor will gain little or nothing from economic growth” (2004, p.15).

Ravallion (2004) then looks into various sources of inequality as being unequal access to public goods and private assets, claiming that the limited access of the poor to social services such as health and education, and limited access to private assets makes it more difficult for the poor to take up opportunities afforded by aggregate economic growth. In sum, he concludes,

to make growth more pro-poor requires a combination of more growth, a more pro-poor pattern of growth and success in reducing the antecedent inequalities that limit the prospects for poor people to share in opportunities unleashed in a growing economy (2004, p.20).

Ranis et al. (2000) empirically investigate through a macro analysis of 35 to 76⁵ developing countries, the relationship between economic growth and human development⁶. They find that progress from vicious cycles of

⁵ The sample size was dependent on the availability of data for chosen variables (Ranis et al., 2000).

⁶ Human development is defined by the authors as “enlarging people’s choices in a way that enables them to lead longer, healthier, and fuller lives” (Ranis et al., 2000). This discussion

development (low economic growth and low human development) to virtuous cycles of development (characterized by high economic growth and high human development) is not attainable through policies focused on economic growth alone. The authors conclude that countries maintain their status in the virtuous cycle of development when profits of economic growth are re-invested into public services such as health and education. Further, they contend that health and education services are required to support a self-sustaining, productive economy. They conclude that the sequence of national public policy can play a vital role in the progress of developing countries and is even more integral than the amount or rate of economic growth.

While some poverty theorists have advocated investment into health and education as the most effective means to poverty reduction, Nobel Laureate, Muhammed Yunus (1998) countervails this argument, suggesting poverty persists due to the failures of development theorists: their inability to understand human capabilities and their inability to create theories, policies, and institutions that support poverty reduction. Based on his findings and experience of creating the Grameen Bank in Bangladesh, he argues insofar that credit creates entitlements to resources, financial institutions perpetuate poverty by viewing credit as a neutral, rather than political tool. In alignment with Ravallion's (2004) findings at the national level, the more concentrated access to capital is in an economy, the less benefit the poor will receive from their labour. Thus, employment alone is not the sole means to reducing poverty. For if employment does not generate enough income to subsist or save, it inhibits the poor's ability to secure a fraction of their contribution to the economy. This can particularly be the case in regards to short and medium term employment (Yunus, 1998), which represents a large proportion of those seasonally employed by the tourism industry.

will focus on human development as it relates to physical well-being, focusing on aspects such as education, health, and nutrition. For more information, see Ranis et al. (2000).

However, Yunus (1998) refutes the claim that investment into human capital is the best route to poverty reduction. He draws attention to the value of the informal sector, a sector that is highly apparent in the tourism industry, and one that is frequently the focus of development theorists. He argues that the informal sector is saturated with skilled and entrepreneurial-minded people, and their perceived lack of skills is merely an assumption used to justify development activities focused on training, education, and capacity building, so as to secure the future of the development industry. Finally, Yunus (1998) illuminates the embedded assumption that capitalism is reliant on profit maximization and that investments ought to be made where the greatest financial gains can be produced. He challenges current development theories that are based on Western philosophical beliefs of progress and experiences of poverty, and calls for change in lending policies of financial institutions that perpetuate cycles of poverty, making a case for the utility of social credit and micro-finance. Although Yunus (1998) makes his argument with reference to lending institutions on a national level, there is potential for further research on the application of such concepts at a local and international level.

Economic development is best understood as a means to poverty reduction, not an end in itself. Some have argued that human development, on the other hand, is both an end and a means. Developing human capital among poor populations can improve their quality of life from a penurious to liveable state, and in the meantime can increase their capacity to contribute to economic growth (Anand & Sen, 1996). So long as poverty is understood in its broader context, it must also be acknowledged that there are multiple ways to reduce poverty. Though economic definitions, interventions, and methods of measurement are the most commonly employed in response to poverty; the economic is but one approach which has been chosen not on the basis of empirical analysis, but based on unchallenged political and philosophical rhetoric. Hence, there is a need for

broader definitions and methodologies to be integrated into the tourism-poverty nexus (Scheyvens, 2007).

2.4 Tourism, Development, and Poverty Alleviation

There has been increasing interest in developing tourism as a means to alleviating poverty. Tourism was mentioned in 80% of Poverty Reduction Strategy Papers in an effort to secure funds from international funding organizations (Mann, 2005, as cited in Scheyvens, 2007). Tourism has been argued to have an advantage over other economic sectors in realizing the goals of poverty reduction for several reasons. Due to the multi-sectoral nature of tourism, there is a higher potential for linkages of tourism enterprises with other local enterprises within destination areas. Tourism is a labour intensive industry that can create jobs. There is also a high potential for countries with few other competitive exports to develop tourism products based on the cultural and natural resources that are often in abundant supply in developing countries (Bennet, Roe, & Ashley, 1999).

The work of dependency theorists such as Brohman (1996) and Britton (1983) engendered a new body of tourism literature and lead to a new approach to tourism policy and planning known as the alternative tourism development (Scheyvens, 2007) or in what Jafari (2001) terms the adaptancy platform. In an attempt to off-set the perceived failure of top down approaches characteristic of conventional tourism development, numerous small-scale types of tourisms were introduced which emphasized greater local control, grass-roots decision making in planning processes, and a livelihood based approach (Scoones, 1998). Examples of these tourisms include but are not limited to pro-poor tourism and community based tourism.

2.4.1. Pro- Poor Tourism

Pro-poor tourism (PPT) is a relatively new approach to tourism development that has been designed to increase the net benefits for the poor from tourism, and ensure that tourism growth contributes to poverty reduction (Ashley, Roe, & Goodwin, 2001). PPT is best defined as an approach to tourism that can be applied to many different tourism types. There are three main strategies through which PPT initiatives are implemented, including strategies that focus on increasing economic benefits, strategies focused on minimizing negative non-economic impacts, and strategies focused on policy process and reform, all of which may be applied at a local to national level and can involve a variety of stakeholders including governments, private sector, non-governmental organizations, international development agencies, and the poor. PPT is said to 'tilt' existing tourism sectors by expanding existing employment opportunities for the poor, diversifying culturally-based tourism products, expanding business linkages within the industry, redistributing assets to the poor, and including their voice in tourism plans.

Community-based tourism (CBT) and pro-poor tourism (PPT) both apply a bottom-up, livelihoods-based approach (Scoones, 1998); and though distinct, the two terms (CBT and PPT) are often used interchangeably. Community-based tourism distinguishes itself from PPT by focusing on destination communities as heterogeneous units, while PPT explicitly identifies the intended beneficiaries of tourism development to be the poor (Ashley et al., 2001). Contrary to the strictly bottom up approach used in community based tourism, PPT employs a multifarious approach, working not only with the poor, but with tourism businesses, and towards creating conducive policy reform (Ashley et al., 2001; Mahony & Van Zyl, 2001). There have been numerous challenges of PPT noted in the literature. Mowforth and Munt (2003) have been sceptical and question if PPT may be merely an old approach with a new name in order to secure limited financial resources. As

a relatively new approach to tourism development, there has been very little peer-reviewed research on the effectiveness of PPT strategies.

The Pro-Poor Tourism Partnership is currently undertaking numerous projects to assess the effectiveness and publish the results of best practices of PPT (Ashley et al., 2001; PPTP, 2007). Yet, having adopted a livelihoods-based approach, this implies that measurement of impacts must not be limited to economic benefits, but must also include social, cultural, and environmental impacts on poor populations. In other words, tourism must be assessed using a broad definition of poverty. By definition of PPT as “tourism that generates net benefits for the poor” (Ashley et al., 2001, p.2), it has been acknowledged among one of the founders of this approach that net benefits require an extensive assessment of the impact of PPT initiatives on the livelihoods of poor people, and that such benefits must be demonstrated (Goodwin, 2006). Hence, greater knowledge of the impacts of PPT on poverty are key to distinguishing PPT from conventional tourism development approaches. By definition, PPT planning demands a new methodology.

2.4.2 Sustainable Tourism for Eliminating Poverty

The Sustainable Tourism for Eliminating Poverty (STEP) program exemplifies tourism development planning with the objective of poverty reduction. Initiated by the United Nations World Tourism Organization in 2002, the STEP program has been endorsed as being fully consistent with the Millennium Development Goals (UNWTO, 2007b). There are currently over 30 STEP projects underway in 19 countries, suggesting significant commitment and continued investment in the program. The STEP program focuses on improving the capacities of national tourism administrators, local authorities, and stakeholders in LDCs and developing countries in devising and implementing poverty reduction policies, plans and projects, through the development of sustainable forms of tourism (UNWTO, 2007b). The STEP program also purports to “promote socially, economically and ecologically

sustainable tourism, aimed at alleviating poverty and bringing jobs to people in developing countries” (UNWTO, 2007b).

In a recent publication entitled, Poverty Reduction Through Tourism, published by the UNWTO in 2006, tourism was said to reduce poverty via the following mechanisms (see Table 2):

Table 2: Seven Tourism Development Mechanisms

- 1. Employment of the poor in tourism business.*
- 2. Supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor.*
- 3. Direct sales of goods and services to visitors by the poor.*
- 4. Establishment and running of tourism enterprises by the poor.*
- 5. Tax or levy on tourism income or profits with proceeds benefiting the poor.*
- 6. Voluntary giving/support by tourism enterprises and tourists.*
- 7. Investment in infrastructure, stimulated by tourism, which also benefits the poor of the locality, directly or through support of other sectors.*

(Source: UNWTO, 2006c)

It is through these mechanisms that the UNWTO assesses the contributions of tourism to poverty reduction.

Though the founders of PPT have been said to have had an early influence in the creation of STEP through the publication of various commissioned reports (Bennet, et al. 1999), Goodwin (2006) questions whether the STEP program reflects the principles (or criteria) of PPT, and requests that more measurement of net benefits to the poor is required. Moreover, Scheyvens (2007) critiques STEP and PPT strategies for emphasizing local interventions and not addressing structural constraints on a national and global level. For example, she along with Schilcher (2007) argue that the endorsement of labour codes and the regulation of foreign owned companies would more effectively reduce poverty. In addition, the

impetus for such programs is questionable considering the key stakeholders involved. Scheyvens (2007) identifies the United Nations Committee on Trade and Development (UNCTAD) as a major partner in the STEP program. As an agency with a mandate of promoting international trade, it is apparent that the interest is in the development and growth of the tourism industry, and less so of poverty reduction; a 'tourism first' approach (Burns, 2004). What Scheyvens (2007) does not acknowledge is UNWTO is an executing agency of the UNDP, which is also responsible for gathering global poverty data and statistics, and which also interprets poverty as a multi-dimensional construct. This agency would be viewed as having a 'development first approach' (Burns, 2004).

Burns (2004) proposes a continuum on which tourism planning in LDCs can be conceptualized. On one end of the spectrum lies the 'tourism first' approach; largely supply driven, with an emphasis on economic growth benefits. In this approach, success is monitored in terms of tourism arrivals, tourism receipts, and investment. At the other end of the spectrum is the 'development first' approach to tourism planning. His most pivotal claim is that the 'tourism first' and 'development first' approaches are not inherently in opposition. For example, while the former approach focuses on the sustainability of tourism business, emphasizing the importance of economic viability, economic viability is also understood as being essential to successful pro-poor tourism (Ashley et al., 2001). Schilcher (2007) reinforces a similar idea, that economic growth inherent to many development policies, and the equitable redistribution required for poverty reduction may be complementary to one another. She asserts that more distributive policies focused on increasing both the assets and incomes of the poor can fuel economic growth of the tourism sector.

To date, the success of tourism developments have largely been evaluated based on the 'tourism first' approach, using indicators of tourism performance, such as international arrivals, international tourism receipts,

and foreign investment (UNWTO, 2006a). While such indicators may be valid measures of the size of the tourism industry, they fail to report on economic growth and poverty reduction; and do not provide specific information about the poor. The STEP program and PPT approach have assumed alternative methodologies, and have designed their methodology to assess impacts on poor populations. Yet, such assessments continue to focus on the economic benefits of tourism, suggesting that economic growth is the most effective route to poverty reduction. Current methodologies employed by the UNDP, such as the Human Poverty Index and Human Development Index, may be helpful in designing methodologies to measure the effectiveness of PPT and the STEP program.

In summary, there is a need to understand the nature of the relationship between tourism, development, and poverty with greater clarity and precision. Fundamental to this aim lies the critical task of re-evaluating the inherent assumptions embedded in poverty analysis and development philosophy, policymaking, process, and outcomes. A review of the tourism literature unleashes a divided debate between tourism academics regarding tourism as an agent of development. The development literature reveals that current poverty reduction and development approaches are often based on prevailing neo-liberal rhetoric rather than empirically grounded theory. Researchers studying the tourism-poverty nexus must be extremely discerning so as to separate political rhetoric of development philosophy from the empirical evidence of development processes. Evidence within the development literature suggests that policies focused on economic growth alone are insufficient to reduce poverty, and there are many other factors such as existing levels of inequality prior to tourism development, access to credit, and the equitable distribution of economic, social, and environmental benefits, that also play a deciding role in poverty reduction. Current tourism-poverty reduction planning such as the STEP program, have defined seven mechanisms through which tourism is purported to have an alleviating

effect on poverty. These tourism development mechanisms have been useful in creating a conceptual framework for tourism and poverty reduction, and are critically analysed throughout the impending methodology.

3.0 RESEARCH APPROACH AND METHODOLOGY

3.1 Introduction

There is a deficiency of empirical evidence to support that tourism development mechanisms can have reducing effects on poverty conditions. Current methods used to convey the impact of tourism on poverty have focused on quantifying economic impacts of tourism, however these indicators do not specify the proportion or quantity of economic impacts that reach the poor, and fail to indicate how economic impacts influence other poverty conditions. This study suggests that while tourism and economic growth assessments are integral to a tourism-poverty alleviation appraisal, they are incomplete. If tourism is an indelible force for poverty reduction, then it can be expected that tourism growth will reflect a reduction in poverty levels comprehensively defined. More specifically, if tourism can alleviate poverty by way of employment, then it can be expected that those employed in tourism will experience improvements in other poverty conditions.

3.2 Research Approach

A combination of theoretical perspectives has guided this research. Advocacy and pragmatic knowledge claims have been adopted and have influenced the methodology of choice. Advocacy and participatory knowledge claims intertwine research with political environments and agendas, and recommendations put forth by this research may be used in political decisions that could affect the lives of research participants. The pragmatic knowledge claim is most prevalent in this research, in which a problem is placed at the centre the research, and is concerned with solutions (Creswell, 2002). This is clearly reflected in the research questions that explore how tourism affects poverty, and how tourism can help to alleviate poverty. The pragmatic knowledge claim also heeds political, geographical,

economic, historical and other contexts rather than isolating participants from their natural environments.

A post-positive epistemology has been reflected in this research. Selecting a case study as a research method means the findings will be most relevant to the participants of the chosen research area. Experiential realities as they are described by the participants or represented in this study are not universally applicable. Yet the case study has been selected as a method in order to gather in-depth insight and “capture the complexity of the case while still attempting to produce some level of generalization” (Ragin, 1987). Within the case study site, the researcher has taken a post-positivist stance in the endeavour to test the effectiveness of the tourism development mechanisms. Empirical techniques have also been used to examine the effect of tourism employment on poverty conditions. However, one limitation of the post-positivist knowledge claim is that it can be reductionistic by limiting very complex phenomenon into one or few variables to be tested, and largely ignores the broader context in which the phenomenon exists.

Throughout the course of this research, the researcher has attempted to maintain objectivity, though it is well acknowledged that all research is political by nature, inevitably laced with assumptions, beliefs, and values (Philip, 1998). Such assumptions have been discussed throughout this work as they arise, and are specifically addressed in the forthcoming section on limitations.

3.3. Selection of the Case Study Site

The country of Malawi was chosen as a case study area based on several considerations. National indices placed Malawi as a highly impoverished country (UNDP, 2007) and LDC (United Nations Economic and Social Council, 2008) with a growing tourism sector (UNWTO, 2006a), making it a very relevant location to pursue research on this topic. Government poverty reduction strategy papers (PRSPs) also indicated that tourism was

being embraced as a means of poverty reduction in Malawi (Republic of Malawi, 2000), and thus, implied practical relevance of this study to the case study site. The researcher also took into consideration the political stability of the country. English being the official language was an asset to completing interviews with key informants and overall fieldwork logistics.

Malawi also presented a unique and challenging research opportunity, as relatively little research has been published on the country in general. A lack of research conducted in or about Malawi meant that there was less bureaucracy encountered by the researcher. Information was frequently volunteered to the researcher, and being a visible 'outsider' in a hospitable environment meant that key informants (chiefs, government officials, lodge owners) could be easily accessed for interviews.

The researcher faced few yet genuine challenges during the data collection phase of this research. The first case study site was forewent due to the relentless harassment by *beachboys*⁷, a lack of internet services, and when the fact that the researcher had previous discussions with government officials became inadvertently known. The researcher therefore selected an alternative case study site, and prevented harassment by developing rapport with lodge security guards and key people in the community. Careful effort was thereby made to keep knowledge of affiliations with government officials strictly private.

The district of Nkhata Bay was the second case study site chosen within Malawi, and was selected due to the prevalence of tourism in the community. An initial interview with the Ministry of Tourism also revealed the Lakeshore region as an area with very high and recent tourism growth (Key Informant Interview 1, 2007; see Appendix 1 & 2). However, based on antagonism sensed during the initial observations of the researcher, it was nearly passed as a potential site. Some locals were sceptical and believed the researcher to be a reporter, government investigator, or a foreign investor.

⁷ Beachboy is the term used for individuals who derive their income by befriending and establishing relationships with tourists.

Upon further consideration, Nkhata Bay was chosen as these experiences provoked further inquiry.

Although this study examines the seven mechanisms stipulated by the STEP program, the researcher did not choose a case study site where the STEP program was in operation because STEP has only recently been implemented in the past five years. Hence, the assessment of STEP programs and their ability to deliver development and poverty reduction objectives was deemed premature by the researcher. In addition, STEP interventions tend to focus on capacity building of governments (UNWTO, 2007b), so the extent to which the seven mechanisms are being realized in communities and among poor people is dubious. Therefore, a broader approach to the research was taken to focus on tourism development processes, which still holds relevance for the STEP program and other tourism planning aimed towards poverty reduction.

3.4. Data Collection

A multi-methods approach was used in this study, as both qualitative and quantitative methods of data collection and analyses were used to address the research questions. Not to be confused with the mixed-methods approach which refers to a situation in which two or more methods are used to address the same research question, at the same stage in the research process, and with the same research participants; the multi-methods approach is one in which quantitative and qualitative methods are used to address different facets of the research question, or to address the same question from different perspectives (Philip, 1998).

Participatory techniques are primarily used to collect qualitative data, are useful for inductive research, and can capture specific information about the perspectives from poor populations (Creswell, 2002; Strauss & Corbin, 1998). Qualitative data techniques were used to address the seven tourism mechanisms. Additional themes surfaced throughout the analysis of

qualitative data and were included to provide further insight into the mechanisms and the context of the case study site. Quantitative techniques are typically used in deductive strategies of inquiry, and are helpful in understanding the usefulness of an intervention (Creswell, 2002). Survey questionnaires were used to gather primary data on the sample population, and were used in the analysis of the first mechanism, employment, with greater depth and complexity. Together, the integration of these methods contributes to a fuller, more robust understanding of poverty (Appleton & Booth, 2001).

3.4.1. Participatory Research Methods

Participatory research methods are useful in exploratory research and can help to unveil richer definitions of poverty. These methods provide more insight to causal processes and provide more accuracy and depth on certain questions. However, inferences that can be made from data collected through participatory techniques are not usually generalizable to broader populations and the verification of information can be difficult (Carvalho & White, 1997).

Five different participatory techniques were used in the collection of qualitative data: semi-structured interviews, unstructured interviews, transect walks, photographs, and the observations of the researcher. Semi-structured interviews are interviews in which the researcher has a pre-established set of questions. This interview technique was used when interviewing a senior government official who wished to see the questions prior to the interview. This interview technique was also used when information pertaining to specific topics (i.e. tourism development mechanisms) was desired. Six of nine tourism lodges within the case study site were selected for semi-structured interviews through convenience sampling. Five of these interviewees held management positions, two were also part owners, and two were long-term employees.

Twelve additional unstructured interviews, purposively sampled, were held with key informants who occupied influential positions, including local chiefs, government officials, teachers, health care workers, clergypersons, employees of not for profit organizations, volunteers, and tourists. Unstructured interviews were not guided by a set of pre-established questions. These types of interviews were helpful in gaining information on the experiences and opinions of key informants. Transect walks were conducted by hiring a local person who had good command of the English language to give a tour of the community. The researcher adamantly documented observations pertaining to the physical and human geography of the case study site. Photographs were taken of physical attributes of the research area, and of people only with their verbal consent.

3.4.2. Survey Questionnaire

Surveys are advantageous because they can collect data for the purpose of statistical analysis, and they allow for the aggregation of data into variables and the disaggregation of information (Carvalho & White, 1997). In this case, data were disaggregated into two different employment groups found within the sample.

The pilot test exposed several limitations of the survey and allowed for revisions to be made prior to administering the survey questionnaire. A total of 10 pilot questionnaires were completed one week prior to the actual administration of the final questionnaire. Some participants of the pilot study approached the researcher following the completion of the survey, and gave positive feedback that the survey instrument was capturing meaningful information in the views of participants.

Questionnaires surveys were used to collect data from local residents (see Appendix 4). One hundred twenty-seven surveys were collected between November 24th and December 2nd, 2007. A total of four research assistants administered the surveys. All research assistants were female university

students from the neighbouring city of Mzuzu. One research assistant was unable to continue working with the project when she contracted malaria. Research assistants translated the questionnaires into the local language of Tonga or Chichewa, and then translated the answers of respondents to English before recording these data on paper forms. All research assistants underwent a brief orientation session to ensure clarity on sampling method and question content. Language translation exercises were conducted prior to fieldwork, to ensure consistency in the translation of questions by the assistants. Role-playing was also done as part of this orientation, which helped assistants to understand the type of information that was desired, and to use probing questions to extract information from consenting respondents. On select occasions, the researcher accompanied the research assistants to observe their interviews and later provide constructive criticism. This was done as a way of ensuring quality control, but may have however, influenced the answers given by survey participants.

3.4.2.1. Sampling Method

Research assistants were instructed to approach potential respondents in a stratified manner, selecting every fifth person they encountered while walking around the area designated by the researcher. Respondents may have been at their place of work, in transit, or at home when interviewed. However, it must be acknowledged that most survey questions were designed to obtain information on the household and not the individual level. While households are a common unit of analysis used in poverty analysis, serious problems arise since not all household members may have accurate information concerning household income or expenditures, and income may be distributed inequitably among household members (Appleton & Booth, 2001). This concern was duly noted by one of the research assistants who described a female participant who was uncertain of her household income,

since her husband, the sole financial provider of the household, did not share this information.

Day one through three of the questionnaire survey administration were located in the town site of Nkhata Bay, extending north of the town centre towards the *Boma*⁸, and were restricted to the Mkumbira chiefdom. Cases one through eighty represent this part of the sample (N=80). Day four of questionnaire data collection began at the bridge that defines the boundary between the chiefdoms of Mkumbira and Mankambira. On the fourth day, the research assistants began at the bridge and extended south. Cases 80 through 127 represent the Mankambira part of the sample (N=47).

Of crucial consideration is that a comprehensive definition of poverty makes it extremely difficult to target a sample poor population for empirical analysis. Based on a comprehensive definition of poverty, the researcher could target different sample populations using alternative points of entry: monetary, education, health, infrastructure, or political deprivations. Countries and communities are heterogeneous, and not all participants within the sample are representative of the poor. Variations may also surface between rural and urban populations, and within communities. The researcher geographically targeted the sample by selecting one of the most impoverished countries in the world. Primary (survey data, 2007) and secondary sources (Nkhata Bay District Assembly, 2006) further indicate high levels of relative and absolute poverty prevalent in the case study site.

3.4.2.2. Selection of Poverty Variables

Twenty-seven indicators were selected by the researcher to retrieve multi-dimensional information on poverty levels, and were later aggregated into five categories of different types of poverty conditions. Since variables were aggregated post data collection, some categories (e.g. health conditions) are comprised of more variables than others. The choice of poverty

⁸ Boma means 'fort' in Chichewa, and refers to the District Headquarters of Nkhata Bay.

indicators was largely influenced by the Human Poverty Index and the Human Development Index, two indices that have been designed to deliver comprehensive measures of poverty and that have been consistently used in the UNDP Human Development Reports (see UNDP, 1990; UNDP 2006). Variables concerning distance to education and healthcare services, mosquito nets, access to potable drinking water, along with daily income were influenced by these sources. The selection of indicators was further refined based on informal conversations with people at the case study site who were asked about the most appropriate measures of poverty. Some indicators that were added to the survey as a result of these informal consultations were the number of meals per day, housing materials, and household assets.

It must be acknowledged that some indicators used in this analysis are subject to criticism, as they may give only partial information about the construct they have been selected to measure. For example, the distance from the respondents' households to schools, hospitals, and potable water sources were variables used to collect information about access to these services. However, measuring access in terms of distance gives no measure of the quality of that service or resource. To illustrate this point further, the close proximity of one's home to a health centre does not indicate better access to healthcare, if healthcare centres are devoid of health practitioners and pharmaceutical supplies. Similarly, a closer proximity to a borehole as a potable water source does not mean that the water drawn from that source is of healthy drinking quality, and it does not measure the time spent in queue. Furthermore, the impetus for selecting healthcare and education fees as variables to assess monetary access to these services was that higher fees might indicate an increased barrier, when in actuality, those who reported such expenses were clearly those that could afford them. Contrarily, education and healthcare fees were better measures of accessibility to these services rather than inaccessibility. Yet even so, the meaning of healthcare expenditures are unclear, as they might indicate greater accessibility to

healthcare services and therefore better health, or they may indicate a greater need for healthcare services and poorer health status.

In some cases, the very wording of the question excluded some participants who may have been considered to be among the poorest of the sample population. For example, question 36a asks about daily household energy expenditure. However, some household members gather wood from the nearest forest. The researcher attempted to capture information from these respondents by making a conditional question (see question 36b, Appendix 4) to ask about the time spent daily in retrieving wood from the forest.

3.4.3. Secondary Data Sources

Secondary data sources were retrieved from key informants, such as socio-demographic profiles, strategic reports, and tourism statistics. A number of government documents were retrieved online, particularly Poverty Reduction Strategy Papers. Statistics from the United Nations Development Program were also retrieved online. All secondary sources acquired provided information pertaining to the country of Malawi as a whole, or referred to the district of Nkhata Bay. Specific information pertaining to the town of Nkhata Bay was not available, and even the parameters of the town are not clearly demarcated. At best, these sources reported statistics separately on two traditional authorities that conjoin within the town site: the Mkhumbira and Mankambira traditional authorities. When reporting statistics based on these reports, effort was made to extract information pertaining to these two traditional authorities.

Information about Malawi's history, political evolution, and economy was derived from literature, although much of this information is dated and is largely portrayed through a Eurocentric lens. Yet the contextual description of this case study site is integral to the inferences made by the

analyses and the overall discussion, as the processes under review cannot be easily removed from their complex environments.

3.5. Data Analyses

The following sections will describe the methods of data analyses used to interpret the data collected, including qualitative, quantitative, and triangulation techniques.

3.5.1. Qualitative Analyses

Following the fieldwork phase of this research, the researcher manually transcribed all digitally recorded interviews. Qualitative data were then organized using open, axial, and selective coding techniques (Strauss & Corbin, 1998). Six semi-structured interviews that were conducted with lodge owners were selectively coded, in order to analyze data specific to lodge employment conditions and the tourism development mechanisms. These interviews were then grouped with all interviews and were analyzed using open and axial coding techniques. Fifty-one themes were detected and indexed during open coding exercises. These themes were grouped into twelve broader themes. Data were also selectively coded using the seven tourism mechanisms as a framework. Some themes could not, however, be accommodated despite their importance, such as: HIV/AIDS, orphans, gender. Though this information may be very valuable for alternative research projects, these themes were excluded because they were beyond the scope of this thesis.

3.5.2. Quantitative Analyses

Quantitative data have been analyzed using descriptive, parametric, and non-parametric statistics and with the help of SPSS software. Descriptive statistics have been useful in explaining the characteristics of the sample population. Contingency tables, chi square tests, and independent sample t-

tests have been used in making comparisons between two different groups within the sample.

Data were minimally manipulated where erroneous responses compromised the integrity of subsequent statistical tests. Initial descriptive statistics revealed high variability and skewness among certain variables. This was controlled by limiting the range of answers within the variable to ensure that skewness levels were not higher than 2.80. Cumulative frequencies were then checked to ensure a large proportion of the sample population was represented. In such instances, the adjusted sample size was reported.

Measurement scales of some variables were modified for comparative purposes. For example, participants were able to report income on either a monthly, weekly, or daily basis. This response was then calculated based on the number of days the participant reported working in one week. Ratios were also calculated for comparison, in dividing the number of mosquito nets and beds in a household by the number of household members.

Following the manipulation of data to adjust for skewness and comparability, descriptive statistics were used to describe the sample population. This was particularly important, as secondary and census data were not specific to the town site of Nkhata Bay. Effort was made to compare micro (local and/or district) level data with macro (national) level data, but inferences made from this exercise were limited as the assumptions and methods of secondary sourced data collection were not known.

Chi Square and independent samples t-tests were executed to compare two groups extracted from the sample using a significance level of 0.05. However, this statistical standard bore moderate influence on the inferences made, as such levels are somewhat arbitrary and have been maintained due to convention rather than rigour and logic. As Gill states, "it is very easy to confuse statistical significance with theoretical or substantive importance" (1999, p. 669). This critique is especially pertinent in social research, where

recommendations that stem from empirical results may bear influence on policy and thus, the populations under study.

3.5.3. Triangulation

Triangulation is the cross referral of evidence that allows the researcher to check for consistency and minimize the risk of generating erroneous findings (Philip, 1997). Data were triangulated within the qualitative and quantitative techniques and with primary and secondary sourced data. Effort was also made to triangulate data collected on a macro and micro level. However, the comparison of data acquired through various methods is difficult, since each method was drawn from a different sample. Hence, data acquired from different methods were compared to gain a more thorough understanding of the case study rather than to ensure consistency.

3.6 Ethical Considerations

Every participant was guaranteed anonymity prior to and following data collection. Participation was voluntary throughout the data collection process, and it was made known to participants that they were free to withdraw their participation at anytime. Only participants who were aged eighteen or older were asked to participate.

This research received ethics clearance through the Office of Research at the University of Waterloo. Although participants were provided with the contact information of the researcher, the research supervisor, and the Ethics committee, the expense of simple communication technologies and language barriers may prevent participants from requesting additional information or to withdraw participation if so desired. Therefore, extra care was taken to maintain anonymity of applicants, even in instances in which it was not requested.

Tokens of appreciation were given by the researcher in an effort to reciprocate and thank participants for their contributions to the research.

Attention was given to the appropriateness of these tokens during the pilot study. Following participation in the survey questionnaire, participants were given as many notebooks as they reported the number of children living in his or her household. In cases where no children were reported, participants were still given notebooks. Interview participants were given a small wooden pendant that was designed by the researcher and made by a local artisan. More exclusive souvenirs from Canada were reserved for government officials and local chiefs, and were well received.

Finally, the vulnerability of the poor as the population under study must be acknowledged. It was of paramount importance to establish rapport with key leaders of the community and community members in general. Being one of the first to undertake this research concerning this topic in the case study site inevitably invited expectations by people in the community. For example, by asking about how tourism affects people's lives in the community, some who had never given second thought to connecting the two topics had changed their opinions that tourism (mostly lodge owners) 'should' help the people in the community. Also, by asking what types of jobs respondents were able to do, and how much capital might be required for them to start up their own business, also invited expectation that the researcher would provide such funding, despite the repetitive articulation of the research objectives. Moreover, the inquiry of poverty conditions often led to expectations that the researcher would contribute to development projects. Requests for assistance were inexhaustible, and the researcher made great effort to only promise what was to be delivered, a synopsis of this thesis. In being clear and candid about the goals of this research, it is believed that the researcher was able to develop rapport with the research participants.

This study has been designed to assess tourism as a poverty reduction strategy so that strengths can be identified and recommendations may be made towards more effective approaches and to contribute to tourism-

poverty reduction planning. In doing so, it is hoped this research can contribute to the lives of the poor, by identifying more effective ways that tourism can alleviate poverty.

3.7 Research Limitations, Challenges, and Opportunities

Limitations, challenges and opportunities were encountered during all phases of the research process, and have been exposed here in an effort to maintain methodological transparency. As previously discussed, the researcher has employed a comprehensive operational definition of poverty, and quantitative information collected has pertained to economic and social facets of poverty. Consequently, other facets of poverty such as political and environmental aspects have not been given adequate attention. These were omitted from the research model because they were beyond the scope of this thesis. Other limitations such as indicator validity and narrowness have been previously noted.

Time is a commonplace constraint reported by researchers and is one that demands focus in the research problem and methodology. The researcher spent a total of three months in the case study site, in which she was able to collect a wealth of primary and secondary data. Available finances were also of consideration, though an Ontario Graduate Scholarship greatly assisted in this regard.

Great effort was made by the researcher to learn three of the local languages spoken at the case study site: Chichewa, Chitonga, and Chitumbuka. In the short time frame, the researcher could engage in very basic conversation in all three languages, which indisputably increased her rapport with community members. The researcher was able to conduct interviews with key informants who were fluent in the English language. However, there undoubtedly were local expressions influenced by cultural beliefs of which the researcher was not familiar, hence some information may have been misinterpreted. Research assistants were hired to conduct the

surveys, and though they were fluent in English and the local languages, information was likely lost in translation. Furthermore, the likelihood of information getting lost in translation may increase depending on the biases of the research assistants towards the research topic. On one occasion, a research assistant accompanied the researcher to a group interview and translated on site between the researcher and participants. This interview was digitally recorded and then checked with a third-party. Here the researcher discovered that some of the statements and questions of the research assistant were leading the participants to answer in a pre-determined way, and hence omitted these research questions and their responses during analysis.

The quality of the information collected and used throughout this thesis is dependent on the quality of the sources from which the information has been derived. Local or national data may not be consistently reported or recorded. Also, interpretations based on the observations of the researcher may be unintentionally misguided. When possible, effort has been made to triangulate findings between different sources of different data types and using different scales of information so as to minimize the misinterpretation of data.

As a female researcher conducting fieldwork in a country where women have not reached parity in many facets of society, the researcher initially found it a challenge to be taken seriously. Providing formal introductions to key people in the community, prepared with letters on university letterhead were especially helpful manoeuvres. Moreover, the researcher later found this bias towards her gender to be a great advantage, as a wealth of information was frequently shared through informal conversations, since she was not perceived to be political or professional threat.

Survey data are vulnerable to sampling and statistical errors. The analysis of quantitative information using statistical techniques required

several modifications of raw data to adjust to workable levels of skewness and comparative scales. These modifications increase the chance of error in the researchers calculations. As with any statistical test, type I and type II errors are inherently possible.

3.8 Methodological Reflection

Research can be a rather ‘messy affair’, particularly when it involves the interplay between inductive and deductive strategies of inquiry. Such was the case throughout this research process, where the researcher grappled with the consequences of pursuing both strategies. As a result, this thesis essentially consists of two studies. One explores in breadth the tourism development mechanisms and their effect on poverty using an inductive strategy of inquiry. The second examines in depth one of the tourism mechanisms, employment, and its effect on poverty conditions. The flexibility required in the former may have hindered the refinement of variables in the latter. However, overall, it is believed that both studies have led to a greater understanding of the research problem.

4.0 CONTEXT OF THE CASE STUDY SITE

4.1 Introduction

The people of Malawi have endured extensive historical and contemporary challenges that have been detrimental to the overall economic, social, and political progress of their country. These challenges have been both internally and externally imposed. The following description has been provided to set the geographical, historical, political, and economic context of this study and to give a comprehensive background to Malawi's current impoverished status. Such information is critical in order to attain a deeper understanding of the contributing factors to poverty in Malawi and is essential for the design and implementation of effective poverty alleviation strategies. Information about Malawi and the case study site of Nkhata Bay has been derived from secondary sources, interviews, and personal observations of the researcher.

4.2 Geographical Context

Malawi is a small, landlocked country located in the southeastern region of Africa (see Figure 1). The country shares a border with Zambia to the west, Tanzania to the northeast, and Mozambique to the east, south, and west. With a land area of 118,484 square kilometres, and a population of 13.2 million, it has a population density of 111 people per square kilometre. The greater part of the eastern border is adjacent to Lake Malawi (also known as Lake Nyasa), the third largest lake in Africa.

Malawi is divided into three administrative regions, the north, central, and south. The Lakeshore area, though not a distinctive region, is an area that has experienced high tourism growth throughout the past decade (Key Informant Interview 1, 2007). A variety of geographical features from high forest-covered plateaus, mountain ranges, lakeshore coast, and secluded islands grace Malawi's landscape with a diversity of natural attractions. While

diverse topography adds to the beauty of the landscape, it also poses genuine difficulties for constructing transportation infrastructure required for development (Conroy et al., 2006).

Figure 1: Map of Malawi



Map provided by the Open Society Initiative for Southern Africa, 2008:
www.osisa.org/files/country_maps/malawi_map.jpg.

Nine ethnic groups inhabit the country: the Chichewa, Ngonde, Ngoni, Sena, Lomwe, Nyanja, Yao, Tumbuka, and Tonga tribes. Each tribe bears its own language and traditions, and is distinct in its pre-colonial history, cultural and social organization. The official language is English and the national language is Chichewa. Most people speak or can understand Chichewa, while English is the language of choice in schools and formal business environments (personal observation, 2007).

Christianity is the predominant religion, and Islam is also very popular. There is a wide range of beliefs in supernaturalism, and many believe in ancestral spirits and traditional medicine. Witchcraft, though decreasingly popular, is still practiced (Nkhata Bay District Assembly, 2006; personal observation, 2007).

4.3 Historical Context

The history of Malawi has been sparsely documented, and what has been recorded of Malawi's history is often portrayed through a Eurocentric lens. Much of African history has been transferred orally through generations. Yet some accounts within Malawian history remain contested among Malawians (personal communication with a local chief, 2007).

Malawi (formerly Nyasaland) is a relatively peaceful country, particularly when compared to its neighbours of South Africa, Zimbabwe, and Kenya. Prior to the nineteenth century, Malawians were active trading partners with the Portuguese who inhabited present day Mozambique. Ivory, hand smelted iron products, beeswax and slaves were traded by the Portuguese in exchange for guns and cloth. European countries expanded their interest to Africa in the mid-nineteenth century, near the time of the first explorations of Dr. David Livingstone, who, in 1858, explored the area with the objectives of combating the slave trade, introducing Christianity, and initiating trade routes (Crosby, 1993; Conroy et al., 2006). Several years later, Robert Laws, a reverend from the Church of Scotland settled in the

southern region of Malawi with the intent to abolish the slave trade, establish missions, and impart a 'civilized' influence on the Malawian people. However, following the establishment of numerous missions across the country, the African Lakes Company was formed by the church for the purpose of supplying goods to the missionaries. Soon the initial intentions of moral reform and civilization were effaced by mercenary aims (Crosby, 1993; Pike, 1968).

The 1880's witnessed the extensive interference of European countries in what became known as the 'Race for Africa'. European officials assumed sovereignty over the entire African continent while arbitrarily delineating national boundaries and ignoring tribal parameters. The boundaries of Nyasaland were redrawn, and Nyasaland, along with South Africa, Rhodesia (now Zambia and Zimbabwe) became part of the British Central African Protectorate (BCAP). Harry Johnston was appointed as Commissioner of the BCAP in 1895, and to a large extent was responsible for defeating Yao chiefs who served as agents for the Arabs and Portuguese, and thus abolished the slave trade (Crosby, 1993; Pike 1968).

In 1907, the BCAP was established as the Nyasaland Protectorate. An executive council was formed along with a European style of governance. Provincial and district commissioners were appointed and were responsible for representing government, maintaining the law, collecting taxes and liaising between the formal and traditional authorities. The introduction of an English parliamentary system was conjunctly imposed with a money-based economy, in marked contrast with pre-existing African traditional authoritarian societies and an exchange-based economy (Pike, 1968).

In 1953, Nyasaland, Northern Rhodesia (later known as Zambia) and Southern Rhodesia (later known as Zimbabwe) were amalgamated as one federation. Following World War II, national sentiments grew, racial tensions festered, and resentment exasperated towards European settlers and colonial rulers. Such sentiments have been attributed to a variety of factors, including

misunderstandings of land appropriation rights, a dual wage structure within the civil service between locals and expatriates, increasing emigration, and participation in the World Wars (Crosby, 1993). Tensions surmounted, the protectorate decayed, and in 1964 Malawi achieved independence as an independent nation. The first president elected to lead the unseasoned democracy was Dr. Hastings Kamuzu Banda, a doctor who had studied and practiced internationally in the United States, England, and Ghana. After only six weeks as leader of the Malawi Congress Party, Banda fired four members of his party for expressing opposition, and extirpated the party altogether. Henceforth the president launched an absolute dictatorship and oppressive regime. Thousands of Malawians were forced into exile, detained, tortured, murdered. The dictator stopped at no lengths to assert his political or economic power. He soon assumed numerous ministerial portfolios, such as the Ministries of Agriculture, Foreign Affairs, Justice, and Public Works. In 1971 he was designated as the president for life. A personal monopoly over economic sectors such as major tobacco production companies, manufacturing companies, petroleum marketing, banking and insurance further added to his political domination (Posner, 1995).

Censorship campaigns aided in the perpetuation of Banda's dictatorial rule of the country. Print media remained in control of the Malawi Congress Party. Legislation was imposed to either ban trade unions or to have them operate under close supervision and restrictions (Dzimbiri, 2005). Churches and other civil society groups were forced to operate in a similar way. The Malawi Young Pioneers were a para-militia group used to enforce Banda's regime on a ground level and inundate dissidents with fear.

It was not until 1992 that Banda's regime was successfully challenged. A letter written and distributed by eight of Malawi's Catholic bishops drew international attention and for the first time aired the public agitation that had been brewing for political reform. Unrest increased throughout the regime, though extreme censorship previously prevented this from being

expressed. There were also influences from political reforms in other southern African countries, and the international community also began to apply pressure on the one-party government to adhere to democratic principles and respect human rights. Basic advances in simple communication technologies, such as fax machines, photocopiers, and computers, meant that classified data of disgruntled civil servants could be leaked anonymously, nationally and internationally. Internal opposition was further facilitated by the emergence of several independent underground media sources (Posner, 1995).

The first multi-party election was held on May 17, 1994. President Bingu wa Mutharika now holds the leadership position, yet there remains numerous challenges to Malawi's democratic development and poverty reduction. The inception of Malawi's first 'true' democratic government is faced with indisputable environmental and social challenges, including rapid population growth, land scarcity, deforestation, widespread food insecurity, high illiteracy rates, limited economic prospects, and the AIDS epidemic. Moreover, the very recent history of colonial rule, and a tenacious dictatorship has left "the people and the bureaucracy that is supposed to serve them without experience in democratic governance" (Posner, 1995). Since 1994, the government of Malawi has made numerous improvements, and has liberalized tobacco growing, dismantled government monopolies on agricultural marketing, trade and commerce. Investments have been directed to infrastructure, and private provisions of infrastructure such as telecommunications have been encouraged. As well, there has been an introduction of free primary education, and increased spending of healthcare (Republic of Malawi, 2000).

4.4 Economic Context

Since independence, Malawi's economy can be divided into two phases: prior to 1979 and post-1979. From 1964 to 1979, the GDP growth rate was

high at 6.1%; GDP per capita also grew at 2.5%. In the first phase, exports, which were largely based on agricultural goods and manufactured products increased. Preliminary economic gains were allocated to the building of transportation and utility infrastructure, and also allowed for increased government spending. An initial decline of the GDP in 1979 was attributed to adverse weather, lack of incentives for farmers, rising costs, and import transport difficulties. The GDP further declined in 1986 due to decreased prices on the world market for tea, an increased refugee burden, and export transport difficulties. The decelerated economy reduced government tax revenues, though government spending coincidentally rose in order to meet foreign debt obligations, meet development needs, and to finance maize and fuel imports (Chipeta, 1993).

Frequent droughts, along with a worldwide recession, were sufficient catastrophes to send Malawi's struggling economy to a deplorable state. While drought reduced productivity of its agricultural based economy, worldwide demands plummeted and global competition increased. Rising inflation, a decline in export prices, and further escalation of import prices on goods such as fuel and fertilizer also took their toll on the economy.

Since 1979, Malawi has entered into a number of fiscal arrangements with the International Monetary Fund and the World Bank. While such arrangements were purportedly designed to improve fiscal management, it has been said that the real intention of these programs was to initiate institutional reform (Chipeta, 1993). However, compliance has not come without costs. Malawi's participation in structural adjustment programs (SAPs) have been based on austere stipulations including the devaluation of the Malawian currency as an effort to stimulate exports, reduce imports, and ultimately ameliorate the trade imbalance. In 1988, import liberalization was induced to remove exchange controls on some imports. Price liberalization was imposed for other goods that were imported for Malawian consumption, such as petroleum, fertilizer, sugar, meat, basic and luxury goods. While

these measures led to an attractive investment environment, they also resulted in increased inflation, and though they may have been lucrative for the business community, the majority of Malawian citizens, particularly those with low incomes were at a severe disadvantage (Chipeta, 1993). As the economic situation plummeted through the 1980s, marginal growth and conditions of SAPs prevented investment into public services, most notably in health and education. Even in areas where government spending has increased, inflation and population growth has outstripped such efforts. Malawi was not one of the highly impoverished countries to receive debt cancellation in 2005 (International Monetary Fund, 2007) and its external debt currently stands at more than 3.23 billion (USD) (Conroy et al., 2006). Foreign debt payments continue to take precedence over public services in budget expenditures (Ministry of Economic Planning and Development, 2006).

Currently, Malawi continues to derive most of its GDP based on agricultural production, despite the recent occurrence of several famines, recurrent droughts, and limited access to the world market. Most recent reports indicate that the GDP is at \$2.1 billion US dollars, and \$161 dollars per capita (UNDP, 2007). Eighty-five per cent of the population depend on agriculture for their livelihoods (Republic of Malawi, 2000). As a country in which mineral wealth has not been detected, its exports mainly consist of tobacco, tea, groundnuts, cotton, and rubber.

4.5 Tourism in Malawi

Tourism currently plays a small role in the economy, though it has been identified as an alternative sector with potential to supersede the tobacco industry (Nkowan, 2007) and even become the main foreign exchange earner in the national economy (Ministry of Tourism, Wildlife, and Culture, 2005). Recent Poverty Reduction Strategy Papers have also identified tourism as a future growth sector, with the ability to rejuvenate other

economic sectors, draw foreign exchange earnings, provide immediate employment, and contribute to national income (Republic of Malawi, 2000). However, the growth and quality of tourism is stymied by inadequate and poor infrastructure, a lack of investment incentives, and problems accessing finance due to high interest rates.

Between the years of 1994 and 2005, tourism grew at an annual average growth rate of 16% (Ministry of Tourism, Wildlife, and Culture, 2005). Although this growth rate may seem high when compared to other sectors, it is important to consider that when tourism prevalence is low, growth rates can manifold easily. The majority of visitors hold a permanent residence in other African countries (78%) and Europeans make up the second largest visitor group (14%). Approximately half of visitors travel to Malawi for work and business purposes (52%), another 48% visit the country for vacation or to visit friends and relatives. The primary reason given for tourists who travelled from Europe, America, and Australasia was to have a holiday or vacation, while the main reason for visitors from Africa and Asia was pertaining to work or business. Holiday and vacation tourists tend to peak during the months of June, July, August and January; tourists visiting friends and relatives peak from July through September, and conference tourists tend to peak June through August and November. The majority of tourists fall into two age cohorts, those between the ages of 25-44 and 45-59 (Ministry of Tourism, Wildlife, and Culture, 2005).

There are substantial impediments to tourism growth in Malawi. Poor international air access, inadequate internal infrastructure such as road and communication networks makes travel to and within the destination site cumbersome. Many national parks are devoid of animals due to over-poaching. The monopolistic position of the Sunbird hotel chain along with high tariff structures has resulted in a non-competitive tourism product. Increased development of high-volume, low-yield tourism aimed at the

backpacker tourist market has saturated areas with potential for the development of high-yield low-volume tourism (UNWTO and UNDP, 2002).

Tourism planning is administrated at the national level through the Ministry of Tourism, Wildlife and Culture (MTWC). The MTWC has attempted to improve tourism by regulating and standardizing tourism services, promoting development and investment in a diverse range of tourism products, marketing and targeting of higher yield tourists. However, within the Ministry, numerous constraints have been said to hamper tourism planning, such as limited funding, high staff turnover, inefficient management of records and accounts, inadequate physical resources such as vehicles and computers, and the lack of a monitoring and evaluation system (Ministry of Economic Planning and Development, 2006).

Despite the physical and monetary constraints on tourism growth, the MTWC has devised a strategic tourism development plan with the assistance of the United Nations Development Programme and the United Nations World Tourism Organization (2002). The plan encompasses the development of twenty-one eco-tourism lodges and a small conference facility, all of which are targeted towards low-volume, high-yield tourists. The Ministry is currently zoning key areas, particularly along the lakeshore, for the building of these new eco-lodges. The plan also recommends the establishment of leasehold and concession arrangements to be exploited to their full potential. It is expected that incremental benefits will accrue to Malawi in the form of rental payments, direct and indirect taxes and other “downstream” economic benefits including employment generation (UNDP & UNWTO, 2002).

4.6 Poverty in Malawi

Based on human development and poverty measures, Malawi ranks 164th out of 177 countries (UNDP, 2007). Among the population of 13.2 million people, nearly half (47%) is under the age of 15, and there is a 44% chance that its people will survive to the age of 40. Monetary poverty prevails

throughout the country. Sixty-three per cent of the population lives below the absolute poverty line of two US dollars per day per capita. By relative measures, 65% live below the national poverty line. Inequality is low when compared to other southern African countries, and is comparable to the United States (Gini Index=40), with a Gini index⁹ of 39 (UNDP, 2007).

Health care services have been described as abominable at best. While this can be attributed in part to scant government expenditure, there are many other intervening factors such as a deficiency of skilled professionals, the exponential demands of a growing population, the AIDs epidemic, and other fatal diseases. In 2004, public expenditure on health was 9.6% of the GDP (a sum of 201 million US dollars) – the approximate equivalent of 15USD per person. There are two physicians for every 100,000 people (Conroy et al., 2006; UNDP, 2007).

Private clinics exist for those that can afford to pay for medical services. There are also a number of HIV testing clinics that have been established over the past decade, in attempt to slow the spread of HIV/AIDs, which adversely affects 14% of its population (UNDP, 2007). AIDS is a disease that affects the most productive and active members of society, and has a profound impact on development. Increasing numbers of orphans become the responsibilities of distant family members, placing increasing strain on households. There are 20,117 registered orphans in the district of Nkhata Bay alone (Nkhata Bay District Assembly, 2006). Labour productivity and saving rates are anticipated to decline, and “resources that would have been spent on investments are used for health care, orphan care, and funerals” (Republic of Malawi, 2000). In addition, the magnitude of this loss in human capital will affect productivity well into the future.

Another life threatening disease that affects a large proportion of the population is malaria, which is largely preventable through the use of

⁹ The Gini Index is also known as the Gini Coefficient is a measure of inequality of income distribution. A value of 0 represents perfect equality and a value of 100 represents perfect inequality (UNDP, 2007).

insecticide treated bed nets. Fifteen per cent of children under five have such protection (UNDP, 2007). A medical intern from Australia recounted his experience in a Malawian hospital in this way:

“Most patients have malaria, especially the children because few sleep with mosquito nets - they cost about fifty cents from the UNICEF tent outside. Most patients also get tested for HIV and probably from my estimations about 20% of patients have HIV. I haven’t needed to double glove yet, but certainly I have been cautious about what I’m touching while watching nurses walk around with used needles in their bare hands...The wards are set up with about twenty beds in each and they are nothing like wards at home. Each bed is about half a metre apart and there are few curtains for privacy - they employ a movable screen when its really necessary, but generally the patients just go without. In the paediatric ward it’s two children to a bed. I think that they must sleep about 5 children to a bed because few beds have mosquito nets. Adult wards have virtually no netting at all...The buildings themselves are brick and have plenty of windows for ventilation. I think that the hospital was built around the turn of the 20th century so they are fairly old, but still standing. Annie and I have been into the theatre two days so far - operations are done on Tuesday and Thursday. Theatres are similar to what I imagine Australian ones to be 30 or 40 years ago...Annie assisted in one procedure of debriding the back of a man who had fallen in a fire. This guy who got burnt - they reuse the bandages that he gets wrapped in. This might sound ok, but it really isn’t. These bandages are saturated in pus, scabs, blood and general wound juices...its really not good at all. Considering that bandages are so cheap to buy at home, its pretty confronting to realise just how few basic medical resources they have here! ...Staffing wise there are some strange things. Doctors to patient ratios are pretty low. So a few years ago, the government put into effect a system whereby students do three years at university and then become 'medical assistants' which is essentially a doctor. They are decent with common conditions, but they always miss important things. I don’t feel like they know all that much more than me...and I wouldn’t like to have their responsibilities. Then again, it does provide an extra set of hands to do the work...take what you can get I guess” (personal communication, 2007).

Educational conditions are also inadequate to meet the needs of the population. There is insufficient public expenditure and a shortage of skilled teachers coupled with the increasing demands of a growing population that largely consists of school aged children ages 15 and under (47%) (Conroy et

al., 2006; UNDP, 2007). Public expenditure on education is even less than of healthcare, and was 5.8% of the GDP in 2004 (\$121 million USD) (Ministry of Economic Planning and Development, 2006). Since most primary school expenses are publicly funded, enrolment at this level is high (95%), but contrarily, secondary school is not publicly funded, and hence there are fewer students enrolled at this level (24%) (UNDP, 2007). Of the children who enter grade one, only 42% reach grade five. In addition to financial barriers, Malawians also endure physical constraints to their education. Children walk long distances, multiple kilometres to school. There is also a shortage of teachers in Malawi. Student to teacher ratios as high as 100:1 have been reported (personal communication, 2007; Malawi Socio-Economic Database (MASEDA), 2008). In the district of Nkhata Bay, the pupil to chair ratio is 3:1 (Nkhata Bay District Assembly, 2006).

A lack of basic infrastructure such as potable water facilities, roads and transportation services, communication infrastructure, and electricity also impede developmental progress and poverty alleviation efforts in the country. Twenty-seven per cent of the population are without access to an improved water source (UNDP, 2007). Transportation networks are of poor quality and there is no publicly funded transportation system. Only eight of one-thousand people have a telephone mainline, though the recent introduction of satellite communication has increased communication access, as thirty-three to one-thousand people subscribe to a cellular phone service. Eighty-nine per cent of the population is without electricity (UNDP, 2007). To illustrate the novelty and scarcity of electricity throughout the country, the following quotation from a volunteer with the American Peace Core has been included:

.. probably my favourite day in my village was the day electricity came, and they plugged in the light bulb, a light bulb at the crossroads... And 99% of my village had never seen a light before. So there was a big party under the light bulb for weeks. I mean, people pulling out the camera in the village and everybody posing underneath it, borrowing friends phone to call each other about it. I mean it was... and that was

such an amazing night to see that. You know, and since then things have been progressing. I've seen the change that electricity has brought to that area. It's interesting (Key Informant Interview 18, 2007).

4.7 Poverty Reduction in Malawi

Low agricultural activity, rapid population growth, lack of off farm employment opportunities, low levels of education, poor health care status, limited access to credit, and limited and inequitable access to productive assets have all been coined as the key determinants of poverty in Malawi. The government of Malawi has described a three-pronged approach to alleviating poverty in the country. This includes: emphasizing smallholder agriculture to raise productivity and income of rural poor, promoting private sector growth to expand off farm employment, and expanding social services (Republic of Malawi, 2000). It is interesting to note that although the government of Malawi acknowledges more than monetary causes and solutions to poverty, they define poverty alleviation as “a process by which the poor are empowered economically” (Republic of Malawi, 2000). To different extents, tourism bears influences on all three of these approaches. However, this discussion will be preserved for a subsequent chapter.

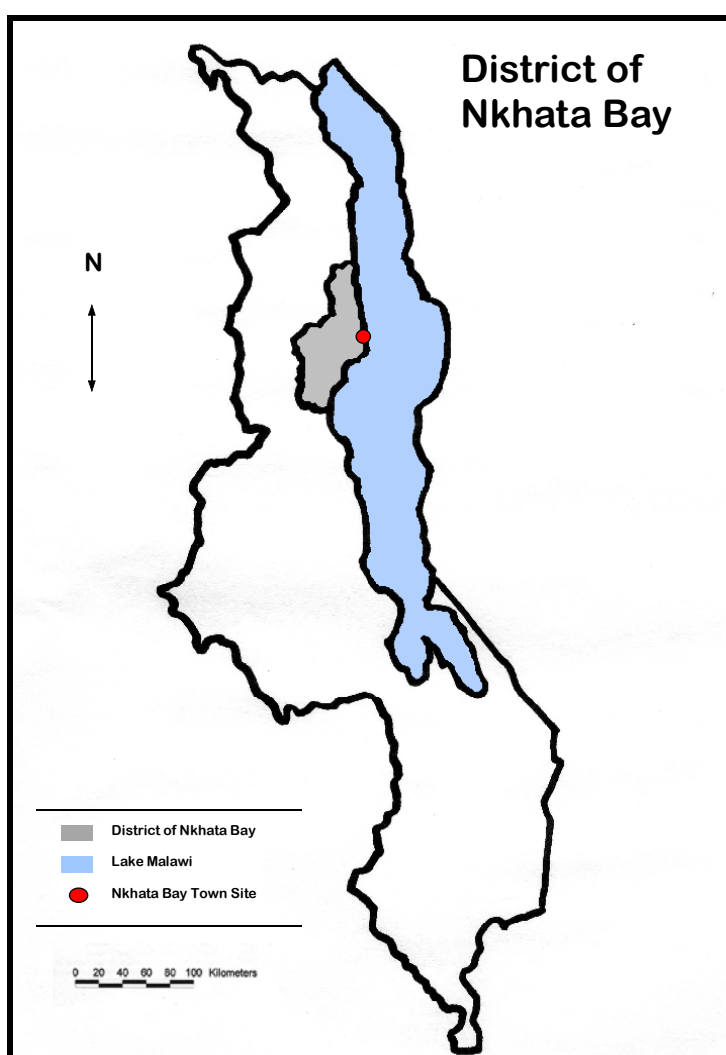
4.8 Case Study Site: Nkhata Bay

Nkhata Bay is located in the northern region of Malawi along the lakeshore of Lake Malawi. Nkhata Bay is both the name of the district, which spreads over 440,630 hectares and a town (see Figure 2). The topography of the district is characterized by the high Viphya plateau, which cascades into Lake Malawi.

The main administrative body of the district of Nkhata Bay is the District Assembly. The District Assembly works closely with traditional authorities. There are ten traditional authorities within the district of Nkhata Bay, and two traditional authorities that occupy the town site of Nkhata Bay: they are the Mkumbira and Mankhambira traditional authorities.

The population of the district of Nkhata Bay was 164,761 as of 1998, and projections were that populations would increase to 202,388 by the year 2008 (Nkhata Bay District Assembly, 2006). The population of the town site of Nkhata Bay is difficult to determine, and best estimates based on the two traditional authoritative areas are 24,771 people and 4,052 households (MASEDA, 2008). Forty-four per cent of the population is 15 years or under (Nkhata Bay District Assembly, 2006) which is consistent with national figures (UNDP, 2007).

Figure 2: Map of Nkhata Bay District



Adapted by the researcher from an original map provided by the National Statistical Office, Government of Malawi, (2008).

The Tonga tribe accounts for 64% of the local population, and 33% of the population are from the Tumbuka tribe (Nkhata Bay District Assembly, 2006). Languages spoken in the area mainly consist of Chitonga and Chitumbuka. Chinyanja and Chichewa are also spoken and understood by most.

A variety of food crops are grown in the area, including rice, cassava, maize, sweet potato, groundnuts, leafy vegetables, and millet. Cash crops grown in the area are of tea, rubber, sugarcane, and legumes. A large proportion of people rely on fishing and fish farming for their livelihoods, though fish resources are quickly depleting. Nkhata Bay town is also a popular trading centre, as it serves as a port of entry to the country for those travelling via the Illala Ferry from Mozambique.

4.8.1 Poverty in Nkhata Bay

Statistics pertaining to poverty in the district and town site of Nkhata Bay are less available than statistics at a national level. As a major trading centre within the district, poverty statistics are likely less extreme than what might be found in rural areas, since infrastructure and public services, though inadequate in most cases, are still more accessible. Employment rates on a local, district, and national level are unavailable. The prevalence of informal employment may in part explain their absence. Figures on child labour have been recorded, and state 846 children were engaged in this activity in 2006 (Nkhata Bay District Assembly, 2006).

In regards to education, it has been stated that boys are encouraged to study and achieve academically while girls are expected to help with domestic work prior to their study. The statistics support this claim. In 2005 alone, 4093 students discontinued their studies in the Nkhata Bay district (Nkhata Bay District Assembly, 2006). In 2006, there were 119 male and 11 female students in the Mkumbira authority who passed their junior certificate. There were zero students who reached this level in the

Mankambira authority. Economic hardship is the main reason that students discontinue with secondary education, since it is not publicly funded and they are responsible for paying tuition. The rate of teachers losing their lives to AIDS is higher than the rate of teachers being employed (Nkhata Bay District Assembly, 2006).

4.8.2. Tourism in Nkhata Bay

Tourism in Nkhata Bay mainly accommodates low-budget tourists. Accommodation facilities consist of tourism lodges most of which are located along the waterfront. Four lodges are located just south of the town site in the Chikale area, and the other five lodges are located in the town site. The maximum room charge for one night's stay is 3,500 Malawian kwacha (25USD).

Tourists engage in various activities including: scuba diving, kayaking, snorkelling, canoeing, mountain biking, horse riding, hiking and bird watching. An international music festival called the "Lake of Stars" is hosted in the district and draws an international audience.

According to the Social Demographic Profile of Nkhata Bay (Nkhata Bay District Assembly, 2006), there were 36,000 international tourists who visited the district in 2005/2006. Most tourists were backpackers or 'overlanders' and most were from developed countries.

Though the district of Nkhata Bay has very little say in the tourism planning for its area, local government authorities have similar visions of tourism insofar as the need to increase economic contributions of tourism by attracting up-market tourists, those who will stay longer and spend more money (Nkhata Bay District Assembly, 2006; personal communication, 2007). Within the same report, tourism is referred to as having economic potential insofar as it creates employment opportunities.

In summary, there have been substantial challenges that have hindered development and tourism growth in Malawi. Its landlocked position amidst a highly impoverished region, colonial and dictatorial dominance, integration and inequitable access to the global market, foreign debt burden, the AIDs epidemic, high population growth, and the resulting low human and environmental capacity essentially exacerbate poverty conditions despite earnest poverty alleviation initiatives.

5.0 RESULTS AND ANALYSES

5.1 Introduction

This chapter presents the qualitative and quantitative results based on the evidence collected using the aforementioned multi-methods research approach. Qualitative data have been useful in addressing the seven tourism development mechanisms along with additional themes that provide insight into the context of the case study site. Quantitative methods have been used to analyze the first mechanism, employment, with greater depth and complexity. Together these methods, while representing different samples of the population, provide a comprehensive description of the case study.

5.2 Qualitative Results: Part One

The following information has been organized using the themes that arose during the coding and analysis of data, and then have been framed into the seven tourism development mechanisms that are frequently used to explain how tourism alleviates poverty (UNWTO, 2006c). Briefly stated, the tourism development mechanisms are: employment, local sourcing of goods and services, direct sales, small enterprise, taxes, infrastructure, and philanthropy. These seven mechanisms are then followed by additional themes, such as corruption, transparency, accountability; communication, organization, vision, ideas, and leadership.

5.2.1. Employment

Semi-structured interviews revealed pertinent information on the extent, nature, and conditions of employment in the lodges (Key Informant Interviews 9-14, 2007). Lodges employed anywhere from fourteen to forty-eight employees at one time. According to the interviewees, all of the employees were Malawian, although through personal observations, it became known that three employees were not originally from Malawi. Five of

the lodge owners¹⁰ reported employing at least 60% of their staff from the Nkhata Bay district.

Lodge owners were questioned (see Appendix 3) on the range and extent of benefits offered to their employees. Four lodge owners gave an annual paid vacation, ranging in duration from two to six weeks. Two lodge owners reported not offering any vacation. Five covered the medical expenses of employees and one lodge owner noted that this coverage extended to the families of employees. Such coverage was offered either formally, informally, or in the case of one lodge, as an advance from their employees' wages. Two interviewees noted that school fees were paid on behalf of the lodge towards the education of employee family members. Loans or wage advances were offered by the lodge owners at five of the establishments. Four of the respondents mentioned the availability of maternity leave. Only one respondent noted the possibility of offering a pension, but humorously replied that this would only be made available to a long-term employee of approximately fifteen years.

The most notable benefit that was consistently offered by employers was the availability of a funeral fund for employees in the event of the death of a family member. This fund would be used to cover the transportation and coffin expense for the employee or employee's family member. Through additional observations and conversations with lodge employees, it was estimated that funerals of employees' extended and immediate family members occurred as frequently as once per week.

Labour standards and regulations were ambiguously understood. While one new lodge owner admitted to not being aware of Malawi's labour standards and regulations, this information was not provided during the investment and buying of the lodge. One chief was of the opinion that lodge employees were unaware of employment standards and rights (Key

¹⁰ The term 'lodge owners' will hereby refer to all participants of this sample (owners, managers, and one senior staff member) who were involved in semi-structured interviews and whose views are representative of the lodge management.

Informant Interview 8, 2007). When lodge owners were questioned in regards to the national minimum wage standard, the responses varied. Some lodge owners reported a minimum wage of 80 Malawian kwacha ¹¹(MKW) for a full day's work, while another reported a minimum wage of 6,000 MKW per month (approximately 233 MKW per day). This difference in response may be because minimum wage negotiations for government positions vary from employment standards of the private sector. According to the Social Demographic Profile of Nkhata Bay, the minimum wage standard in 2006 was 74 MKW (53cents USD) per day, or just under 2000MKW (14USD) per month (Nkhata Bay, District Assembly, 2006).

Other employment conditions seemed to be consistent between the interviewees. Employees worked a six-day week, with one day off, for an average shift duration of eight hours per day. Employment positions covered a broad range and included housekeepers, watchmen, gardeners, laundry attendants, carpenters, bar staff, chefs, drivers, accountants, receptionists, and managers. The majority of employees were said to be employed on a full time basis, with the exception of carpenters who worked on a contractual basis. Wages ranged from 3,000 MKW (21USD) to 50,000 MKW (357 USD) per month.

A common sentiment that was expressed by a local chief and some community members was that the lodge owners were underpaying their employees (Key Informant Interview 8, 2007; personal communication, 2007). However, it is unclear if this belief was based on the legislated minimum wage of 74 MKW per day, or if it is based on a comparison with the perceived income of the lodges. A construction manager and former lodge owner (who was interviewed outside of the case study site), was of the opinion that the low salaries of those employed in the tourism industry were attractive when

¹¹Conversion rates at the time of data collection were 140 Malawian kwacha per 1 US dollar. Where conversions are noted, they are presented in US dollars, as this was the only exchangeable currency at the case study site.

compared to the unemployed who had no income whatsoever (Key Informant Interview 4, 2007) . He states,

...generally the salaries within (the lodge) are quite good. I mean, from our perspective, a dollar a day or two dollars a day doesn't seem like much, but it's a big difference if you're earning nothing.

This statement illuminates the fact that social security systems are virtually non-existent, and there is no financial assistance for Malawians who are unemployed.

Several¹² employees had worked with the lodges in Nkhata Bay since the lodges were first constructed, and had been asked to stay on as permanent staff. One employee has been employed by the same lodge for fifteen years. A lack of job opportunities rather than job satisfaction, was said by some to explain why some employees stayed within a job for a long period of time. As one chief explains (Key Informant Interview 8, 2007),

... the availability of the better job is not there, so once you find something, then you just stick to that... you can't find another better job comparing to what you have ... job opportunities are very, very few.

The reliability of information provided by lodge owners may be compromised due to the contentious political atmosphere of the case study site at the time of data collection. There had recently been a number of lodges warned and sanctioned: one lodge in a nearby area had been recently closed for a period of time, due to the apparent inappropriate behaviour of tourists and ganja distribution within the lodges. Plain clothed police frequented the lodges, ensuring standards were adhered to, along with Malawi Tourism regulations authorities. Thus, lodge owners in particular seemed to be suspicious of the researcher, likely due to the nature of the interview questions.

¹² When referring to the interviews conducted among lodge owners, 'few' refers to two or three respondents, 'several or some' refer to three or four respondents, and 'many' refers to five or more respondents.

5.2.2. Local Sourcing

Most goods and services required by the lodges were sourced within Malawi. Malawi's geographical position as a landlocked country, along with their inadequate transportation network, makes the importing of goods and services both difficult and expensive. All interviewees were of the opinion that the majority of goods could be supplied within Malawi, with the exception of luxury items. Goods that could be sourced locally within the case study site of Nkhata Bay included building materials, such as reeds and grass; and energy fuels such as charcoal and wood. Food supplies sourced within Nkhata Bay included tomatoes, potatoes, cabbage, rice, bananas, papayas, and mangoes. In some cases, most shopping was done in the nearby city of Mzuzu, for items such as meats, cheese, vegetables, pasta, muesli, and marmalade. Goods imported by lodges from outside of Malawi included food and beverage such as beans and specialty beers; building materials, such as cement, floor and ceiling tiles, plastic; electrical and kitchen appliances; and recreational equipment.

Two respondents discussed adjusting the lodge menu to include those ingredients that could be found locally from Nkhata Bay and Mzuzu. When asked if lodge owners had tried to source more goods locally from Nkhata Bay, respondents voiced a number of obstacles. Goods produced in Nkhata Bay, particularly food, was rarely of the quality required by the lodges. Goods could not be consistently provided in the quantity required and on a regular basis, especially during various off-seasons specific to the product. Purchasing all food in one place was more convenient, which could be done in the city of Mzuzu, rather than purchasing them from a variety of sources within the case study site. One lodge owner made it known that she would purchase locally if the goods were brought directly to the lodge, in the quantities required, and on a regular basis.

A particularly interesting incidence of local sourcing occurred in the building of a school. The donations of several tourists towards the

construction of a local school had created a demand for 100,000 bricks, all of which were sourced locally at a price of 3MKW each. Though this was not an ongoing example of local sourcing, even as a one-time event, this activity was reported to have a positive economic impact on the community, even if for a short time.

5.2.3. Direct Sales (informal sector)

There are many people in Malawi and in Nkhata Bay who are employed in the informal sector. Those who are informally employed in tourism include woodcarvers, artisans, tour guides, and rastas¹³. It was common for those informally employed in tourism to have more than one profession, more than one source of income. The information for this subtopic is largely derived from a group interview conducted with a group of woodcarvers and artisans (Key Informant Interview 17, 2007). Some people within the woodcarving group had been woodcarvers as long as eighteen years. Through additional interviews and observations of the researcher, it was evident that community members synonymously regarded woodcarvers, artisans, tourguides, rastas, and beachboys as the same group of people. Though during the group interview with the woodcarvers, they adamantly expressed their disassociation from the beachboy “profession”; however, the distinction between woodcarvers and rastas was not discussed.

The lodge owners occupy a very powerful position insofar as allowing local poor people to access the tourist market. Four lodge owners within Nkhata Bay were limiting access to a number of woodcarvers and vendors by denying them entry to their premises for the purpose of selling goods to tourists. In 2007, the local District Assembly designated an area where the woodcarvers are permitted to establish their own shops and sell their merchandise to tourists. These shops are located beside the road that runs between the Chikale area, where five of the nine lodges are located, and the

¹³ Rastas are infamous for their selling of ganja.

town core of Nkhata Bay. However, within the past year, two lodges have constructed souvenir shops within their premises. The woodcarvers were very frustrated that business was very slow this year, and were of the opinion that both the establishment of shops within lodge premises, and their exclusion from the lodge premises, created an inequitable opportunity to access the tourist market.

Though the location of the new souvenir sites may have been strategically located along the tourist path, lodges provide most services required by tourists, including accommodation, food and beverage, day tours, boat rentals, and entertainment; leaving little need for the tourist to venture beyond lodges premises. Internet was one service that was not provided in the lodges, but was available in town. Only if tourists left the lodge and walked toward the town site would the carvers have the opportunity of marketing their goods to tourists. If tourists commissioned a piece of work from the carvers, which needed to be delivered to the tourist at a later time, the vendor was still not permitted to enter the lodge premises. Security guards would notify tourists to come to the gate. It was often the case that the shops within the lodge would purchase goods from the carvers outside, getting a local price for the good, and then sell it to the tourist for a higher profit.

The woodcarvers were having difficulty moving their inventory not only within the past year, but since 2000. This is interesting, since interviews with the lodge owners revealed an increase of tourists within the past several years. The woodcarvers also attempted to gain income by escorting tourists from the town site to the lodges (a walk of approximately two kilometres), as local (minibus) transportation did not extend to the lodge premises. However, privately hired transportation did travel directly to various lodges and particularly those in the Chikale area with effort, given the dilapidated condition of the main access road. However, it seemed, based on the

accounts of the local (self-accredited) tour guides and the observations of the researcher, that many tourists were not very trusting of the escorts.

Again, in regards to the pivotal position of lodge owners in allowing the poor access to the tourist market, one lodge was in the process of building a venue on the premises in which various community groups could sell their goods. Once completed, this shop will be available to community groups, including a local wildlife society, honey group, and a tailor. Two other lodges provided a place for women's groups to sell handbags and other textiles.

When asked about the exclusionary vending policy, one lodge owner was of the belief that vendors (inclusive of woodcarvers and artisans) were more likely to be single, and were less responsible when it came to financially supporting their families and households (Key Informant Interview 10, 2007). It was also said that vendors were more likely to hassle tourists, whereas women's groups just came, left their goods to be displayed, and received money from the purchase of the previous goods that had been sold.

5.2.4. Small Enterprise Development (formal and informal sector¹⁴)

A number of community groups have been established to provide goods either directly to tourists or to lodges. The Chikale widow's group successfully made and sold a large quantity of pillows to the lodges. The widows also learned how to sew dolls and handbags, and were selling them to the tourists. Another group had been established in which members learned how to dry fruit using a solar dryer. Solar dried fruit was sold to tourists through the lodges.

Little information was acquired on guiding or entertainment enterprises. Though many of the woodcarvers said they were also tour

¹⁴ This mechanism as initially described by the UNWTO (2006b) generally refers to the formal sector, however this interpretation is less relevant within a Malawian context, as only 10% of employment in Malawi is in the formal sector (Conroy et al., 2006). Therefore, the following results will describe small enterprise development regardless of the type of economy (formal or informal) it represents.

guides, they did not indicate that they had formal training, as is required by the MTWC. One lodge owner frequently invited local musicians and community groups to perform music within the lodge. Following performances, a hat was passed around, in which tourists contributed at their discretion.

There was no evidence of transportation enterprises being established for tourism within Nkhata Bay, although at least two different coach buses regularly transported tourists and wealthier Malawians throughout the country. Transportation infrastructure and networks are underdeveloped in Malawi. Purchase of a vehicle is extremely expensive for most Malawians. Petrol prices are continually on the rise, and are comparable to Western prices, which makes the purchase and maintenance of a vehicle unattainable for most Malawians. Bicycle taxis are not popular in Nkhata Bay in comparison to other centres in Malawi (personal observation, 2007).

Little evidence was collected regarding catering enterprises being established for tourism purposes. All lodges were equipped with restaurants and able to provide for the tourists' gastronomical needs. Approximately nine restaurants existed within the town site, and there seemed to be a higher ratio of restaurants in Nkhata Bay in comparison to other centres in Malawi (personal observation, 2007). There was no evidence that the poor were establishing accommodation facilities. Out of the six lodges where interviews were conducted, four were originally owned and built by expatriates. The other two lodges were originally built by Malawians.

One of the themes that consistently arose throughout interviews and informal conversations was the need for *start-up capital* to enable various income-generating activities. A local widows' group has been actively establishing income-generating activities (Key Informant Interview 3, 2007). The widows have been very successful in their pillow making, handbags, and doll ventures. The widows' group emphasized the need for start-up funds for income generating activities over the need for donations. To acquire start up

capital for future projects, the group had organized a fund raising event in which the widows planned to walk thirty kilometres in one day. This attempt to raise capital failed, as they could not find enough donors. The total sum raised towards the event was 3,000MKW (21USD). Though the widows did not raise enough funds to finance their next income generating activity, they were able to open a bank account with the proceeds.

To date, the first widows' group has been very successful. Now there is a second widows' group that has come together in hopes of having similar success. The second widows' group would like to raise chickens to sell in town and to lodges. They require 10,000MKW (71USD) to do so. They would also like to raise pigs, which would require start up capital in the sum of 30,000MKW (214USD).

A variety of funding sources exist within Malawi, including banks, micro-credit institutions, and non-governmental organizations. However, further inquiry as to why these sources were not sought by the poor, revealed the following information.

Banks. When asked if the local bank was supportive in giving loans for this purpose, one respondent, who had desires to open a used clothing business, said in reference to the banks (Key Informant Interview 2, 2007),

They say no. Say I have 60,000 and I want to get a loan. They will accept me to get a loan of 50,000 kwacha. So I'll be paying back monthly. But that, my money will be there, taking out of that business that I'm doing. That's the system.

Micro-credit institutions. The Foundation for International Community Assistance (FINCA) is a micro-credit institution that offers loans to the poor, and is well established within Malawi. According to informal conversations with community members, this organization offers loans, particularly to women, with a pay-back interest rate of approximately 20%, though this figure has not been affirmed by FINCA itself. For reasons that remain unclear to the researcher, many local people had negative opinions about FINCA. Possible explanations might be that those that held negative perceptions of

FINCA could have been denied a FINCA loan before, they or an acquaintance could have faulted on a loan and had what little assets they owned repossessed, or it may have been due to some recent negative press received by FINCA which attempted to disclose exorbitant administrative spending.

NGOs. A local not for profit organization had provided the widows with start-up capital in the past, yet the widows bemoaned the lengthy application process, and were rarely given the full amount requested. There are also national and international donor agencies that have provided financial assistance to various projects in Nkhata Bay, such as the Malawi Social Action Fund. These sources were not investigated in detail.

Other non-traditionally cited sources of start-up capital involved lodge owners and tourists (Key Informant Interviews 3, 5, 6 & 7, 2007). Start-up capital was also noted in an interview with a founder and teacher at a local private secondary school. This person had acquired donations from tourists that were used to purchase school supplies and construct a secondary school. Such start-up capital may have been offered in the form of a donation or loans, and will be discussed further in a subsequent section on philanthropic giving.

The widows' group has been efficient in repaying their loans. However, sometimes the repayment schedule established by the loaner is unrealistic, and the time allowed to pay back the loan is too short in duration. The widows have made a habit of managing their earnings in the following way. Having completed a project, 50% of the profits are used to pay back the loan, 25% are often spent on the purchasing of materials, and the remaining 25% is spent on food for the widows. The widows' group recently received a loan in the amount of 8,000MKW (57USD) from a lodge owner, and were required to repay within two months. However, this was not sufficient time for the widows to pay back the loan. Consequently, most of the early profits were used to pay the loan back according to the rigorous schedule, and the widows could not be paid for their work. In the words of the leader of the

widows group, “they (the widows) feel like they are being tortured” (Key Informant Interview 3, 2007).

5.2.5. Taxes

In the six interviews conducted with the tourism lodge owners, information given on the rate of taxes was highly variable, though the types of taxes paid by lodge owners were consistent. Lodge owners were responsible for paying their own income tax, the income tax of their employees through the Pay As You Earn (PAYE) tax program, and a surplus tax called the Value Added Tax (VAT). All taxes were paid to the Malawi Revenue Authority, a department controlled by the central government. Additional fees were paid to the MTWC Department towards a hotel-licensing fee, while liquor and licensing fees were paid to the District Assembly. According to some interviewees, a separate fee was paid to the District Assembly on an annual basis, and a land tax system that would be collected on the district level was imminent, but not yet established.

According to one informant, the rate of income tax was as high as 40% on all profits, following the payment of the VAT at a rate of 17.5% (Key Informant Interview 10, 2007). The VAT was applied to all goods and services within the lodge. The hotel licensing fee cost of 30,000MKW (214USD) and was issued annually. At the district level, some interviewees reported paying up to 17,000MKW (121USD) for an annual district assembly fee, and 24,000MKW (171USD) towards liquor and restaurants licenses also paid to the district assembly. However, according to the district assembly, the latter fees were no more than 11,000MKW (79USD) (Key Informant Interview 15, 2007).

Though it is difficult with limited information to quantify and compare the absolute amount of taxes that were accrued by tourism in Nkhata Bay, a very strong and consistent view among key informants including two local government officials and two local chiefs was that the district of Nkhata Bay

was not benefiting in any way through government imposed taxes on tourism (Key Informant Interviews 8, 9, & 15, 2007; personal communication, 2007). One chief explained that the people in his area were generally supportive of tourism based on the notion that tourism can benefit the government, and if tourism benefits the government, then it should benefit the local people as well (Key Informant Interview 19, 2007). He reinforced his opinion that tourism did not benefit the people of his village, by referring to the local wooden bridge, and the decrepit road that extends from the Chikale area to the town site:

...we here Malawian citizens of Nkhata Bay district, we receive a lot of tourists. But because they come from different governments such as Canada, England, Britain, they really bring wealth, because they come from their respective governments. They also come here to the government. That means there is no help to us at all as locals. We don't have any help. Even though we have great desires, which is to develop our community like Matawali village. I'm the mediator between the government and Matawali village. So there was need that, like myself I am close to the government. I should have been first to receive something from the government, like a share of tourism. And not only me, even the least member of the community, meaning everybody should have been realizing something from government that tourism brings in. Tourists really come and there are many of them. That's why I said last time that if you go to the north river bridge, have a look at the nature there, when you are at the bridge, and even before we come to nature, look at infrastructural development. We have a very bad bridge there. Not only the bridge, continue to the road to Chikale where there is tourist potential; it's where tourists go the road is not good. It is very bad.

However, in an interview with two district government officials, it was revealed that though Nkhata Bay is a popular tourist destination in Malawi, tax revenues accrued through tourism are redistributed throughout the entire country of Malawi, and returns are not seemingly proportional to the revenue generated by tourism in the district (Key Informant Interview 15, 2007; personal communication, 2007). An interview with a government official employed by the MTWC revealed that there was a lack of political will among other government departments and superior decision making bodies

(Key Informant Interview 1, 2007). Personal observations of the researcher can attest to a lack of resources within the MTWC. Such a contrast elicits the need for further investigation into the allocation of tax revenues to tourism departments with comparison to other government departments.

5.2.6 Infrastructure

All lodges in the Chikale area are located along the coastline of Lake Malawi. Prior to the construction of lodges there were few structures in this area, and as a result, it was necessary that most infrastructure be installed or extended towards the coast from the main provision source. Information on existing infrastructure prior to the building of lodges was difficult to acquire, as ownership of the lodges had changed in past years. Also noteworthy is that the Chikale area is home, or a domestic vacation site for many Malawians who occupy professional positions and who might be considered to be of an elite social class. As such, there was infrastructure installed prior to the construction of the lodges, meaning that lodge developers were only required to extend these services to the lodge property, and not necessarily throughout the Chikale area. The following table (see Table 3) is designed to give detailed information on how different types of infrastructure have changed since the development of tourism (primarily in the Chikale area, but also including the Nkhata Bay town site), and whether local people have been able to benefit from increased access to these services as a result.

Table 3: Accessibility of Lodge Infrastructure to Residents of Nkhata Bay

Lodge	Infrastructure Existed Prior to Lodge	Infrastructure Built, Extended, or Fixed by Lodge	Locals Given Access to New Infrastructure
Lodge A	T/H	W/E/S	W/E
Lodge B	T	T/W/E/C/S	
Lodge C		T/W/C/E/R	R
Lodge D			
Lodge E	H	T/W/E/C/R	E/ R
Lodge F		W/E/	W/T/R

T = transportation C = communications E = electricity
R = recreational facilities H = health care facilities W = water
S = sewage

Though three lodge owners reported building a road in Chikale, upon further inquiry it was revealed that they had actually built an access road from the main artery, in order to grant easier physical access to their lodge. All five lodge owners in the Chikale area voiced concern over the condition of the main access road, which to date has not been paved, though at one point the lodge owners and community members joined in an effort to repair it. The poor condition of the only access road into the Chikale area has made vehicle transport challenging, and declines with the passing of each rainy season.

A piped water supply existed in the main Chikale area prior to lodge construction in the area, although services were extended from the main supply to the lodge property. Lodge developers were able to contract the publicly controlled Malawi Water Board to have pipes and water service installed. A water treatment plant existed prior to lodge construction, according to the knowledge of lodge owners. One lodge manager (though not located in the Chikale area) allowed residents to retrieve unlimited water for a monthly fee of 200 kwacha. According to this lodge manager, this allowed community members to access a less remote water source (Key Informant Interview 14, 2007).

Electricity had also existed near many of the lodges prior to construction. In some cases, it was believed by lodge owners that having the electricity lines extended to their lodge allowed increased access for those wishing to extend such services further. However, as the forthcoming survey results will suggest, and as secondary sources confirm, the use of electricity, let alone the installation of electrical infrastructure is too expensive for most Malawians.

There is apparently no communal sewage system in Nkhata Bay or the surrounding area. Thus, lodge owners are required to install their own sewage tanks. It was not discussed with lodge owners whether local people were able to benefit from this service, but based on the exclusionary policies of most lodges it is highly unlikely.

Telecommunications make for an interesting case in Malawi. There are very few who have regular and unlimited access to communication and who are in possession of a personal phone. Most people who do own a personal phone have a cellular phone. Phones are either owned on a contract basis or using a “pay as you go” system. Airtime is extremely expensive for most Malawians, and at the time of data collection cost 1US dollar per minute. Two lodge owners noted having a land phone line installed during the construction phase of the lodge, however one ceased to use the landline, as it was unreliable and the connection was of poor quality.

Interviews with lodge owners consistently revealed that the public hospital had existed prior to the construction of the lodges. This hospital was located on the northern side of the town site, and without adequate transportation services, incurred a long walk for those requiring medical services. A group interview revealed that women from the Chikale area often walk seven kilometres to give birth at the district hospital, two of which have went into labour on the way within the past year (Key Informant Interview 19, 2007). In other cases, the local chief explains how people are transported to the local hospital:

...when there is a sick child, or a young child (whom) has been injured, I take my bicycle and send one of the young men, like this young boy to got to (the) hospital with this little child. So they don't ride the bike but they have to push it. Some will hold the sick person while others push the bike.

All lodge owners seem to be welcoming of local people to enjoy their restaurant and bar facilities, so long as they were paying customers. The use of recreational services and facilities at most lodges were generally restricted to paying guests. Though two lodge owners had plans to build, or had provided in the past a centre for local workshops and youth recreational activities - venues that were noted by some locals as lacking in the town site of Nkhata Bay.

5.2.7 Philanthropic Support

Volunteer placement has usually taken place in an informal manner. Many tourists will enter the country of Malawi for the purpose of volunteering, but due to the arduous process of obtaining a temporary residency permit, volunteers will typically report the purpose of their stay as holiday or vacation only (Key Informant Interview 9, 2007). The term granted for most tourist visas is typically for a duration of 30 days, with the possibility of two renewals before the tourist is required to leave the country. Consequently, tourists who travel for the purpose of volunteering can only commit to a project for a three-month duration. This logistical detail also holds interesting implications for the reliability of Malawi's tourism statistics, and may be worth further analysis in alternative studies.

Due to the inconsistency of Malawi's tourism statistics noted above, it is very difficult to quantify the number of tourists and volunteers who are donating their time and services in Malawi. However, despite the fact that many volunteers enter Malawi using a tourist visa, there is still potential for those volunteers to travel within the country during their leisure time. As a port town that harbours the Illala Ferry which travels to the islands of

Chizumulu and Likoma, and as a very scenic location with a variety of tourism accommodation and services, the case study site of Nkhata Bay is a popular place for leisure tourists and volunteer tourists alike. Furthermore, it was impossible to visibly distinguish those visitors who were travelling in Malawi based on purely recreational motivations, or those who were in Malawi to volunteer, who may have been in Nkhata Bay for a weekend vacation.

Volunteers occupied a number of positions as medics, nurses, surgeons, teachers, caretakers, and construction managers. Other volunteers assisted community groups as needed, holding a lesser defined role, their duties involving a variety of tasks, including business planning, drafting constitutions, liaising with lodge owners, and sharing new methods of teaching, farming, and fishing. Community projects in which volunteers were involved ranged from income generating activities such as solar drying, textile and toy production; promoting HIV awareness, orphan care, school instruction; or more laborious projects such as wildlife conservation, school construction, and agriculture production.

Contrary to the literature that depicts lodge owners in developing countries as possessing solely profitable and exploitive aims, it is interesting that a number of lodge owners had worked as volunteers in Malawi prior to their investment in the lodge. Volunteerism has been promoted and encouraged in the local lodges in Nkhata Bay in a number of ways. Two lodge owners assisted volunteers by providing substantial discounts on accommodation and/or food, during their volunteer term (Key Informant Interviews 9 & 10, 2007). Lodge owners and staff have also been instrumental in connecting tourists with volunteer opportunities in the community or by providing a space within the lodge premises where local orphans and tourists could participate in recreational and educational activities.

The owners of one lodge in particular are taking a leadership role when it comes to promoting volunteer tourism in Nkhata Bay. These lodge owners

are actively seeking out slightly older, mature customers who already have a cultivated set of skills of potential value to local groups and projects. Future goals of this lodge include the establishment of a volunteer centre and website, which will help more volunteers to connect with community projects. As well, these owners are currently in negotiations with the local district assembly among other officials, to allow volunteer tourists to legally stay in Malawi for a period in excess of the maximum tourist stay of three months (Key Informant Interview 9, 2007). Such an endeavour, if successful, will allow volunteers to expand their roles beyond community projects. A longer-term stay will also allow volunteers more time to share skills and expertise with local people, and may lead to more sustainable projects – a common concern duly noted by participants which will be discussed in further detail below. Part of the impetus for this lodge owner's focus on volunteers stemmed from her frustration over the dubious international volunteering industry.

One local NGO was actively promoting volunteerism in local community projects (Key Informant Interview 5, 2007) and had connected volunteers with the opportune placements in the area. However, this organization struggled with their very own financial sustainability, had few resources and limited organizational capacity. When the director suggested charging an administrative fee to community groups, it seemed as though this organization was competing with the very projects it had helped to create. As such, this organization required volunteers to assist with networking, approaching local lodge owners, and promoting fundraisers and events. Loans were also requested on behalf of the local NGO to their head office based in the United Kingdom. The local NGO and tourism office also facilitated tourist donations by directing tourists to schools and other recipients.

Figure 3: Photograph of a Local Widow's Group



A volunteer teaches a local widows' group how to make juggling balls which were then sold to tourists. Photo by Candice Gartner.

Another organization that is highly active in Malawi, albeit to a less extent in Nkhata Bay, is the American Peace Core. It seemed to be a consistent view among a number of interviewees that the long-term positive impact of these placements on the project site were of dubious nature, and even though placements were typically for a two year term, were too temporal to allow for the transferral of skills to local people (Key Informant Interviews 4 & 10, 2007). On one occasion, a local government official speculated that a minimum of three to five years was the time required for volunteers to impart a lasting impact in the community, long-term project success, and sustainable change (Key Informant Interview 15, 2007).

In addition to an extended volunteer term, one key informant voiced the desire for tourists with specialized knowledge, ideas, and skill sets who could be of value to Nkhata Bay. For example, those who could contribute

knowledge and skills in environmental engineering, development work, planning, civic education, and organizational dynamics were highly desirable.

Some key informants were of the opinion that volunteers had made positive contributions to the community. One teacher was grateful for the new teaching methods that had been shared in his school (Key Informant Interview 7, 2007). Volunteers also frequently acted as advocates and facilitators for donations of educational materials from abroad. School children were able to practice and improve their English conversation.

As previously mentioned, it was very difficult for the local Malawian to distinguish between those tourists travelling for purely recreational means, and those tourists who had travelled to Nkhata Bay for a vacation from their current volunteer activities based in Malawi. Based on the personal observations and conversations of the researcher, it was evident that a number of volunteers were avid supporters of the informal ganja industry (Key Informant Interviews 4 & 13, 2007). One individual who had assisted with the establishment of a number of community groups was deported for his possession of the substance. Although he continues to be involved from his home country, these unfolding of events undoubtedly hindered the ongoing success of these projects (Key Informant Interview 15, 2007). On some occasions, there were volunteers who had exhibited culturally inappropriate behaviours. Yet as explained by a key informant, locals will sometimes overlook cultural taboos if the volunteer remains in the area for a sufficient period of time, and the volunteer's positive contributions outweigh such transgressions.

Three lodge owners had provided start-up capital in the form of either donations or loans towards community projects. One new lodge owner had already loaned in excess of 15,000 kwacha (107USD) towards community projects and was in the process of soliciting funds for an oil seed press for another potential project (Key Informant Interviews 3 & 9, 2007). Owners of another lodge had donated money toward the cost of the Widows' Group

30km walk fundraiser, and had on occasion bought milk for newborns whose mothers had passed away shortly after giving birth (Key Informant Interview 10, 2007). Due to the semi-permanent nature of lodge establishments, lodge owners have on at least two occasions, supervised ongoing donations and loans from abroad. Often these small-scale donors had first initiated contact when travelling to Nkhata Bay as a tourist. In one extraordinary case, a lodge owner was asked to oversee the transfer of more than 10,000 British pounds towards the construction of a local school (Key Informant Interviews 7 & 10, 2007). Another lodge owner provided storage for an organization called Solar-Aid, which sells solar panels and donates the profits to support a local orphan centre (Key Informant Interview 13, 2007).

Lodge owners were also noted for their willingness to assist their employees by paying their children's school fees. This occurred on an informal basis, and was considered on a case-by-case basis. One lodge owner had two programs on display to which tourists could make a donation (see Figures 4 & 5). The first program was designed to provide school fees for students at a local school. The second program was created to provide care packages for patients at the local hospital.

Figure 4 & 5: Photographs of Posters Displayed at a Lodge



*Posters advertising development projects as displayed at a local lodge.
Photos taken by Candice Gartner.*

In addition to their donation of services, volunteers often gave material donations or advocated for donations from abroad towards the projects in which they were involved. In an interview with a local school teacher that worked with foreign volunteers, one volunteer solicited donations for 20 mathematic books, while another had acquired 70 language textbooks. In another case, one volunteer donated a computer to a local school. Another volunteer provided start up capital as a personal loan towards the project in which she was assisting (Key Informant Interviews 6 & 7, 2007; personal communication, 2007).

Tourists were noted for their contributions of start-up capital, school supplies, clothing, toys, and recreational equipment. For those tourists who made a decision to engage in philanthropic giving of some kind, some tourists gave one-time donations while they were visiting the case study site; others gave donations on an ongoing basis. A number of interviewees spoke

of tourists who had visited Nkhata Bay, and upon their return to their home country, initiated charities, from which the funds were donated to community projects (Key Informant Interviews 3, 4, 5, 6 & 10, 2007). For those wishing to sponsor school fees, their funds were transferred to the school bank account using an international money transfer service.

5.2.8. Summary

In summary of the seven tourism development mechanisms, employment, local sourcing and philanthropic support were most prevalent in Nkhata Bay. Lodges at the case study site employed a large number of people from the town-site and district of Nkhata Bay. Most lodge owners adhered to labour standards of minimum wage, vacation allowances, and maternity leaves. However, minimum wage standards are lower than absolute extreme poverty levels. The implications of low minimum wages becomes clear when comparing the legalized minimum wages with typical family sizes and the responsibilities Malawians share towards their extended families that are increasing with ascending orphan numbers. Provision of employment benefits was typically offered in an informal manner and on an as-needed basis. Some employers provided over and above what was legally required and offered assistance to the extended family members of employees through funeral funds, loans, and the payment of school fees.

Malawi's landlocked position and inadequate transportation system makes the import of goods very difficult and costly. In part, this has advantages for domestic markets that are equipped to provide the quality and quantity of goods required by lodges. Some goods were sourced within the town-site of Nkhata Bay, though many lodge owners were better able to find the quality and quantity of goods required in the nearby city of Mzuzu, which is also in the northern region of Malawi. Many local residents of Nkhata Bay were willing to supply the lodges with goods and services, but lacked the resources to start local outlets.

Philanthropic support was exercised and facilitated by lodge owners, tourists, and less so by NGOs. Lodge owners played a key role in informing tourists of volunteer opportunities and connecting them with existing development projects in the community. Two lodge owners have encouraged volunteerism in Nkhata Bay, and for the most part volunteers have been conducive towards development aims. Immigration policies have however, limited the positive impacts of volunteers. Both lodge owners and tourists have sourced start-up capital and donations towards income generating activities of community groups and development projects. Lodge owners have also been instrumental in overseeing large donations from tourists from abroad, following the departure of tourists from Malawi.

Mechanisms least evident at the case study site included direct sales, the establishment of small enterprises, taxes, and infrastructure. Direct sales by the poor are reliant on merchants having access to tourism markets. A restrictive policy implemented in the lodges in order to protect tourists from harassment was harmful to the livelihoods of vendors, and the construction of souvenir shops within the premises created an inequitable access to the tourism market.

The establishment and running of tourism enterprises by the poor is a difficult mechanism to evaluate using an isolated case study, since small business owners who may have been poor at one point in time may not have qualified as poor at the time of data collection. However, based on interviews and informal conversations with community members and community groups, locals were willing to create businesses in support of the tourism industry, but lacked access to start-up capital.

Taxes and levies on tourism with proceeds benefiting the poor was not an evidently effective mechanism at the case study site, as taxes from tourism were collected by the central government department, and then redistributed through the northern region. Other taxes such as income tax

and PAYE were collected by the Malawian Revenue Authority and redistributed centrally through various government departments.

The allocation of sparse tax revenues has failed to deliver adequate infrastructure development and public service provision in Nkhata Bay. In terms of the private provision of infrastructure, many types were built or extended during the construction of at least five lodges, which may have brought services such as electricity, tapped water, and phone lines physically closer to the homes of local poor people. However, these infrastructures remained inaccessible because they were too expensive to install or maintain in poor households. Thus, few locals were able to benefit from publicly or privately provided infrastructure as a result of tourism development.

5.3 Qualitative Results: Part Two

Themes of corruption, transparency, accountability; communication; organization; and vision, ideas, and leadership were additional themes that consistently arose throughout key informant interviews. They have been included because they enhance the description of the case study site, and are salient to the tourism development mechanisms and upcoming analyses of tourism employment.

5.3.1. Corruption, Transparency, and Accountability

Within academia, there is ample literature that contests the effectiveness of aid, particularly aid that is distributed on an international and national level. Despite critiques over the effectiveness and legitimacy of government controlled, top down development approaches that are often followed by shrewd advocacy for more community based, grass roots initiatives, it is rarely acknowledged that the latter are not immune to corruption as well. Findings drawn from the case study site both support and counter the literature. There have been both positive and negative

accounts concerning the distribution of aid given by tourists to local community groups and organizations.

Throughout key informant interviews, it was learned that there had been two recent instances in which funds for community projects had been swindled. The first instance involved a local private school established by several Malawians, who, after one year of operation fled with limited profits and a computer (Key Informant Interviews 6 & 7, 2007). Another instance involved a community drop-in centre, which was run in collaboration with a local lodge (Key Informant Interview 10, 2007). One interviewee claimed that the money donated to build a new centre had been taken by several staff who were involved with the project. In the former case, local teachers who were left behind were able to revive the school with the financial donations of tourists and the assistance of a lodge owner who acted as a trusted notary. In the latter example, what was reported to be a successful community project merely discontinued. The lodge owner who was involved with this project recalls:

It started in 2000 and it was going so well, and we were so proud of it. It was for disadvantaged and orphaned children in the village. It was like a drop-in centre where they could do extra activities that were educational based. And there was a girls group where they could speak freely and come and get advice and counselling. There was a football team, a choir, a drama group. They were doing so well, but it all went horribly wrong when the staff that were running it stole all the money that we'd been given (to build) the new centre...And since then, we haven't been able to get rid of these people, and they've made life so difficult that the whole project has kind of collapsed (Key Informant Interview 10, 2007).

Amidst substantial scepticism of the effectiveness of aid, there have been some successful examples that demonstrate the effective use of aid towards development projects. It can be argued, that even more important than focusing on the ineffectiveness of aid, is to examine best practices and techniques through which aid has been channelled effectively. As one informant explained, once aid has been committed, the difficulty lies in

ensuring funds reach the intended recipients. The second challenge is ensuring that funding is used for the declared purposes (Key Informant Interview 7, 2007). (Only then begins the rigorous exercise of assessing the legitimacy and effectiveness of the intervention itself).

Two teachers at the school introduced above have demonstrated a model example. Following the unfortunate experience of having the directors flee with the teacher's payroll and school profits, the teachers remained at the school and taught students on a pro-bono basis. Teachers earned money for their livelihoods and school expenses by completing casual piecework in the town site. One teacher, who had been hired for piecework at a local lodge, encountered a tourist and shared his story about the unfortunate circumstances of the school. As a result the tourist donated a small sum of money. Upon the tourist's return to their country of origin, they proceeded to raise funds for the purpose of donating them towards the building of a new school. Following the commitment of the funds by the tourist, the sum of 10,000 British pounds, a notary was sought, and one lodge owner in the area agreed to oversee the transaction of funds. A local executive committee was also formed, and after developing a constitution and receiving the approval of the district commissioner, established a joint bank account. To ensure money was used for the declared purposes, a simple yet thorough accounting process was used, in which all receipts were submitted back to the executive committee. Members of the executive committee were then responsible for monitoring the accounts, and reporting to those involved with the project.

Tourists also have the opportunity to sponsor the education of a child through the school. Accountability in this case is ensured through a formal process in which the tourist receives a written receipt for their donation, the school keeps a record of the donation, and the student writes a letter of thanks to the donor. All monetary transactions, however, take place between the donor and the school's account. This way of processing donations was endorsed by the local chief who shared his views on the subject,

You know, most of the times aid is abused because the way, maybe, we channel the aid. Sometimes you deal with the individual.... But if you are dealing with a group, it's difficult for that aid to be abused.... It needs to be going through a group (Key Informant Interview 8, 2007).

To summarize the success of this project highlighted above, the school has to date, facilitated the sponsorship of four children's secondary school education. A new secondary school has also been built. Following exceptional examination results of Kunyanja School, their enrolment has steadily increased from 17 students in 2006 to 350 students in 2007. Moreover, the building of Kunyanja School has stimulated income generating activities and has supported existing businesses in the community. The following commentary of one of the founders of Kunyanja School conveys the magnitude of the impact of the school which was funded by tourists, and the impact the school has had on poverty in the area:

This is poverty alleviation that we are talking about. Because by buying the bricks, up to a hundred thousand...at three kwacha per brick, 300,000 (MKW) has gone nowhere but in the community. So is that not alleviating poverty? It's alleviating poverty... This building will be helping the community in the way that there will be a demand for biscuits. There will be a demand for some locally made cakes. There will be a demand for sugarcane. There will be a demand for so many things. That will enable the community in all the way around to benefit from this one. If they (locals) get 200 kwacha from selling the cakes from the school, is that not alleviating poverty? Unlike just sitting. Exactly. Then their life standard is being changed. Somebody spending 20 kwacha per day ...has started spending 100 kwacha. His life is changing. He's now buying cooking oil and relish, started doing like that. His life is changing. Yeah, that's poverty alleviation. And poverty alleviation is not just like one day. It's a gradual, gradual system. It has to go gradually. And that's what Kunyanja is doing. We are. (Key Informant Interview 10, 2007).

Figures 6 & 7: Photographs of Former and New Teacher's Office at Kunyanja School.



Left: The former teacher's office of Kunyanja School. Right: The new teacher's office of Kunyanja School. Photo taken by Candice Gartner.

Figure 8: Photograph of Newly Constructed Kunyanja School



A new school that was financed by two tourists. Photo taken by Candice Gartner.

5.3.2. Communication

Communication was a consistent theme that arose in key informant interviews. It was viewed as a very important activity, though lacking between various combinations of stakeholders, most notably between tourists and locals. Communication was thought by local people to be vital in tourist's understanding of current issues facing the people of Nkhata Bay, and in making tourists more aware of opportunities through which they could contribute to local development projects. However, barriers to local – tourist interaction were noted by informants, and concerns were duly noted of the 'types' of locals tourists typically conversed with. Furthermore,

communication between local stakeholders, precisely lodge owners and local leaders, was also limited.

Locals and Tourists. As a local schoolteacher informed, students often practice their English by communicating with tourists (Key Informant Interviews 7 & 19, 2007). Not only does English conversation increase student's chances of becoming employed in tourism at a later date, but it is also ancillary towards their continued education, as every subject except Chichewa is taught in English (Key Informant Interview 6, 2007). Another benefit of conversing with tourists was revealed in an interview with a security guard who worked at a lodge. His advanced command of the English language led him to believe his job security and prospects for future promotions had increased (Key Informant Interview 2, 2007).

All relationships between tourists and local people have commenced with a conversation. Most initial conversations have typically occurred within the lodge premises, and later continue as tourists visit the development project site. Here, project organizers had the opportunity to share their vision and objectives with tourists, convey their needs for start-up capital, and share information on sponsorship or volunteering opportunities. There are at least two examples in which this had occurred (Key Informant Interviews 3, 5 & 6, 2007).

One government official conveyed the importance of communication between tourists and locals to be the exchange of ideas and cultures, which is essential for locals to learn new methods in development areas such as education, agriculture, and improved governance, thereby contributing to the development of their community (Key Informant Interview 15, 2007). He reflects,

You know, in tourism we believe that we need to build very strong structures. But is tourism only about buildings? We would also like to exchange our culture with other cultures from elsewhere...We would like to see tourists who are serious, that come to Nkhata Bay, talk to the people of Nkhata Bay, exchange ideas on culture, talk about development. People in Nkhata Bay require a push so that they can

develop. They think that, you know, that development comes from outside... we want tourists who can come here with good ideas, talk to these people, talk to us – the officials here, on how we can improve ourselves. But they can only give us that advice if we talk to them, if we engage them. But most of them, when we engage them, they run away.

Despite the consistent view by local key informants regarding the inherent importance of communication between tourists and local people, it was also consistently reported that local people had difficulty accessing tourists to engage in conversation, particularly to discuss the topic of development issues and projects. Local key informants referred to tourists as being 'stuck' within the lodge premises, only conversing with the locals who were permitted within those areas (Key Informant Interviews 5 & 17, 2007). Exclusive policies prevent any locals other than employees and customers conversing with the tourists, unless tourists venture beyond lodge premises.

Several interviewees voiced concern on the 'types' of locals with which tourists were conversing. They were of the opinion that many tourists spoke only with rastas, or the 'dreaded people', while chiefs, government officials, and other local community members went largely unnoticed and were even avoided by tourists (Key Informant Interviews 3, 15 & 19, 2007).

In an open interview with one volunteer tourist and two of his friends who were briefly visiting him in Malawi, language was voiced to be a major barrier for the tourists who were in Malawi for only a short period of time (Key Informant Interview 18, 2007). It was stated that without the translation assistance of their friend who had been volunteering in a rural community for a period in excess of one year, they would have remained in more 'touristy' areas where the language barrier would have been less evident.

Lodge Owners and Locals. There are examples in which lodge owners have facilitated communication between tourists and local development projects (such as Kunyanja School and the district hospital). However, despite such efforts, local informants were of the opinion that there was little communication between locals and lodge owners. One informant, a

director of a community-based organization, perceived this to be a racial barrier (Key Informant Interview 5, 2007), while the local chief disagreed with this view (Key Informant Interview 8, 2007). The chief also noted that the lodge owners had not been involved in consultations about development, and indicated that they should be involved in development committee meetings. As without, he speculated that lodge owners were unaware of community (*long-term, development*) needs. The chief also thought that a lack of communication might have been due to a lack of interest and laziness on the part of the locals, as a reason why lodge owners were not being approached more by local people to help address their needs. However, observations of the researcher and interviews with lodge owners contradicted this view. Through interviews with several lodge owners, it was evident that they received countless requests for assistance with projects of various scales and scopes, and frequently contributed to these projects in some way.

Interestingly, there were two instances in which lodge owners were actively involved in development efforts, yet local chiefs seemed to be unaware of the lodge owners' contributions (Key Informant Interviews 8, 9, 10 & 19, 2007). As key informants of the communities they serve, if chiefs were ill informed of development work being supported by lodge owners, it is unlikely that community members were aware of the lodge owners' efforts.

5.3.3. Organization

Many development projects have been initiated and implemented by local stakeholders, including traditional leaders, government officials, community based organizations, lodge owners and leaders from the community. Local groups had been formed, such as the Chikale widows' groups, the Kunyanja School committee, and the Solar Drying group, were created with a purpose of helping to improve the life conditions of their participants, either through providing a service such as education or to establish income-generating activities to increase the income of participants

(Key Informant Interviews 3, 5 & 6, 2007). When establishing a community group, these groups adhered to a formal process. Group members were required to form an executive committee, and then establish a group constitution. Once these steps were complete, signature of the local chief and district commissioner were then required in order for the group to establish a joint bank account.

Local people were also highly organized in addressing their development needs. As one chief explained, each village composed its own development committee, lead by the village headman, in which development issues were raised and plans were devised. Area development committees were also in effect, which combined the needs of the population over a wider area, including several villages. Area development committees were lead by the traditional authority and a group village headman. The requests of the area development committee were then forwarded to the district assembly (Key Informant Interview 8, 2007). However, the needs prioritized by development committees were rarely communicated to those involved in tourism.

Much opportunity remains for coordination and collaboration between all stakeholder groups, particularly among development area committees and tourism stakeholders. There have been few tourists who have collaborated directly with local people, who have established organizations, or who have organized development activities. However, little collaboration has been initiated with traditional authorities, local chiefs, and government officials who are directly involved with area and village development committees. (Key Informant Interviews 8 & 16, 2007).

In the past there has been an attempt to have a committee of tourism for the town of Nkhata Bay, however according to a local chief, this committee discontinued due to financial difficulties. The chief expressed his desire to form such a committee again in the future:

...we could be sitting down and then discussing things about tourism in Nkhata Bay. Seeing the problems and finding the way forward. Because it looks like everybody is just working in isolation. Everyone is on his own. The lodge owners are on their own, the local people are on their own.

5.3.4. Vision, Ideas, and Leadership.

Every development activity that is currently taking place in Nkhata Bay first originated from a vision centred on the desire to see impoverished conditions reduced and the quality of life of its people improved in some way. In the past these visions of an improved state of well-being has helped germinate specific ideas about how to actualize these ideals into reality. On many occasions such ideas have originated from the people within the community of Nkhata Bay, other times ideas for projects have been offered by foreigners; from development workers to concerned tourists. As demonstrated in the previous section, local people are most aware of their needs, and the community of Nkhata Bay together with their traditional and official authorities have been committed to defining and prioritizing much needed development projects for the area. Projects that have been identified by development committees in the area are not limited to income generating activities or based on a vision for improved economic growth alone. Development needs that have been defined include new schools, agricultural projects, conservation projects, health projects and new infrastructure. (For an example of a village forest development plan, see Appendix 5.)

Previous projects that have been successful, as judged by local groups, include the pillow making enterprise of the Chikale widows group, the building of Kunyanja School, and the selling of solar dried fruit to the lodges. These groups have been able to recognize their success to date, but yet continue to generate new ideas to further improve the lives of people in their community. Ideas that have been put forth by Chikale Widow's group alone include the building of a textile workshop, opening a grinding mill and a chicken farm, and hosting a lunch hour canteen service. Kunyanja school has

further plans beyond their present successes, to build another primary school, increase enrolment, and plant a community garden. The Solar Drying group has successfully started to sell their goods through the lodges, and they hope to expand their market internationally.

There are also leaders within the community, who have been crucial to the execution of development projects. These key people have been incremental in establishing clear goals and objectives of their intended projects, communicating their needs to potential sponsors, in securing required funding, and in exercising transparent and accountable working practices. The importance of effective leadership is exacerbated by the extremity and immediacy of need by some of the most vulnerable people (i.e. widows and orphans), and past experiences of ineffective and dishonest activities of people previously occupying leadership positions.

A local schoolteacher commented on the existence of leaders within the community, but was not convinced that leadership alone was sufficient to move potential development projects forward (Key Informant Interview 7, 2007). He states,

Malawians are not poor, because they have got a lot of resources. What is needed is to maximize the resources that we have.... But to maximize the resources, it takes some with thinking capacity and to be fired off by someone. Usually we have got very good ideas written down, but if we don't have somebody to push you ahead, it's very difficult.

When probed as to what was needed to “push ahead” existing plans, start up capital and administrative expertise were specified.

5.3.5. Summary

The previous themes have been included to provide further insight to the qualitative findings. Communication is integral to connecting tourists and lodge owners with development projects, and is important for breaking barriers of distrust among stakeholders. Transparency and accountability is essential for tourism philanthropy to be effective, and both positive and

negative examples of transparent and accountable processes have been presented. Based on the interviews with key informants, local residents are rich with vision and leadership based on their own ideals of progress, and are highly organized with constitutions and plans for development projects. However, leadership and vision alone are simply not enough to help the poor emerge from poverty.

5.4 Quantitative Results

The following results and analysis have been designed to empirically evaluate the most pervasive argument, that tourism can reduce poverty because it generates employment. As previously stated, 127 participants were surveyed in the town site of Nkhata Bay, Malawi. A description of the sample is offered and is followed by a detailed analysis between two employment groups conducted across twenty-seven variables that have been used to capture information on poverty conditions.

5.4.1. Description of the Sample

Demographics. The sample showed a generally even division between male and female respondents. Male respondents accounted for 45% of the sample, and female respondents accounted for 55% of the sample. Sixty-five per cent of the sample were married, 11% were divorced or separated, 6% were widowed, and 17% of respondents were single. The number of children belonging to respondents ranged from one to ten, and the majority of respondents (82%) had between zero to four children. When asked how many children lived in the household, responses often varied from the number of children belonging to respondents. The mean number of children belonging to respondents was 2.69 (SD=2.44), while the mean number of children living within the household was higher (MEAN=2.91, SD=2.24). Sixty-one per cent of respondents reported two adults living in the household and 16% reported having one adult living in the household.

Respondents were asked about the number of people financially supporting their household. Sixty-nine per cent reported one person, and 24% reported that two people were financially supporting the household. One respondent replied zero (.8%). While this participant does not comprise a substantial part of the sample, this anomaly demonstrates that the questionnaire did not account for subsistence farmers. Also, in asking only about those who financially contributed to the household, the questionnaire systematically eliminated non-paid household work. This was omitted simply because it was not the focus of this research.

There was a relatively even division between those respondents who were originally from Nkhata Bay (58%) and those who were from a different community outside of the case study site (42%). All respondents were originally from Malawi, with the exception of two who were from other countries of the South Eastern region of Africa. This information may be useful to other studies that aim to compare tourism or poverty variables between those originally from the case study site, and those who have relocated in Nkhata Bay.

Another relatively even division within the sample emerges from those working in the tourism industry, and those not working in the tourism industry. Respondents were asked if they worked in the tourism industry, and although they may not have perceived themselves to be working in the tourism industry, they may have still been indirectly involved in some way. For example, few respondents replied that they worked in a restaurant, though they didn't believe this to be part of the tourism industry. Nonetheless, those that perceived themselves to be employed in the tourism industry will be compared to those who do not perceive themselves to work in tourism.

Employment. The majority of respondents were working in full-time (84%), permanent positions (78%). Very few worked in contract or casual positions. The average number of hours worked in a day was nine (N=101,

MEAN=9.31, SD=2.81). A large group of respondents (51%) reported working seven days a week. In the second largest group, 28% reported working six days per week. Sixty-one per cent of respondents held only one job, while 13% held two jobs at one time.

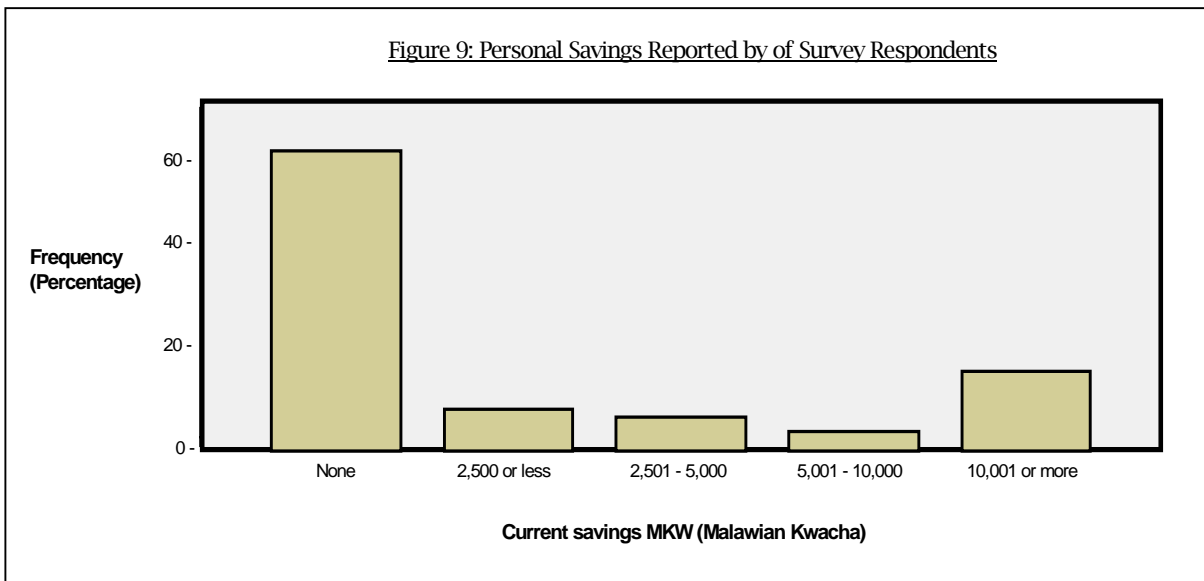
Although respondents were not asked if they were self-employed, this information often surfaced during the interview. During their orientation, research assistants were asked to record these data, since this information was usually volunteered when respondents were asked about their current job. Information on whether respondents are self-employed is important because it may influence the number of hours worked, the number of days worked per week, the benefits received, and daily income. This information was still entered into the data set and the information was coded based on those that it was known they were self-employed (27%), those not self-employed (63%), and those whose self-employment status was unknown (9%).

Employment Benefits. Ten per cent of respondents received a paid vacation. Another 13% received an unpaid vacation. The most common responses were of those who did not receive any vacation (76%). The results exhibited greater contrast when respondents were asked if they received coverage through a formal health care program. Seven per cent responded affirmatively, while 94% reported negatively. However, it is worth noting that although some respondents were not enrolled in a formal health care program, depending on their type of employment, they and their family members may have received informal health coverage from their employers. Responses were similar in regards to pension plans. Those who had pension plans (6%) were anomalous when compared to the rest of the population who did not have pension plans offered through their employer (92%).

Daily Income. Daily income ranged from 100 MKW (0.72 USD) to 25,000MKW (179 USD). Ninety-six per cent of the sample had a daily income of 10,000 MKW (71 USD) or less. Sixty-two per cent of respondents reported a daily income of 1,000MKW (7USD) or less. The distribution shows a high

degree of variance, and is positively skewed. The high variability and skewness of income data however, is largely characteristic of populations in LDCs with high levels of inequality.

Savings and Debts. Current debts ranged from 0 to 4,000MKW (29USD), and the mean of current debts was 296 MKW (2.11USD) (MEAN=295.91, SD=763.70). When asked about the amount of their current savings, 64% of respondents had no savings. The histogram below has been provided to illustrate the distribution of respondents with substantial savings in comparison to those who have no savings. The shape exhibited within the histogram is positively skewed and inverted, two features that are less common or extreme the context of developed countries. Though the histogram represents ordinal level data, positive skewness and high variability were characteristic of nearly all ratio level data, which bears implications for the application of parametric and non-parametric tests.



Tourism Sectors. Of the sixty-five respondents who worked in the tourism industry, ten (15%) worked in the accommodation sector, twenty-six (40%) in food and beverage, seven (11%) as artisans, vendors, or woodcarvers, thirteen (20%) in transportation, and fourteen (22%) were indirectly employed

in tourism. Indirectly employed was defined as those who provided a paid service that did not exist solely for tourists, but was used by tourists and local people.

Tourism Income. For those employed in tourism, forty-six (71%) reported an increase of income. Yet when those working in tourism were asked about how their savings had changed, twenty (30%) experienced an increase of savings, while thirty-eight (59%) had no savings.

Education. Eighty-seven per cent of respondents had children who attended school in the past year. Twenty-two per cent of respondents had children who attended nursery school, 70% of respondents had children who attended elementary school, 26% had children who attended secondary school, and 2% had children who attended college or university in the past year. These findings are consistent with national level statistics (UNDP, 2007).

With the exception of the few respondents who had children enrolled at boarding schools, the average distance to school (one direction) from the respondent's home was 1.9 kilometres (MEAN=1.91, SD=2.54), which is typically reached by foot. The average monthly expenditure for school expenses (including fees and supplies) was 1171 MKW (8USD) per household (MEAN=1,170.87, SD=1,476.74).

Health. Members of the households being surveyed visited a health clinic an average of five times in the past year (MEAN=5.09, SD=4.83). The average distance from the respondent's homes to the health clinic was 4.4 kilometres (MEAN=4.42, SD=5.11). Ninety-six per cent of respondents reported having a household member with the following diseases diagnosed within the past year: 76% malaria, 6% bilharzias, 2% cholera, 0% HIV/AIDS¹⁵, 9% cough. Eighty-two per cent of these respondents received the medication required to remedy their condition. The average yearly household

¹⁵ However, national statistics show that HIV prevalence in Malawi is at a rate of 14.1% (UNDP, 2007/2008) and local sources indicate that HIV rates in the case study site are above the national average, approximately 20% (Anonymous Medical Practitioner, personal communication, 2007).

expenditure on health care services was 58 MKW (0.41USD) (MEAN=57.99, SD=114.78).

Respondents reported sleeping an average of just over 8 hours every night (MEAN=8.24, SD=2.53). Those who worked at night (i.e. sex workers and night watchmen) were inadvertently excluded by the wording of the question. On average, each household consumed less than three meals per day (MEAN=2.78, SD=0.48). There was a ratio of one mosquito net for every two people (MEAN = 0.49, SD=0.38), and a similar ratio of beds to household members (MEAN=0.49, SD=0.40). The average daily food expenditure per household was 569 MKW (4USD) (MEAN=568.91, SD=675.52).

Water. Seventy-four per cent of respondents retrieved water from a water tap, most often found in or nearby their homes. Nineteen per cent drew water from a borehole, and 7% drew their water from Lake Malawi. Water, regardless from which source it was retrieved, was used for all drinking, washing, and bathing purposes. The average distance to a potable water source for those that did not have a water source on their premises was 268 metres (N=47, MEAN=267.57, SD=432.05). The average length of time spent daily by respondents who retrieved water from remote sources was 35 minutes (N=56, MEAN=34.51, SD=34.19).

Energy. Thirty-nine per cent of respondents had electricity in their home. This figure is relatively high compared to the national statistics that show only 11% of Malawians as having electricity (UNDP, 2008). Sixty-five per cent of the sample used wood, 51% used paraffin¹⁶, 40% used charcoal, 13% used candles, and 1% used a solar panel. Monthly energy expenditure showed a mean of 2557 MKW (18USD) (N=116, MEAN=2,557.24, SD=2,676.80). However, some respondents did not purchase energy sources, and instead collected wood from the forest. Those who collected wood from the forest were asked about the amount of time spent daily on this task. The average

¹⁶ Paraffin is also known as kerosene.

time spent daily by those collected wood from the forest was 90 minutes (N=67, MEAN=89.55, SD=110.78).

Housing. Types of housing materials can be indicative of living standards. Brick walls with metal roofing were usually indicative of a more stable and secure living structure (pending secure attachment of the roof). Reeds and straw were less durable, but less expensive. Thirty-three per cent of respondents used straw as materials when building their home, 98% used brick, 61% used metal roofing, 7% used reeds, and 2% used tiles as housing materials.

Communication. Four per cent of respondents had access to telecommunication using a landline connection. Fifty per cent of respondents owned a cellular phone. Another 50% of respondents had neither a landline phone nor a cellular phone. The average weekly expenditure on airtime was 808 MKW (5.77 USD) (N=67, MEAN=807.97, SD=645.04). The price of local calls ranged from 15 to 25 cents per minute (personal communication, 2007).

Transportation. Eighty-seven per cent of the sample commuted by foot. Two per cent used a matola¹⁷ while 7% traveled by minibus regularly. Two per cent had their own means of transportation, be it a motor vehicle or motorbike. One per cent of respondents used a taxi. Five per cent commuted by boat and another 2% rode a bicycle. For those who did not have their own means of transportation, the average weekly transportation expense was 1005 MKW (7.18 USD) (N=20, MEAN=1,005.00, SD=1,031.05).

Decision Making. When asked about which spouse made decisions about money in the household, 39% replied that it was the male in the household, 24% said it was the woman in the household, 34% replied it was both the man and the woman in the household, and 4% replied that the entire family made decisions about money in the household.

Tourism Change in Nkhata Bay. Respondents were asked how tourism had changed in Nkhata Bay over the past five years, to which a variety of

¹⁷ Matolas are informal taxis that transport people who sit or stand in the box of a truck. Some small matolas can carry as many as thirty people at one time.

answers were offered. Some gave information on the size of the tourism industry, by mention of tourist numbers or new lodges in the area. Others talked about the effects of tourism on Nkhata Bay, and whether these were perceived to impart a positive or negative effect. For those who responded in the first way mentioned (N=70), 53% said that tourism had increased in Nkhata Bay over the past five years, while 39% said it had decreased. Another 9% responded that there had been no change in tourism in Nkhata Bay over the past five years. For those who answered this question in terms of positive and negative effects (N=44), 80% were of the thought that tourism had a positive impact in Nkhata Bay, while 9% reported a negative effect, and 11% reported no effect.

Respondents were then asked, how tourism had affected the local economy of Nkhata Bay over the past five years. Upon retrospect, this may have been a difficult question to answer, as the terms 'local' and 'economy' are ambiguous. Nonetheless, respondents answered in a similar way as they did to the previous question, making note of both the quantity and nature of the effect of tourism. Moreover, they may have answered this question with regard to the local economy, and not necessarily tourism's impact upon it. Of those respondents who commented on the change in size of the local economy (N=94), 67% said that the local economy had increased. 26% replied that it had decreased, while 7% reported no change. For those respondents who referred to the nature of the effect of tourism on the local economy (N=31), 90% reported that it had a positive effect, and 10% no effect; while there were no respondents who said tourism had a negative effect on the economy.

Respondents were then asked the final open-ended question in the survey. They were asked how tourism had affected poverty in Nkhata Bay over the past five years. In this question, the answers generally fell into one of three categories, all of which pertained to the size of poverty in the community rather than tourism's effect. Twenty-three percent (N=117)

replied that poverty had increased, 43% said that it had declined, and 34% said there had been no change in poverty. Again, answers were often more focused on poverty than they were of tourism's effect on poverty.

5.4.2. Summary

The previous section has been crafted to share quantitative and primary data collected using the survey questionnaire. The above results provide an overall description of the sample population and the most interesting findings from this description are highlighted below:

- The number of children belonging to survey respondents varied from the number of children living in sampled households.
- Most households were financially supported by one family member.
- The majority of respondents were originally from Malawi, though approximately half of the sample were originally from the district of Nkhata Bay.
- Most employed respondents worked on a full-time, permanent basis. Employment benefits such as paid vacation, formal health care coverage, and pensions were rare.
- Data on daily income was highly skewed and variable, ranging from 100MKW to 25,000MKW on a daily basis. The majority of respondents had no savings.
- Approximately half of the sample had reliable access to communication.
- Most respondents relied on walking as their primary mode of transportation.
- The types of health ailments which respondents and their household members encountered were extreme when compared to Western standards of health.
- Many respondents reported less than a 1:2 ratio of beds and mosquito nets to household members.

5.5. Quantitative Analyses

Now that the characteristics of the total sample have been described, the analyses will now turn to address more specific research sub-questions. Having already discussed the seven mechanisms during the qualitative analyses of this study, the focus will now examine tourism employment, which is the mechanism most commonly advocated in tourism and poverty reduction planning and rhetoric.

5.5.1. Tourism Employment and Poverty Reduction

How does tourism employment affect poverty conditions? Tourism employment and poverty reduction are dynamic processes, and changes in either cannot be assessed using one isolated survey, as there is no baseline information with which results can be compared. There is limited pre-existing data on the topic relative to the case study, and the time required to conduct baseline and follow up surveys exceeds the duration of this thesis project. Survey questions can be designed to ask respondents about their perceptions on how such conditions have changed over time as has been attempted in questions 51 through 53 of the questionnaire, but such information will be qualitative and is limited by their ability to recall information over the period in question. Respondents may also answer such questions using variable points of reference, which can further compromise data validity.

Rather than asking whether tourism employment has any impact on poverty, the following analysis will examine differences between two groups: those working in tourism (herein referred to as ‘the tourism-employed’), to those not working in tourism (herein referred to ‘the non-tourism-employed’). Comparisons between the two groups will take place with respect to the various measures of poverty previously explained in the description of the total sample. These two groups have been limited to consider those respondents who have only one profession and who are the

sole financial supporters of their household. It was important to make the distinction between these two groups in order to compare the possible effects of the tourism sector to other employment sectors. Hence, those that fell into a 'blended' category, that is, those who may have worked in both sectors have been purposely omitted. Although the survey was designed to collect information from those respondents who were indirectly employed in tourism, it is possible that those indirectly and peripherally involved in tourism may not have been captured within the tourism-employed group. The impetus for selecting sole financial providers for analysis arose from the researcher's intentions to compare poverty related variables that are typically measured on a household level. Assuredly, respondents of the sample that have been included in the following analysis are either working in tourism or not working in tourism, have one job, and are the sole income earners for their household.

Variables have been organized into five groups: employment conditions, living conditions, monetary conditions, health conditions, and education conditions. Together these categories help to depict a comprehensive picture of poverty. Furthermore, using a broad range of variables can provide pertinent information about the context of the research setting. Poverty variables also illuminate a glance into the daily lives of respondents through variables such as water access, energy sources, housing materials and other quality of life indicators. Hence, the first main research question of how tourism affects poverty, with particular reference to employment, will be addressed according to the following sub-questions:

- How do employment conditions vary between the tourism-employed and the non-tourism-employed?
- How do living conditions vary between the tourism-employed and the non-tourism-employed?

- How do monetary conditions vary between the tourism-employed and the non-tourism-employed?
- How do health conditions vary between the tourism-employed and the non-tourism-employed?
- How do education conditions vary between the tourism-employed and the non-tourism-employed?

How do employment conditions vary between the tourism-employed and the non-tourism-employed? Contingency tables revealed that employment conditions of the two groups being compared were generally consistent among the variables of temporary employment, part-time employment status, self-employment, and the unavailability of health care coverage and pension plans for employees. Variations surfaced, however, in permanent and full-time employment status, vacation, the availability of health care coverage and pension plans for employees.

As summarized in Table 4, those employed in tourism were twice as likely to be employed on a permanent basis (85%) than those not employed in tourism (43%). Full time employment status was also more frequently reported by the tourism-employed (89%) than the non-tourism-employed (43%). The tourism-employed were also twice as likely to receive a vacation, both paid (21%) and unpaid (9%), and were also less likely to have no vacation at all (57%). Tourism employees were also much more likely to benefit from a formal health care (18%) and pension plan (14%) offered by their employer. The tourism-employed also showed a higher frequency of those who reported being self-employed (25%).

Following a series of chi-square tests, the differences deemed to be statistically significant were of health care coverage and self-employment status. In sum, those employed in tourism showed to be more likely to receive health care coverage through their place of employment, and were also more likely to be self-employed ($p < .05$).

Table 4:Differences in Employment Conditions
Between the Tourism Employed vs. Non-Tourism Employed*

	Total Response Frequency	Tourism Employed Frequency N=28	Non- Tourism Employed Frequency N=47	Total Frequency (Valid%)	Chi Square X² Value	p	df
Permanent	52 (100)	24 (85)	20 (43)	44 (85)	0.788	.375	1
Temporary		3 (11)	5 (11)	8 (15)			
Full Time	50 (100)	25 (89)	20 (43)	45 (90)	2.279	.131	1
Part Time		1 (4)	4 (9)	5 (10)			
Paid Vacation	70 (100)	6 (21)	4 (9)	10 (14)	4.149	.126	2
Non-paid Vacation		5 (18)	4 (9)	9 (13)			
No Vacation		16 (57)	35 (74)	51 (73)			
Health Coverage							
Yes	72 (100)	5 (18)	1 (2)	6 (8)	5.440	.020	1
No		23 (82)	43 (91)	66 (92)			
Pension							
Yes	72 (100)	4 (14)	2 (4)	6 (8)	2.125	.145	1
No		24 (85)	42 (89)	66 (92)			
Self- Employed							
Yes	64 (100)	7 (25)	9 (19)	16 (25)	7.680	.021	1
No		21 (75)	27 (57)	48 (75)			

*column percentages shown in parentheses

The tourism-employed also showed a higher mean average of daily working hours (MEAN=9.95, SD= 2.84) and weekly working days (MEAN = 6.27, SD=.87) than the non-tourism-employed (MEAN=8.74 hours, SD=2.47; MEAN=6.04 days, SD=1.33). Both measures were not deemed to be statistically significant (see Table 5).

Table 5: Differences in Poverty Conditions
Between the Tourism Employed and Non-Tourism Employed

Poverty Conditions	Employment Source	N	Mean	SD	t	p
<i>Employment Conditions</i>						
Days Worked						
	Tourism Employed	28	6.268	.866	-.766	.447
	Non-Tourism Employed	27	6.037	1.329		
Hours Worked						
	Tourism Employed	28	9.946	2.836	-1.679	.099
	Non-Tourism Employed	27	8.741	2.470		
<i>Living Conditions</i>						
Distance to Water Source						
	Tourism Employed	8	395.125	682.727	-.662	.513
	Non-Tourism Employed	23	258.957	428.007		
Time Spent Retrieving Water						
	Tourism Employed	12	31.917	31.385	.412	.683
	Non-Tourism Employed	25	36.360	30.389		
Monthly Energy Expenditure						
	Tourism Employed	24	2067.50	2214.598	.165	.869
	Non-Tourism Employed	46	2173.70	2712.487		
Monthly Communication Expenditure (MKW)						
	Tourism Employed	10	3663.66	2585.431	.103	.919
	Non-Tourism Employed	21	3797.67	3696.019		
<i>Monetary Conditions</i>						
Daily Income (5,000 and less)						
	Tourism Employed	19	629.84	803.590	-.940	.354
	Non-Tourism Employed	18	440.94	290.904		
Daily Income (25,000 and less)						
	Tourism Employed	25	3078.68	5557.293	-.054	.957
	Non-Tourism Employed	24	2997.38	5036.028		
Household Debt						
	Tourism Employed	25	140.84	493.227	.904	.369
	Non-Tourism Employed	44	290.91	740.464		
<i>Education Conditions</i>						
Distance to School (estimate in kilometres)						
	Tourism Employed	18	2.867	3.571	-1.150	.255
	Non-Tourism Employed	37	1.931	2.401		
School Expense per Month						
	Tourism Employed	15	898.83	1166.857	.502	.618
	Non-Tourism Employed	28	1162.770	1842.830		
School Expense per Child						
	Tourism Employed	15	284.160	318.139	.409	.685
	Non-Tourism Employed	28	338.380	456.905		
<i>Health Conditions</i>						
Hours Slept Nightly						
	Tourism Employed	26	8.269	1.976	.768	.445
	Non-Tourism Employed	47	8.691	2.386		
Average Meals Eaten Daily						
	Tourism Employed	28	2.661	.545	1.008	.317
	Non-Tourism Employed	47	2.777	.440		

Poverty Conditions (continued)						
Employment Source	N	Mean	SD	t	p	
<i>Health Conditions (continued)</i>						
Ratio of Mosquito Nets to Household Members						
Tourism Employed	28	.4521	.386	.212	.832	
Non-Tourism Employed	46	.4720	.394			
Ratio of Beds to Household Members						
Tourism Employed	28	.4378	.339	.611	.543	
Non-Tourism Employed	46	.4929	.397			
Distance to Health Clinic (estimate in kilometres)						
Tourism Employed	23	5.185	4.994	-.069	.945	
Non Tourism Employed	42	5.092	5.284			
Monthly Healthcare Expense						
Tourism Employed	24	75.49	110.301	-1.639	.106	
Non Tourism Employed	40	33.88	90.483			
Health Clinic Visits Yearly						
Tourism Employed	18	4.11	4.269	.937	.353	
Non Tourism Employed	40	5.43	5.203			
Daily Food Expenditure						
Tourism Employed	27	420.37	265.395	-.244	.808	
Non Tourism Employed	46	403.15	305.726			

How do living conditions vary between the tourism-employed and the non-tourism-employed? The frequencies of different types of water sources used by the tourism-employed and the non-tourism-employed yielded no substantial difference (see Table 6). There was also no statistically significant difference between the two aforementioned groups in the distance traveled to retrieve water, and the time spent retrieving water (see Table5).

Table 6: Differences in Water Source Between the Tourism Employed and Non-Tourism Employed

	N	Water Source		
		Tap	Borehole	Lake
Tourism Employed	28 (100)	20 (71)	5 (18)	3 (11)
Non-Tourism Employed	47 (100)	33 (70)	9 (19)	5 (11)
Total Response	75 (100)	53 (71)	14 (19)	8 (11)

* row percentage shown in parentheses
 $X^2 = 0.19$; $df = 2$; $p = .990$

Contingency tables revealed little difference in housing materials between the tourism-employed and the non-tourism-employed (see Table 7). Chi square tests have not been run between these variables because not all

variables in this category are exclusive of each other¹⁸. However, the variable concerning the possession of a metal roof, which is a highly desirable housing material, has been used to test whether there are differences between the tourism-employed and non-tourism-employed and their possession of a metal roof as a housing material. No statistically significant results surfaced in this test (see Table 8).

Table 7: Frequency of Housing Materials Between the Tourism Employed and Non-Tourism Employed

	N	Housing Materials*			
		Straw	Reeds	Brick	Metal Roof
Tourism Employed	28	10 (36)	3 (11)	28 (100)	16 (57)
Non-Tourism Employed	47	17 (36)	2 (4)	45 (96)	29 (62)
Total Response	75	27 (36)	5 (7)	73 (97)	45 (60)

* row percentages shown in parentheses

Table 8: Differences in the Possession of Metal Roof Between the Tourism-Employed and Non-Tourism Employed

Employment Source	N	Possession of a Metal Roof*	
		Yes	No
Tourism Employed	28	16 (57)	12 (43)
Non-Tourism Employed	47	29 (62)	18 (38)
Total	75	45 (60)	30 (40)

* row percentages shown in parentheses

$X^2=.152$; $df=1$; $p=.697$

Those who did not work in tourism and who are the sole providers of their households showed a slightly higher propensity for using electricity, wood, and paraffin as energy sources. The tourism-employed showed a slightly higher propensity for the use of other energy sources, such as charcoal and candles (see Table 9). Once again, chi square tests have not been used to test for differences that may exist in the use of energy sources between the two groups, as different energy sources are not exclusive from each other. Similar to the previous test regarding the possession of a metal roof, the variable of electricity has been modified to represent those having it

¹⁸ Each type of house material were entered into the dataset as a dummy variable since respondents were able to give more than one answer to question 44 of the questionnaire.

and those without. Because electricity is a highly sought after energy source, the researcher made the assumption that it would most likely have been reported during the questionnaire. However, using a chi square test on the possession of electricity within the household, there was no statistically significant difference between the tourism-employed and the non-tourism-employed (see Table 10). Furthermore, though those not employed in tourism showed a slightly higher monthly energy expenditure (MEAN = 2,174 MKW, SD = 2,712.49), there was no statistical significance detected between the two groups in regards to this variable (see Table 5).

Table 9: Frequencies of Different Types of Energy Sources
Between the Tourism Employed and the Non-Tourism Employed

Employment Source	N	Energy Source*				
		Electricity	Wood	Paraffin	Charcoal	Candles
Tourism Employed	28	12 (43)	15 (54)	14 (50)	12 (43)	4 (14)
Non-Tourism Employed	47	26 (55)	37 (79)	27 (57)	13 (28)	4 (9)
Total Response	75	26 (35)	52 (69)	41 (55)	25 (33)	8 (11)

* row percentages shown in parentheses

Table 10: Differences in Electricity Possession
Between the Tourism-Employed and the Non-Tourism-Employed

Employment Source	N	Possession of Electricity Installed in Home*	
		Yes	No
Tourism Employed	28	12 (43)	16 (57)
Non-Tourism Employed	47	14 (30)	33 (70)
Total	75	26 (35)	49 (65)

*row percentages shown in parentheses

$X^2=1.323$; $df=1$; $p=.250$

Based on contingency tables (see Table 11), those not employed in tourism were more likely to own a cell phone (45%) than those employed in tourism (36%). This finding was also confirmed by the compared frequencies of those who owned no phone whatsoever; 64% of the tourism-employed and 55% of the non-tourism-employed did not own a phone. However, such difference was not deemed statistically significant.

Table 11: Differences in the Possession of a Cellular Phone
Between the Tourism-Employed and Non-Tourism Employed

Employment Source	N	Phone Possession*	
		Cellular Phone	No Phone
Tourism Employed	28	10 (36)	18 (64)
Non-Tourism Employed	47	21 (45)	26 (55)
Total Response	75	31 (41)	44 (59)

* row percentages shown in parentheses
 $X^2=0.582$; $df=1$; $p= .446$

Based on the compared means of monthly communication expenditure, there was a slight difference in the mean monthly communication expenditure between the tourism-employed (MEAN=3,663.66 MKW, SD=2,585.43) and the non-tourism-employed (MEAN=3,797.67 MKW, SD=3,696.019). However, this difference of means between the two groups was not deemed to be a statistically significant (see Table 5).

How do monetary conditions vary between the tourism-employed and the non-tourism-employed? As previously mentioned, some variables have been controlled for skewness by limiting the range of answers to be included in this analysis. At first, the range of the variable of daily income has been limited to accept the maximum value as 5,000 allowing for a skewness of 2.07. In comparing the means of daily income of the two groups, however, the sample size was considerably reduced to a total of 37, thereby compromising the confidence of further statistical results. The researcher then reverted to limiting daily income to those who reported 25,000 MKW and less, allowing for a skewness value of 2.77. Upon comparing the means of these two groups, the total sample size increased (N=49). Though the tourism-employed revealed a slightly higher daily income (MEAN=3,078.68 MKW, SD=5,557.29), this difference was far from being statistically significant (see Table 5).

In both independent samples of the tourism-employed and the non-tourism-employed, it was affirmed that a large proportions of sample population had no savings. While the non-tourism-employed showed a slightly higher proportion of respondents who did not have any personal

savings (74%), and a slightly lower proportion of those who had savings (25%), differences between the groups in both measures were not deemed to be statistically significant (see Table 12).

Table 12: Differences in the Possession of Personal Savings
Between the Tourism-Employed and Non-Tourism Employed

Employment Source	N	Savings Possession*	
		No Savings	Savings
Tourism Employed	28	18 (64)	10 (36)
Non-Tourism Employed	47	35 (74)	12 (26)
Total Response	75	53 (71)	22 (29)

*row percentages shown in parentheses
 $X^2=.878$; $df=1$; $p=.349$

Respondents were asked the current amount of their household debts. In comparing the mean debts between the two groups, it showed that those employed in tourism had a mean debt of 141 MKW (MEAN=140.88, SD=493.23), while those not employed in tourism had a mean debt of 291 MKW (MEAN=290.91, SD=740.46). However, this difference was not determined to be statistically significant (see Table 5).

How do health conditions vary between the tourism employed and the non-tourism employed? The non-tourism-employed showed a slightly higher mean in four variables used to measure health conditions. Those not employed in tourism consistently scored higher means in the variables of the average hours slept (MEAN=8.69, SD=2.39), the average number of meals eaten daily (MEAN=2.78, SD=0.44), the ratio of mosquito nets to household members (MEAN=0.45, SD=0.39), and the ratio of beds to household members (MEAN=0.44, SD=0.39) (see Table 3). In all four categories, the differences did not prove to be statistically significant.

The average monthly health care expense on a household level for those employed in tourism was 75MKW (MEAN=75.49, SD=110.30), which was more than twice that of the non-tourism-employed (see Table 5). This difference is surprising considering that those employed in tourism were

most likely to receive health care benefits through their employer. However, the difference between these two means was not deemed statistically significant. There was a slight difference between the means of these groups in the distance they traveled to the nearest health care clinic, however this was not deemed statistically significant. Daily food expenditure was also examined for differences between the two groups, and though the tourism-employed showed a slightly higher mean daily food expenditure (MEAN=420.37, SD=265.40) the variation between the two groups was not proven statistically significant.

How do education conditions vary between the tourism-employed and the non-tourism-employed? The category of education conditions showed that while there were differences between the mean distance to school, and monthly school expense, and school expense per child, these differences were not deemed significant. The tourism-employed showed a higher mean in the distance their children walked to school (MEAN=2.87 km, SD=3.57) than those who did not work in tourism (MEAN=1.93 km, SD=2.40) (see Table 5). Also, while the tourism-employed incurred a mean monthly school expense of 899 MKW (MEAN=898.83, SD=1,166.86), the non-tourism-employed reported 1,163 MKW (MEAN=1,162.77, SD=1,842.83) for the same variable.

5.5.2. Summary of Results

Twenty-seven variables have been organized into five categories according to different types of poverty conditions, and were analyzed for inherent differences between two employment groups: the tourism-employed and the non-tourism-employed. The results show that there are two statistically significant differences between these two groups within the selected sample. The two significant results both fall into the category of employment conditions. Those employed in tourism appeared to be more likely to receive health care benefits through their employer than those who

were not employed in tourism ($p < .05$)¹⁹. Also, those employed in tourism were also more likely to be self-employed than those not employed in tourism ($p < .05$). However, the former of these findings is comprised of a very low response rate. Though this low response may compromise the statistical significance of the difference, it may still give a meaningful descriptive statistic of the sample.

**Table 13: Summary of Poverty Conditions
Between the Tourism Employed and the Non-Tourism-Employed*†**

Poverty Conditions	Tourism Employed	Non Tourism Employed
Employment Conditions		
Permanent Employment	● (++)	
Full-Time Employment	● (++)	
Vacation	● (+)	
Health Coverage*	● (+)	
Pension	● (+)	
Self-Employed*	● (+)	
Living Conditions		
Distance to Water Source		● (++)
Time Spent Retrieving Water	● (=)	
Housing Materials - metal roof		● (=)
Electricity Possession	● (+)	
Phone Possession		● (+)
Monetary Conditions		
Daily Income	● (++)	
Savings	● (+)	
Debt	● (++)	
Education Conditions		
Distance to School		● (++)
School Expense per Child		● (++)
Health Conditions		
Hours Slept Nightly		● (=)
Meals Eaten Daily		● (=)
Mosquito Net Ratio		● (=)
Bed Ratio		● (+)
Distance to Health Clinic		● (=)

* denotes statistically significant results ($p \leq .05$)

† (++) indicates a much higher difference, (+) indicates a higher difference, and (=) indicates a higher but nearly equal difference between the two groups.

¹⁹ In the questionnaire, question 20 is framed to ask if respondents receive health benefits from their employer (see Appendix 4). Those respondents who are self-employed may pay their own health benefits in a formal or an informal manner.

A number of patterns emerge from the quantitative findings that though not statistically significant in most circumstances, might elicit the need for further analysis and research (see Table 13). Those employed in tourism consistently showed more favourable working conditions and monetary conditions than those not employed in the tourism industry. Contrarily, those not employed in tourism generally reported the most favorable living, health, and education conditions. Furthermore, though only two variables showed statistically significant differences, the fact that there were so few significant findings provokes further investigation on the nature of tourism's effect on poverty conditions; and the contexts and conditions that are needed for such vitally requisite positive impacts to take place.

6.0 DISCUSSION AND IMPLICATIONS:

6.1 Introduction

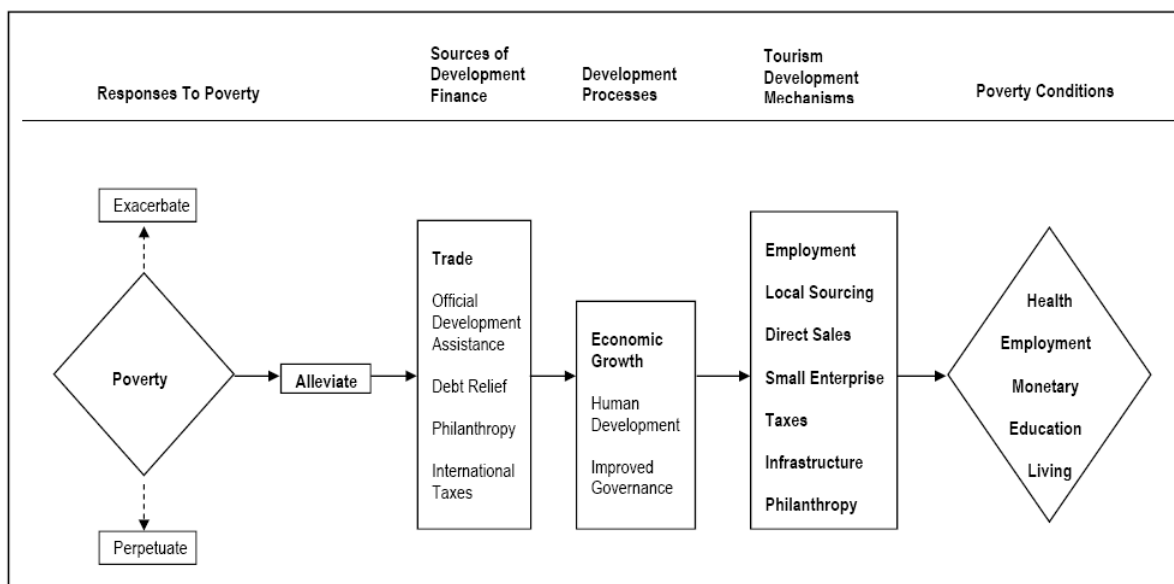
The relationship between tourism, development, and poverty has been ill defined and haphazardly understood. As Sharpley states, “the development role of tourism should not be extolled without knowledge and understanding of the processes by which development, however defined, might be achieved” (2002, p.2). This thesis has endeavoured to develop clearer understanding of tourism development processes and their effect on poverty conditions, so that tourism can be leveraged to not just assuage, but to alleviate poverty. However, the task of understanding these processes is far from complete, and substantial research remains to be done. In this section, the findings of the study will be discussed on a conceptual and empirical level. A conceptual framework of tourism, development, and poverty alleviation is offered, the empirical findings are compared and contrasted with the existing literature, and implications for academia, policymaking and planning are discussed.

6.2 Conceptual Discussion

The diagram below has been designed by the researcher to explain the conceptual relationship that exists between tourism, development, and poverty as it fits within the development and poverty alleviation framework. This framework emerged from the literature review, and evolved throughout the course of this study. In general, frameworks are valuable because they offer both an overview of the field and can help to place specific studies in context (Pearce, 2001, p. 928). Boldface has been used to highlight the processes examined in this thesis. However, multiple chains of process could be drawn and analyzed in future research. The following description will describe the most common process from possible responses to poverty, to sources of development finance, to development process, to tourism

development mechanisms, and the impacts these processes have on poverty conditions.

Figure 10: A Conceptual Framework of Tourism, Development, and Poverty Alleviation



Tourism can alleviate, perpetuate, or exacerbate poverty. Based on the literature, it is argued that poverty is multi-dimensional (Ruggeri-Laderchi et al., 2003) (Speth, 1998), development is one of many ways to alleviate poverty (Sen, 1999), trade is but one source of development finance, (Addison et al., 2005), and development policy has often been driven by philosophy (Scheyvens, 2007; Rapley, 1996; Hawkins and Mann, 2007) rather than empirical evidence. Most dominant of development philosophies is neo-liberalism, which recognizes economic growth as the primary and essential ingredient to development, progress, and poverty reduction, despite the criticisms of development academics (Ravallion, 2004; Ranis et al., 2000).

Tourism is an export industry that is embraced as an agent of poverty alleviation insofar as it contributes to trade, delivers economic growth objectives, and fits within the neo-liberal consensus and economic orthodox of development. However, as the evidence of this case study has

demonstrated, although tourism is introduced as a macro economic development strategy, tourism can also facilitate alternative sources of development finance (i.e. philanthropy) that can support alternative development processes not limited to economic growth, but also inclusive of human development and sound governance. When supported, these development processes can have further impacts on poverty conditions, either directly or indirectly through tourism. Therefore, macro interventions of trade, and micro interventions of philanthropy can be mutually reinforcing; and 'tourism-first' and 'development-first' approaches to tourism are not inherently opposed.

Seven mechanisms have been identified by the UNWTO (2006b) in attempt to support tourism development and its potential to facilitate poverty alleviation. These have been referred to as tourism development mechanisms, and have been the subject of exploration in this thesis. The mechanism of employment has been selected for further analysis into the effects of tourism employment on poverty, and more specifically, poverty conditions. The evolution of comprehensive poverty definitions and methodologies (UNDP, 1990; Ruggeri-Laderchi et al., 2003) has not fully permeated the tourism literature, and this study is a mere introduction to the type of empirical research that is required to assess the effects of tourism development on poverty, broadly conceived.

One crucial element this model does not indicate is that poverty is a dynamic entity, and is subject to ongoing internal and external causes that can hinder, perpetuate, or exacerbate poverty levels, even when current poverty reduction processes are performing well. In Malawi, some of the most obvious pressures on poverty include the AIDS epidemic and low educational achievement. Inadequate infrastructure and technologies, and foreign debt burdens are also factors that hinder poverty reduction processes (Conroy et al., 2006). However, the causes of poverty are a subject of ongoing debate, which is beyond the scope of this thesis. What is being

emphasized here is the importance of considering external factors when analyzing the effectiveness of tourism development processes.

Despite the linear portrayal of the conceptual framework, the processes operate in a circular direction. This is why the first and last items have been represented using a rhombus shape in contrast with other items in the diagram. The effectiveness of poverty alleviation processes, development processes, and tourism development processes will influence poverty levels. In an ideal, closed system scenario excluding all extraneous influences, if tourism development processes are effective, they will have an alleviating effect on poverty conditions, and if these effects are sufficient, poverty levels will be reduced.

Various actors are involved, and can enable and disable the processes depicted in this framework. This study has taken into consideration the roles of policy makers, lodge owners, traditional authorities, international development agencies, community based organizations, tourists, and volunteers. The conceptual framework can be particularly useful for academics and it also can be helpful for other stakeholders who wish to understand more about tourism, development, and poverty alleviation.

6.3 Empirical Discussion

One relationship that has been empirically investigated in this thesis is between tourism development processes and poverty conditions. A case study has been used to examine tourism development processes and their relationships to poverty in closer detail. While the case study represents an extraordinary scenario, the findings may be usefully applied to communities in Malawi or other LDCs, particularly impoverished countries with high levels of unemployment that have embraced tourism as part of their poverty reduction strategy. Furthermore, the case study illuminates multiple similarities and contradictions found within the literature and policymaking

that provoke further research and inquiry into the effectiveness of tourism development mechanisms.

Of the seven mechanisms that have been analyzed in this study, it has been suggested that some mechanisms may be more evident and effective than others depending on the context in which they are being applied. For example, where labour codes are substandard, tourism employment may perpetuate poverty. Where access to credit is limited or unavailable, the poor are unlikely to establish tourism enterprises. The poor are unlikely to benefit through the direct provision of goods to tourists when there is an inequitable access to the tourist market. When the size of the tourism industry is small, little tax revenue will be accrued from tourism. Where corruption is high, taxes are unlikely to benefit the poor. Where tourism taxes are redistributed disproportionately on a geographical scale, tourism generating communities will not realize a proportional share. Public provision of infrastructure to tourism destinations is unlikely unless tax revenues are allocated to benefit tourism generating communities. Private provision of infrastructure will not occur without intentional planning, and even then may be insufficient to meet the needs of the poor. Where immigration policies limit volunteers to have a short-term stay, volunteers are less likely to impart a meaningful impact through the transfer of skills. Poor organization cannot lend itself to transparency and accountability in the transfer of tourist donations for development projects. Vices of distrust cannot be broken without communication. And, tourism cannot help to alleviate poverty until tourism and development efforts are conjoined.

The second part of this study analyzed the effect of the mechanism of tourism employment on poverty conditions. While those employed in tourism demonstrated higher levels in monetary conditions, the tourism-employed did not exhibit improved status in other poverty conditions such as education, health, and living conditions. One possible explanation for this may be that income gained through employment in tourism may only have

an impact on a household level, and heightened pressures on income generating households by extended family networks due to the AIDS epidemic. Many poverty conditions are subject to broader influences that are beyond the immediate control at the household level. For example, as the qualitative data suggests, increased wages through tourism employment do not guarantee better access to healthcare, education, or transportation services when these infrastructures and public services are inadequately established. The following section will discuss each of these findings in closer detail, placing them within the existing academic literature.

6.3.1. Employment

Much of the literature on tourism employment has focused on themes of employment quality, seasonality, formality, multiple employment, female employment, expatriate and migrant employment. Evaluations have stemmed from varying viewpoints, analyzing the implications of tourism employment from the perspectives of the economy, tourism businesses, and tourism employees (Andriotis, 2004). Other researchers have focused more specifically on employment conditions such as wages, benefits, employment terms, and working hours. Mourdoukoutas (1988) researched the implications of unemployment compensation policies, fringe benefits (i.e. social security, retirement plans, and room and board) and the impact of these benefits on occupational choice within tourism employment in the Greek Islands. However, studies conducted in developed countries are less relevant to LDCs where social security and unemployment compensation policies are non-existent in the tourism sector. Furthermore, as expressed in the qualitative findings, occupational choice is not as apparent in areas that experience high rates of unemployment.

Lodge Employment. It is difficult to make comparisons between the tourism-employed sample drawn from the quantitative data and the qualitative findings concerning tourism employment, since the latter mainly

draws on interviews with lodge owners and hence, speaks more to lodge employment than it does overall tourism employment. The tourism employed is a heterogeneous group that differs in types of employment, which may be characterized by varying levels of formality and stability (Cukier, 1996). Better employment conditions in lodges may be explained by the formality of lodge employment, the stability of lodge businesses, and closer regulation of tourism lodges by the MTWC. Based on the qualitative evidence, those employed in the tourism lodges possessed a relatively stable, formal, and regulated employment when compared with other types of informal tourism employment, such as artisans, tour guides, and transportation workers.

It has been argued, that instead of aiming at job creation, pro-poor policies should focus on income and working conditions (Schilcher, 2007). Sinclair (1998) has argued that tourism destinations in LDCs have ill defined and unenforced government regulation. Vail and Heldt (2000) advocate for an institutional approach and emphasize the need to examine labour laws. Based on the evidence, lodge owners in Nkhata Bay are meeting the minimum employment conditions (i.e. wages and vacation allowances), and in many cases are even exceeding them through their informal provision of fringe benefits such as school fees, healthcare expenses, funeral funds, and personal loans to their employees. These findings are in further contrast with other studies that have portrayed tourism employers (particularly foreign employers) in an exploitive light (Farver, 1984; Brohman, 1996; Britton, 1982).

However, the adherence of lodge owners to minimum wage standards offers no reassurances that lodge employees are having their poverty reduced. The legal minimum wage of Malawi is tantamount to 74 cents (USD), which is 26% below the absolute extremely poverty line as established by the UNDP (2007). Moreover, absolute poverty measures are indicated on a per capita basis, while an employee's wage could easily be the only source of

income for entire households (Saget, 2001). To portray the situation of lodge employees more specifically, lodge owners reported the monthly wage of cleaning staff to be 3000 MKW (21USD) per month, the approximate equivalent of 100 MKW (0.71 USD) per day. If this employee is the sole financial provider of his or her household comprising of four household members, this leaves 25 MKW (0.18 USD) for each household member, daily. In such a scenario, the wage of the tourism employee must be multiplied by at least tenfold before the employee's household will rise out of absolute monetary poverty. Hence, contrary to the views of Schilcher (2007) and Sinclair (1998) that pro-poor policies require regulation such as minimum wages, the findings suggest that even when enforced, minimum wage policies are inadequate to deliver poverty reduction objectives.

Overall Tourism Employment. Early literature on tourism employment in LDCs has criticized and generalized tourism employment as being low quality, meaning low-skilled, low-wage, and long working hours (Farver, 1984; Sindiga, 1994). Contrary to these views, trends found within the quantitative evidence suggest that those employed in tourism may experience more favourable employment and monetary conditions than those not employed in tourism in Nkhata Bay. The tourism employed were more likely to be employed on a full-time, permanent (non-seasonal) basis; were more likely to receive a vacation (paid or unpaid); and were more likely to receive health care benefits through their employer. However, this group also worked more days and longer hours than the non-tourism-employed.

Contrary to the research that criticizes tourism employment as being low paid in relation to other sectors (Sindiga, 1994), the quantitative results showed that the tourism-employed had on average, a higher daily income and less debt than the non-tourism-employed. These findings are similar to those of Cukier (1996) who found that the tourism-employed were well remunerated when compared to other employment options. The tourism-employed also had a higher frequency of people who had personal savings

than those not employed in tourism. This finding is encouraging; as per Yunus' (1998) argument, which states that poverty is the inability of the poor to save. He states,

The removal or reduction of poverty entails a continuous process of wealth or asset creation, so that the asset base of a poor family, particularly their access to productive assets from which they can generate additional wealth become stronger at each economic cycle (p. 53).

The emphasis of tourism employment as a poverty reduction process assumes that income derived from tourism employment will help the poor 'lift themselves' out of poverty. DeKadt (1979) claimed that tourism employment provided opportunities for people to increase their income and standard of living. Sinclair (1998) attempted to quantify the economic impacts of tourism with respect to increasing household income brought by tourism employment. However, where research is wanting, and what the evidence of this study fails to show is whether higher levels in employment conditions and monetary conditions reflect improved levels in other poverty conditions such as living, health, and education conditions. Much of the literature on tourism and its development role in LDCs has focused on employment, but less emphasis has been placed on household income and consumption, and whether income derived through tourism employment meets or exceeds subsistence needs. One exception is a study conducted by Sirayaka, Teye and Sönmez (2001) who also found that wages from tourism employment were below subsistence levels by Ghanaian standards.

Trends revealed by the quantitative evidence consistently suggest that those not employed in tourism experience more favourable living conditions. The non-tourism-employed were more likely to have electricity within their home and were more likely to own a cellular phone. However, these conditions must be evaluated carefully, as the absence of electricity or a cellular phone does not necessarily imply poverty. One may merely choose to live an ascetic lifestyle, or may be conservative in their energy use by choice.

Yet the choice to consume more modern types of energy is a choice that the non-poor have and the poor do not have. The quantitative evidence also revealed trends in health conditions in the favour of the non-tourism-employed. On average, this group slept more hours, ate more meals within a day, and had a higher ratio of mosquito nets and beds to household members. At first glance, the higher ratio may be influenced in differences in the number of household members. However, this is not the case since the non-tourism-employed reported a higher mean of household members than the tourism-employed (non-tourism-employed: MEAN=5.26, SD=2.71; tourism-employed: MEAN=4.54, SD=2.94). A plausible explanation for this may be that employed family members incur extended family responsibilities beyond the household, which echoes a similar finding of Farver (1984) in The Gambia.

In summary, tourism employment offers no guarantees towards the reduction of poverty, and under certain conditions, may even perpetuate or exacerbate poverty. It is possible for tourism employment to improve monetary conditions of poverty, though the scale of impact will typically be realized on a household or family level. Unless wages from tourism employment are sufficient for household providers to meet the subsistence needs of their household members, and to accrue savings that allows them to prepare for shocks and to plan towards a future, tourism employment alone will not be enough to reduce poverty. Moreover, improvements in monetary conditions do not always result in improvements in other poverty conditions, particularly in societies that struggle to provide public social services and basic infrastructures.

6.3.2. Local Sourcing

Goods and services can be sourced during the construction and operation phases of tourism development. While goods that can be sourced locally include food supply, handicrafts, laundry services, furniture

production, transport services and guiding (Kirsten & Rogerson, 2002), this part of the analysis has mainly focused on food supply and construction materials. Contrary to criticisms that accuse tourism accommodation management contributing to high imports and leakages of tourism profits (Brohman, 1996; Farver, 1984; Britton, 1982), very few goods were imported from abroad by lodge owners. Based on interviews with lodge owners, most goods were sourced from the northern region of Malawi. However, local sourcing as a tourism development mechanism was not fully realized in Nkhata Bay due to multiple factors. The extent to which local poor residents of Nkhata Bay are sourcing of goods to the lodges is dependent on their access to start up capital, and requires communication, coordination, and consistency. Similar findings have surfaced in numerous case studies in South Africa (Kirsten & Rogerson, 2002) Indonesia (Telfer & Wall, 2000) and Zimbabwe (Grierson & Mead, 1997). Basic requirements for successful linkages have been identified: opportunities, information, capacity, and capital (Kirsten & Rogerson, 2002). Telfer and Wall (2000) show that hotels can purchase products locally in areas of high agricultural activity, and where there is a diversity of products offered. Although their study focuses on local sourcing by hotels, Telfer and Wall (2000) argue that cumulatively, smaller lodges play a significant role in the local tourism economy.

The case study also shows that inadequate transportation infrastructure exacerbates the problem of getting produced goods to the point of sale. Similar constraints have been noted in South Africa (Kirsten & Rogerson, 2002). A lack of equipment and limited access to credit further hinder the ability of locals to supply tourism lodges with goods in the quantities and qualities required. These topics will be discussed in a forthcoming section.

6.3.3. Direct Sales (informal sector)

The extent that the poor can benefit through direct sales to tourists largely depends on their access to the tourist market (Bah & Goodwin, 2003). Exclusionary policies held by the lodges restrict artisans and tour guides from accessing the tourist market. Yet these policies have been designed because they are important to maintain a positive, relaxed, harassment-free atmosphere; maintain the quality of the tourism experience; and essentially protect the overall tourism market. As without a positive tourism experience, there is no tourism product (Smith, 1994).

However, the exclusionary policies are not the only impediment of this mechanism. Some lodges have constructed shops within the lodge premises, which create inequitable access to the tourist market. Similar challenges have been encountered in other destinations such as in The Gambia (Bah & Goodwin, 2003). Several strategies have proved effective towards increasing the access of informal vendors to tourists, while maintaining tourism business integrity. For example, codes of conduct have been established by informal vendors, and vendors have been invited onto accommodation premises to sell their products. Tourists are encouraged to interact and purchase their products outside of the hotel premises, and vendors have diversified the types of products they sell. As a result, these groups have increased their incomes, and the tourists have reported more positive experiences as well (Bah & Goodwin, 2003).

6.3.4. Taxes

The subject of tourism taxation has been much neglected in the literature (Hartle as cited in Mbaiwa, 2005), and such information would be particularly valuable for developing countries that attempt to derive urgently needed income from tourism (Wall and Mathieson, 2006). It has been said that tourism tax revenues can redistribute income and may even increase

domestic welfare by financing improvements in public services (Gooroochurch & Sinclair, 2005).

Total tourism tax revenue will be determined by the size of the tourism industry, rates of taxation, collection and redistribution patterns, as well as the political, institutional, and legislative environment. Currently, tourism contributes very little to the Malawian economy. Similar findings have surfaced in Botswana, Mbaiwa (2005) found that only 29% of gross tourism expenditure was retained through employment, the purchase of local goods, taxes and other activities. Only 11% of tourism companies were estimated to be paying tax (Mbaiwa, 2005). In addition, distributional patterns of tax revenues may be inefficient or inequitable (Gooroochurch & Sinclair, 2005). The degree of government decentralization of tax collecting bodies will also determine the level and extent to which taxes will be redistributed. Political, legislative and institutional environments influence budgetary priorities and the allocation of tax revenue to various government departments (Mbaiwa, 2005). The allocation of tourism generated tax revenues will largely be determined by the prevailing development philosophy and the political leverage of various government departments. Corruption may undoubtedly play a role in how much of this revenue will actually be seen by the public, let alone the poor.

In Nkhata Bay, though tourism is a growing economic sector and rates of taxation are relatively high, the evidence collected suggests that tourism is not large enough to generate benefits for the poor, particularly due to the way tax revenues are collected and distributed. Though the Government of Malawi is currently undergoing a major decentralization process, there is no indication that the Ministry of Tourism Department too will become decentralized (Nkhata Bay District Assembly, 2006). Based on the evidence, it can be deduced that unless there is a major shift in policymaking, the majority of tax revenues accrued from tourism in Nkhata Bay will be

redistributed throughout the entire country and benefits offered to residents of Nkhata Bay through tourism taxes will remain marginal.

6.3.5. Infrastructure

Infrastructure refers to physical structures such as roads, water supplies, water treatment, sewage treatment, power supplies; and public services such as healthcare, education, protective services, and fire protection. Both elements of the term have been considered in this study since both are important for poverty reduction. Conroy et al. (2006) stress the importance of infrastructure to economic growth in Malawi, and explain how quality roads can facilitate trade by reducing transaction and transport costs. Road infrastructure also plays a role in developing human capital by allowing the people to access public services in a safe and timely manner

Increased provision of infrastructure has been suggested in the literature, but there is little evidence to support such claims. De Kadt (1979) noted the limited evidence on the effects of tourism on social services such as healthcare, education, and housing. He cites cases in Senegal and Puerto Vallarta where tourism income has been used to establish hospitals and maternity clinics. However, there is also evidence that even when infrastructure is developed as a result of tourism, that locals do not always have access to the improved infrastructure and services (de Oliveira, 2003).

Though it is often said that the poor can benefit by the infrastructures brought by tourism development, such was not clearly evident in Nkhata Bay. A very poignant example has been illustrated by the Chikale road that is not only required for tourists to access most lodges in Nkhata Bay, but is also needed for expedient access to the district hospital. Despite ten years of tourism development in the Chikale area, this road has yet to be maintained or upgraded by the national transportation department.

Infrastructure requires significant investment from either public or private sources. However, as the discussion of the previous mechanism has

speculated, tax revenues from tourism are unlikely to be proportionally re-directed to Nkhata Bay. Consequently, public services and infrastructures are largely dependent on tax revenues. Moreover, these infrastructures are required to support a thriving tourism sector. However, in Malawi, public investments require a clear, reliable, and equitable regulatory and taxation environment (Conroy et al., 2006, ch. 6).

Regarding the private provision of infrastructure, while lodges developed their own infrastructures during the construction of their lodge, rarely were these services made available to the poor. Not only were little or no incentives for lodge owners to extend these services, but it is possible that the amount of services required are beyond what the lodges can provide. Therefore, it can be inferred that poor populations do not inevitably benefit through increased infrastructure brought by tourism development.

6.3.6. Tourist Philanthropy

Of all the themes that have emerged throughout this research, tourist philanthropy has received the least attention in academic literature and policy and planning circles (Zhao & Ritchie, 2007). While the authors recommend further research in quantifying altruistic tourists, their beliefs, attitudes, intentions, and behaviours towards tourism philanthropy; this research has unveiled examples where tourists have made such contributions to poverty reduction within the case study site. Contrary to the other tourism development mechanisms, tourism philanthropy is one mechanism that does not fit neatly into one development process. Tourism philanthropy may contribute to poverty reduction through developmental processes of economic growth or human development, or may contribute to better governance. Also, tourism philanthropy may represent a more direct and localized form of ODA, rather than of economic development processes, as patrons of the tourist industry become micro-donors for local development projects. Philanthropic contributions of tourists may take the form of

volunteerism, micro-donations, or micro-loans, all of which are representative and can facilitate different development processes.

Volunteer Tourism. Volunteer tourism has been defined to include “...those tourists who, for various reasons, volunteer in an organized way to undertake holidays that might involve aiding or alleviating the *material poverty*²⁰ of some groups in society...” (Wearing, 2001, p.1). There is general consensus among academics concerned with this topic that research on volunteer tourism is in a stage of infancy (Wearing, 2001; Stoddart & Rogerson, 2004; Salazar, 2004; Scheyvens, 2002; Brown & Lehto, 2005). Empirical research has examined the nature of volunteer roles, and emphasis has been given to motivations of volunteer tourists in the United States (Brown & Lehto, 2005) and South Africa (Stoddart & Rogerson, 2004). McGehee & Santos (2005) argue that volunteer tourism presents opportunities for exposure to social inequities, environmental and political issues, which can increase social awareness, sympathy, and/or support. However, this analysis is limited to the experiences of volunteers in countries other than LDCs.

Most critical of the gaps in the volunteer tourism literature is the lack of conceptual and empirical discussion focused on the impacts of volunteer tourism from the perspective of local populations, and particularly with respect to poverty reduction. Wearing (2001) suggests that volunteer tourism initiatives can have significant effects of both a positive and negative nature upon natural and cultural resources of local communities, yet fails to elaborate on these effects in detail. He further suggests that one of the major motivations for volunteer tourism is to improve the quality of life and living standards of local people. Yet evidence that volunteer tourists are having beneficial effects on living conditions and other poverty conditions is lacking.

²⁰ Wearing’s (2001) definition clearly does not reflect a multi-dimensional definition of poverty.

As previously mentioned, volunteer tourism can contribute to poverty reduction via different development processes. The findings of this study suggest that volunteer tourists can contribute to poverty reduction through the development of human capacity by sharing ideas and teaching skills as they are requested from the poor. For example, in Nkhata Bay, volunteers have taught community groups how to sew, grow mushrooms, dry fruit using a solar dryer, and how to market their products to tourists. In this example, the contribution of skills required for the establishment of income generating activities are also conducive towards economic growth development processes. Other volunteers have taught the subjects of English and Math in local schools. Further skills that are desired by some in Nkhata Bay include business management, development expertise, environmental engineering, and farming techniques. In addition to these skills, and in light of low education levels and Malawi's relatively new democracy, training in civic education would be a valuable contribution towards promoting sound governance that is fundamental to poverty reduction. This view is supported by Zhao and Ritchie (2007) who suggest that TPA can support civil society, helping to secure development funds, campaign for business ethics, amplify the voice for the poor at a policy level, provide free training, support micro business initiatives, and promote the democratic participatory process.

Evidence from the case study and other studies also suggest that volunteer tourism can have positive economic impacts for the tourism sector. Volunteers often require holidays from their working holidays, or may extend their stay in order to travel following their period of volunteer commitment, travelling domestically to other tourism destinations (Stoddart & Rogerson, 2004). Such was particularly evident in Nkhata Bay, where those that may have appeared to be 'vacation-minded' tourists were in actuality 'volunteer-minded' tourists who had travelled to Nkhata Bay for a retreat from their volunteer roles (Brown & Morrison, 2003).

Wearing (2001) also discusses volunteer tourism as existing strictly within alternative tourism paradigms, along with the role of volunteer tourism towards sustainable development. For reasons clearly expressed in the literature review and the upcoming section on academic implications, if volunteer tourism is to be understood within a poverty reduction framework, the positive impacts of volunteer activities on present generations is equally important as impacts on future generations. Furthermore, it need not be assumed that volunteer tourism be restricted to any tourism type, as it is possible for volunteer tourism to be integrated into even the well criticized mass and enclave forms of tourism.

Micro-donations may be offered by tourists or tourism business owners, and include investment into human development through services such as schools or health clinics. Similar activities have been documented in South Africa (Stoddart & Rogerson, 2004), in Tanazania (Charnley, 2005), in Peurto Vallarta, and Senegal (De Kadt, 1979). Investment into human development is not one that reaps immediate monetary gains, but enhances human capital, which is reinforcing of economic growth, in that it aids in the creation of a more productive workforce and can incur less strain on public social services in the long term. Donations can be small or substantial, and may fund the education fees of one child, a mosquito net, an immunization program or the construction of a nursery school, to provide a few of unlimited possible examples. Money will not make the poor rich, but it will pay for a bridge, a road, a school, a teacher's wage, vaccinations, or the start up of a small business. As Pogge states,

Such projects augment poor people's capacity to fend for themselves and their access to markets while also stimulating local production. Such projects, publicly funded, played an important role in the eradication of poverty in the (now) developed world (2005, p. 9).

There have also been examples in which micro-donations of tourists have been counter-effective. However, as the construction and operation of

Kunyanja School suggests, tourist donations can be processed accountably, even from abroad. Further research is needed to investigate criteria for effective transactions of micro-donations.

Micro-loans offered by tourists to assist poor people in establishing small enterprises may be seen as facilitating development through economic growth. While the imparting of skills is essential to certain types of income generating activities, skills alone are not enough for the poor to initiate small enterprises, small loans can provide the start-up capital required for individuals or groups to start their own businesses, related or unrelated to the tourism sector. For example, in Nkhata Bay a small loan was offered to the widows' group for the purchase of cloth material and sewing supplies. When reasonable repayment schedules are put in place, loans can be repaid and even re-invested into new projects.

While there is limited tourism literature on the topic of micro-financing, this is an emerging subject in the development academic and policymaking circles. The UNWTO has addressed the topic of microfinance and tourism, in their document entitled Tourism, Microfinance, and Poverty Alleviation (2005b). However, in comparison to the evidence presented at the case study site, the scope of projects to which the UNWTO refers is much larger than the examples presented from the case study. Moreover, the discussion of financial sources are limited to bank credit and leasing arrangements, and do not acknowledge tourists as a potential financing source. The UNWTO also restricts its focus on microfinance to support tourism development (mainly accommodation facilities and restaurants), while excluding other enterprises not related to tourism.

There is growing empirical evidence in support of micro-credit programs, particularly those that lend to women in developing countries (Panjaitan-Drioadisuryo & Cloud, 1999). Research has shown that "women consistently devote much of their income to investments in their family's human capital; to expenditures on more nutritious food, more education,

better healthcare, and more effective ways of limiting their own fertility” (p. 771). More specifically, in Indonesia, it was shown that incomes of female participants increased by 112%, and 90% of these families increased enough to move them above the poverty line (Panjaitan-Drioadisuryo & Cloud, 1999). This evidence and emergent literature is highly relevant, and deserves to be integrated more fully into the emerging tourism-poverty literature.

6.3.7. Additional Themes

It cannot be stressed enough that lodge owners are in a pivotal position to connect tourists with opportunities to contribute to poverty alleviation in the community of Nkhata Bay. As Zhao and Ritchie (2007) suggest, organized and coordinated efforts are required to increase the role of tourist philanthropy in poverty reduction. The evidence suggests that community groups and development committees are highly organized and rich with visions of how they would like their community of Nkhata Bay to progress, however, there is room to improve the coordination of efforts and initiatives between tourism stakeholders and local development committees. More specifically, development committees of Nkhata Bay are organized, but are in need of start-up capital and certain types of expertise. Tourism lodges accommodate a constant influx of visitors, some of whom, when made aware of opportunities to contribute to poverty reduction, have lent support of some kind to some community projects in the past. Connecting good-willing tourists with development committees will not only benefit the poor and members of the community, but may also benefit lodge owners. Tourists, who develop relationships and become involved with community projects, may increase their stay, make return trips, or recommend others to visit the projects with which they have become involved. Hence, the aims of running a profitable tourism business and contributing to the poverty reduction needs of the community are not mutually opposed.

6.4. Implications

Implications for Academia. The tourism, development, and poverty literatures are well established, yet there is ample opportunity to integrate these literatures more thoroughly. It is hoped that the conceptual framework presented in this thesis provides a launching point for the integration of continued research on tourism and poverty alleviation processes. This thesis also contributes to the limited existing participatory research conducted on the research topic within the context of LDCs and on Malawi in particular.

Embedded within the tourism literature, critical assumptions have remained unchallenged. Despite the recent explosion of PPT and ST research, there are important distinctions to be made between ST, PPT, and TPA on a conceptual level, which also bears significant implications for policymaking and practice. Much attention has been given to measuring, minimizing, and mitigating negative impacts of tourism development (Mathieson & Wall, 2006), while less emphasis has been placed on positive impacts. Sustainable tourism is distinctive from PPT because while both attempt to limit and mitigate negative impacts, PPT is also concerned with maximizing positive impacts to the extent that there is a net benefit for the poor (Ashley, Roe, & Goodwin, 2001). What has not been addressed in the literature is whether net benefits are sufficient to alleviate or reduce poverty. PPT is not synonymous with TPA, because while PPT may deliver net benefits to the poor, even net benefits may offer mere or less than subsistence. *Simply stated, surviving and thriving are two fundamentally different experiences*, and both experiences deserve clearer recognition in the literature. Tourism that produces insufficient net positive benefits may be perpetuating rather than alleviating poverty.

TPA is not indebted to any particular type of tourism; it is concerned with development processes and can be applied to any tourism type. Even mass enclave tourism, can contribute to poverty alleviation if tourism development mechanisms are functioning well. PPT is sound and similar to

TPA in its multifarious approach, because the reduction of poverty is not the sole responsibility of any one stakeholder: not solely government. All stakeholders have role to play in poverty alleviation, from international development agencies and national governments to the individual tourist.

The sparse attention given by development agencies to tourism is indefensible considering the pervasiveness of tourism in LDCs. Yet the neglect of poverty and development research by tourism academics may be partially responsible for the disconnect. While it has been said that the complexity of poverty-related issues may explain the neglect of poverty research by tourism academics (Zhao & Ritchie, 2007), tourism academics concerned with developing areas have much opportunity to make a presence in the development academic and policy arenas. As a word of caution to emerging tourism-development scholars, there is an abundance of material found within policymaking and academic circles that can easily be mistaken for academic literature. Tourism and development academics, particularly those involved in action-oriented research, face the important task of separating rhetoric from reality, sifting fundamental assumptions inherent to each body of literature.

Tourism is by no means a uniform solution towards ending global poverty, but with conscious planning based on empirical research, it can have alleviating effects on poor populations. Hence, there is a dire need to continue creative inductive and deductive research on the effectiveness of tourism mechanisms, the contexts in which different mechanisms are most likely to occur, and conditions required for each mechanism to have a reducing effect on poverty, broadly conceived. However, this research will remain futile unless it reaches the audience of policymakers and planners and is integrated into poverty reduction policies and plans in LDCs.

Implications for Policy and Planning. In order for tourism to have a reducing effect on poverty, tourism planning for poverty reduction must be deliberate, not assumed. Though this study has not been specifically

designed to address the effectiveness of PPT planning or STEP projects, it is highly relevant since it addresses several conceptual and empirical gaps inherent to TPA, PPT, and STEP planning. Because development processes are integral to development planning, this study bears implications for tourism planning in Malawi and all tourism planning aimed at reducing poverty. All tourism planning aimed at reducing poverty can benefit from further research into the seven mechanisms by discovering which mechanisms are most appropriate in different types of contexts, and which mechanisms are more effective when taking the various contexts of the country into consideration. However, just as the integration of development and tourism academic disciplines are required to advance this type of research, the integration of development-oriented and tourism-oriented departments is required to realize the benefits of this research on a community level.

More specifically, this discussion sheds a perplexing light on the UNWTO's choice to use sustainable tourism as a force for poverty elimination through the STEP program. Continual discourse on tourism's role in poverty reduction may essentially challenge the legitimacy of the STEP program and similar interventions. While it is reasonable to want tourism sectors to be sustainable, it is not reasonable to maintain or preserve impoverished conditions of populations, so long as such programs are aimed at poverty alleviation. While it is not suggested that the UNWTO intends to perpetuate poverty, the fact that much of the sustainable tourism literature and policymaking has prioritized intergenerational equity over intragenerational equity cannot be overlooked in a world where one fifth of the population lives in absolute poverty.

Though the measurement of poverty is complex, it is possible. In 1996, Brohman argued:

The success of a strategy of tourism development ought not to be measured just in terms of increasing tourist numbers or revenues. Tourism should also be assessed according to how it has been integrated into the broader development goals of existing local communities, as

well as the ways in which tourism-related investments and revenues have been used to benefit those communities (p. 60).

Unfortunately, Brohman's argument is no less pertinent than it was a decade ago. The methodology used in this study to assess tourism's effect on poverty is far from perfected. However, with time and further research, the integration of tourism and poverty assessments can be refined.

The methodology of this research bears implications for the UNWTO's STEP program. Despite nearly two decades has passed since the UNDP first embraced a multi-dimensional definition of poverty (UNDP, 1990), the UNWTO continues to measure the progress of the STEP program using tourism specific economic indicators. Until the UNWTO embraces the multi-dimensional definition of poverty and designs its methodology to measure the success of the STEP program using poverty indicators rather than tourism arrival numbers and receipts; there will be no reliable or valid indication of whether these programs are truly successful in their ambitious aims and claims of reducing poverty.

Implications for Nkhata Bay, Malawi. Tourism in Malawi may not have a noticeable presence in the global tourism industry. However, from a development perspective, tourism can have drastic and life changing effects on poor people in Malawi and in Nkhata Bay. This case study has demonstrated that tourism development mechanisms are widely affected by the political, social, economic, and institutional contexts in which they are applied. In Nkhata Bay, largely due to low minimum wage standards fostered within a weak institutional environment, employment showed to have a positive but limited impact on monetary and employment conditions of poverty. Enhanced employment and monetary conditions failed to reflect improvements in other poverty conditions, which may be attributable to inadequate infrastructure development and inadequate provision of public social services.

It is unlikely that an influx in tourism numbers or receipts will reduce poverty in the town of Nkhata Bay, if tourism development proceeds as present. Tourism may rather enforce inequality over poverty alleviation. Attracting higher yield tourists may be more profitable, but while the MTWC would benefit from higher yield tourists through increased tax revenue, the town of Nkhata Bay would not. Tourism philanthropy proved a promising mechanism insofar as it provided direct assistance to the poor, had effects that extended beyond household to the broader community, and contributed to development via economic growth and human development processes.

Implications for 'the Poor'. The implications of this research can be no more significant to any one part of society as they are to 'the poor'. The representation of 'the poor' as one homogenous unit is highly inaccurate, as it fails to show the unique circumstances and characteristics of each individual person. Despite the grotesque figures and the enormity of global poverty, 'the poor' as the researcher came to know in Nkhata Bay were grandmothers, widows, farmers, AIDs victims, orphans, lodge employees, artisans, fishermen, sex workers, chiefs, and so on. Increased knowledge of the conditions that enable more efficient mechanisms of tourism development can lead to more effective poverty reduction policies and planning. True poverty reduction will mean that these people will be able to live beyond subsistence, it will result in less people dying from preventable diseases, it will mean better access to healthy drinking water, it will mean higher education enrollment, it will mean that these people will have the choice to think about their and their children's future; a luxury often taken for granted in the developed world. Continued research and and prudent planning are crucial to truly harnessing tourism for the reduction (not perpetuation) of poverty.

7.0 RECOMMENDATIONS AND CONCLUSIONS

7.1 Synopsis

The purpose of this research has been to analyze the effect of tourism on poverty, and to explore ways that tourism can contribute to poverty alleviation. Relationships between tourism, development, and poverty have been examined using a case study situated in Nkhata Bay, Malawi. Fundamental assumptions inherent to poverty, poverty reduction, development, and the use of tourism as a development agent and poverty alleviation tool have been critiqued and challenged by the empirical findings of this research, bearing profound implications for the literature, policymaking and planning.

The main conclusions derived from the findings are that tourism can alleviate, perpetuate, or exacerbate poverty. Depending on the social, economic, political, and institutional context in which tourism is being applied, certain tourism development mechanisms will be more evident than others. The ability of tourism development mechanisms (i.e. employment, infrastructure, and taxes) to deliver poverty reduction objectives are influenced by development philosophy, the size of the tourism industry, the extent of impoverishment, and the regulatory environment. In addition, tourism employment showed improvements in employment and monetary conditions of the poor. However, these improvements did not reflect improvements in other poverty conditions. Hence, it can be deduced that the monetary gains through tourism employment may not be sufficient to alleviate poverty to the point of reduction. Tourist philanthropy was highly present and is explored in the shape of micro-lending, micro-donations, and volunteerism. Overall, the findings are in contrast to literature and views apparent within international and national policy circles that extol tourism as an indelible force towards poverty reduction.

A conceptual framework has been provided that places tourism within the broader development and poverty literature. Further research is required on different tourism development mechanisms and alternative poverty alleviation processes beyond development and economic growth. The findings further support that 'tourism-first' and 'development-first' approaches (Burns, 2004), and economic growth and equity (Schilcher, 2007) are not mutually exclusive. Further empirical research is imperative to tourism planning towards the ambitious, essential and viable goal of poverty reduction in LDCs.

7.2 Recommendations

Recommendations for Research. Future analysis may identify more intricate processes between tourism development mechanisms and poverty conditions and interrelationships therein. For example, such analysis may look at the role of increased incomes and their effect on education conditions, and more specifically student enrolment and performance. Tourist philanthropy in the form of micro-lending may be analyzed for its influence on small enterprise development, and the effects this has on living conditions of the poor.

While this thesis has examined the impacts of employment on poverty conditions such as employment conditions, living conditions, monetary conditions, health conditions, and education conditions, other dimensions of poverty remain to be explored such as empowerment (Scheyvens, 1999) and security (Speth, 1998). There is ample opportunity to extend the framework beyond the response of poverty alleviation, and such extension would further analyze how tourism can perpetuate or exacerbate poverty. The seven tourism development mechanisms could be included in such an analysis. For example, sex tourism could be seen as a type of tourism that generates employment and household income, yet has exacerbating effects on poverty due to the increased health risk of contracting HIV/AIDS. The role of

increased foreign exchange earnings could also be analyzed using this model, since along with employment; it is a frequently purported benefit of tourism.

Further research could also explore the role of tourism and debt relief, overseas development assistance, and international taxes. There is much room to examine tourism as an agent of human development and several examples of this process have been evident in the case study, particularly relating to philanthropy. As the empirical findings of the case study have shown, mechanisms such as the philanthropic giving by tourists can be powerful and may take the form of micro-donations or micro-loans. More research would be useful to further explore the potential role of tourists as micro-donors and micro-lenders, and could investigate transparent and accountable donation procedures while documenting best practices. In turn, the poor may be able to receive start-up capital, establish small enterprises, and develop human capital required in order for them to more fully participate and benefit from tourism.

Much work remains in quantifying current impacts and documenting best practices of volunteer tourism and tourism philanthropy. In order to maximize the positive contributions of volunteer tourists, it is advisable to integrate knowledge of volunteer management into the tourism literature. In addition, there is further opportunity to explore tourism philanthropy from the tourist perspective. Tourist motivations, perceptions of poverty, perceptions of philanthropic opportunities, and obstacles to philanthropic contributions could be explored and would provide valuable knowledge on how to maximize the benefits to be realized through tourist philanthropy (Zhao & Ritchie, 2007). Yet more research is required to understand more about tourism philanthropy from a 'tourism-first' perspective (Burns, 2004), and such work would go far in demonstrating if and how 'tourism-first' and 'development-first' approaches can be mutually reinforcing.

Recommendations for Tourism Policy and Planning in Nkhata Bay. In regards to tourism, development, and poverty alleviation in Nkhata Bay, the following recommendations are offered.

If lodge owners are willing to contribute to poverty reduction by allowing for direct sales by the poor, it is advisable to make these venues available by lease to the woodcarver and artisans association. Codes of conduct may be useful to maintain the integrity of the tourist experience and maintain the overall tourism market (Bah & Goodwin, 2003).

It is also advisable that in order for tourism employees or employees of other sectors to earn a liveable wage, that the official minimum wage level be increased. However, this will remain difficult to enforce since the majority of tourism employees are part of the informal economy. Increasing the minimum wage has potential ripple effects on employment rates and overall economy (Saget, 2001), and requires further analysis and the involvement of more than tourism policymakers.

Given the political, social, economic, and institutional context of the case study site, tourist philanthropy may be the most feasible and immediately effective mechanism to reduce poverty. In order for this to occur, it is imperative that the communication gap between development area committees, and lodge owners be adjoined. Development committees and lodge owners should work together to make each other aware of current development plans that are in need of start-up capital. Lodge owners are in a prime position to advise willing tourists of how to direct their efforts and resources. When possible, tourist philanthropists wishing to donate money or lend start-up capital should be directed to projects that have been organized by official community groups, with written constitutions, which have received the approval of the traditional authority and district commissioner. Women's and widows' groups in particular have proven to have a low credit risk (Panjaitan-Drioadisuryo & Cloud, 1999; Interview 3, 2007). Communication between these lodge owners and development

committees will also be useful to make development committees more aware of existing projects with which the lodges are already or currently involved.

Recommendations for the STEP Programme. Greater collaboration and communication between the UNWTO with the UNDP is required in order to design more effective methods for the assessment of STEP programs and their impacts on the poor. More effective methods of the STEP programme also requires that a multi-dimensional operational definition of poverty be adopted by the UNWTO. It is also advisable that careful attention be paid to the political, socio-economic, and institutional context in which tourism is being developed, since these largely influence the effectiveness of the seven tourism development mechanisms. Furthermore, greater attention should be given to tourism philanthropy for its potential to generate alternative sources of development finance, and to facilitate alternative poverty alleviation processes.

7.3 Conclusions

This research intertwines realistic and idealistic perspectives on poverty reduction. A realistic account of current poverty levels, conditions, processes and inherent assumptions of poverty reduction approaches is integral to understanding poverty as an issue, and is crucial towards designing more effective poverty reduction strategies. Hence, this research has sought to understand the role of tourism in poverty reduction, so as to discover ways that tourism can alleviate poverty more effectively. In answer to the research questions that were presented in the introduction to this thesis, the researcher concludes the following:

How does tourism affect poverty? The link between tourism and poverty alleviation is not inevitable. Tourism can potentially alleviate, perpetuate, or exacerbate poverty. Tourism development mechanisms are not always evident (i.e., tax revenues, infrastructure), and do not always function well, particularly when introduced in the social, economic, and political, and

institutional contexts of LDCs. If tourism is to have a reducing effect on poverty, it must be planned in such a way that will not exacerbate or perpetuate poverty conditions, and must impart positive impacts to the extent that poor populations will thrive beyond subsistence levels.

How can tourism reduce poverty? Tourism development mechanisms will impart different types of effects, of varying scales and durations, and on different poverty conditions. Mechanisms such as employment and philanthropy are bound to have more direct effects than other mechanisms such as taxes. The impacts of tourist philanthropy can support development through economic growth, human development, and improved governance; can be realized on a household and community level; and can support other tourism development mechanisms such as small enterprise and infrastructural development.

Everyone can contribute to poverty reduction. Academics can continue to integrate and pursue empirical research in tourism, development, and poverty affording special attention to the contexts characteristic of LDCs. Their research can be made available to policymakers who influence tourism development and planning on a national, international, and local level. Policy makers who purport the poverty reduction value of tourism development can base their decisions on empirical evidence so as to ensure more equitable distribution of tourism benefits and more effective poverty reduction strategies. Adjustments can also be made by policymakers to create more conducive regulatory environments for poverty reduction and to promote more equitable access of the poor to the tourism market. Tourism lodge and business owners can run their businesses based on ethical business principles, exercise social responsibility, initiate communication between tourists and community projects, and can inform tourists of opportunities to contribute to poverty alleviation. For those tourists who are cognizant of poverty and who wish to contribute to poverty alleviation, they can volunteer their time with community projects, share different types of expertise, or can

support community projects and income generating activities by providing one time or ongoing loans or donations.

Is poverty reduction a hopeless or hopeful endeavour? Is tourism a useful agent towards poverty reduction? In the introduction of this thesis, tourism's potential to facilitate the MDGs was mentioned, as it has incessantly been touted in political rhetoric that until recently has lacked discourse, debate, and empirical analysis. It has been said that the MDGs will not be reached by the specified target of 2015, particularly not in Sub-Saharan Africa, not in Malawi, and unlikely in Nkhata Bay. Undoubtedly, there are problems with current poverty reduction strategies and interventions, which are further compounded by internal, external and ongoing exacerbating influences. The complexity, extremity and scope of global poverty is certainly a challenging and hopefully troubling issue to comprehend, and at times may be overwhelming. However, to discount and abandon the entire poverty reduction effort, or to assume current interventions, such as tourism development mechanisms, are performing optimally would be hastily premature and unethical. The reason to take poverty reduction seriously is simple: alternative responses to poverty are not options, the poor are not expendable, and because poverty *exists* does not mean that it *ought to continue*.

The growth of international tourism in LDCs mirrors the unjust economic order and increasing inequality throughout the world. The relationship between tourism and poverty is irrefutably complex. Tourism has and continues to both assist and exploit the most vulnerable and impoverished people in the world. While tourism is unlikely to be a panacea for global poverty, it can have profound alleviating effects. Because tourism is an export industry that is consumed at the point of production, it can potentially reduce the barriers of distance, ignorance, and impartiality to global poverty, making it possible for tourists to exercise social responsibility and rise to their duties as global citizens. As global citizens

traversing international borders, tourism stakeholders can make formidable, effective, and lasting contributions towards poverty reduction.

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APPENDIX 1

List of Key Informant Interviews

List of Key Informant Interviews

- Interview 1: Anonymous (Officer of Tourism, MTWC) – October 10, 2007.
- Interview 2: Anonymous (Lodge Security Guard) – November 8, 2007.
- Interview 3: Anonymous (Coordinator, Chikale Widows' Group) – November 26, 2007.
- Interview 4: Anonymous (Volunteer and former lodge owner) – November 10, 2007.
- Interview 5: Anonymous (Director, Africa Unplugged NGO) – November 21, 2007.
- Interview 6: Anonymous (School Teacher, Kunyanja School) – December 5, 2007.
- Interview 7: Anonymous (School Teacher, Kunyanja School) – December 7, 2007.
- Interview 8: Anonymous (Traditional Authority) – December 7, 2007.
- Interview 9: Anonymous (Lodge Owner A) – November 19, 2007.
- Interview 10: Anonymous (Lodge Owner B) – December 7, 2007.
- Interview 11: Anonymous (Lodge Owner C) – November 23, 2007.
- Interview 12: Anonymous (Lodge Owner D) – November 24, 2007.
- Interview 13: Anonymous (Lodge Owner E) – November 24, 2007.
- Interview 14: Anonymous (Lodge Owner F) – November 24, 2007.
- Interview 15: Anonymous (Local Government Official) – December 6, 2007.
- Interview 16: Anonymous (Tourism Officer, MTWC) – December 13, 2007.
- Interview 17: Anonymous (Wood Carvers Group) – December 9, 2007.
- Interview 18: Anonymous Group Interview (Two American Tourists and One American Volunteer) – December 1, 2007.
- Interview 19: Anonymous Group Interview (Matawale Village Members Including a Traditional Authority) – November 17, 2007.

APPENDIX 2

Semi- Structured Interview Questions for the Ministry of Tourism, Wildlife and Culture

Interview with the Ministry of Tourism, Wildlife and Culture

1. Is there a masterplan for the development of tourism in Malawi? When was it created? Who was involved in the preparation of the tourism masterplan?
2. What are the goals for tourism development in Malawi? How does the Ministry of Tourism, Wildlife, and Culture measure the progress of tourism development in Malawi? What is the progress of these goals?
3. Who are the key stakeholders in tourism development in Malawi?
4. How is the Ministry of Tourism, Wildlife and Culture promoting the growth of tourism in Malawi?
5. In which communities is the Ministry of Tourism promoting tourism? In which communities has the tourism sector noticeably grown?
6. What information does the Ministry of Tourism use when deciding where to promote tourism in Malawi?
7. Pro-poor tourism is a term that has been used to describe “tourism that delivers net benefits to the poor” (Ashley, Roe, & Goodwin, 2001). Is the Ministry of Tourism familiar with the concept of pro-poor tourism? Are there any pro-poor tourism initiatives in Malawi? If so, where has pro-poor tourism been implemented?
8. From the perspective of the Ministry of Tourism, will tourism contribute to economic growth in Malawi? If so, how will tourism contribute to the Malawian economy?
9. From the perspective of the Ministry of Tourism, will the economic growth that results from tourism contribute to a reduction of poverty in Malawi? If so, how will tourism contribute to poverty reduction?
10. Are there any documents such as plans or studies pertaining to tourism of which I may obtain a copy?

APPENDIX 3

Semi-Structured Interview Questions for Lodge Owners

Interview with Lodge Owners

Respondent:

Date:

Location:

Background

1. When did the lodge open?
2. Who owns the lodge? Are you the sole owner? Are you the original owner?
3. How many rooms do you have in total? What is the price range of these rooms?
4. What types of tourists stay here?
5. How has the number of tourists changed over the past five years? ten years?

Investment

6. What factors influenced your decision to open a lodge in Nkhata Bay? in Malawi?
7. Were there any specific incentives offered to you when you decided to build a lodge here? (tax holiday, land, etc.)
8. How much capital was initially invested to build this lodge? On average, how much money is invested annually?

Infrastructure

9. What infrastructure existed prior to the construction of this lodge? (water treatment plant, sewage system, road, communication lines/tower, electricity, hospital)
10. What infrastructure was built for the lodge?
11. Have any of these been used by local citizens or community groups?

Employment

12. How many employees work here? In what types of positions do they work?
13. How many of your employees are from Malawi? How many are from Nkhata Bay?
14. Are they employed on a permanent, contract, or casual basis? How many employees are permanent? How many are on contract? How many are casual?
15. What is the turnover rate of employees? What is the longest duration an employee has worked at this lodge?
16. What types of benefits do your employees receive (vacation with pay, vacation without pay, maternity leave, pension, small loans, medical coverage)? Are these benefits formally or informally offered?
17. Can you describe the wage structure at this lodge? What wages are given for each position? How does experience influence the wages received by employees? How do educational levels influence the wages received by employees?
18. How many days do your full-time employees work in a week? How many hours do your employees work in a day?
19. Have you provided any training for your employees? What kind of training? What was the result of this training?

Sourcing of Local Goods

20. What types of supplies are sourced within Malawi? What types of supplies are sourced within Nkhata Bay? What types of supplies are sourced from other countries?
21. For those supplies that are sourced externally, have you tried to source them locally? Why or Why not?

Tourist Philanthropy

22. What opportunities does your lodge provide for tourists to learn about poverty in Nkhata Bay/Malawi?
23. What opportunities are offered through the lodge for tourists to contribute to poverty alleviation projects/community projects in Nkhata Bay?

Governance and Taxes

24. What is the rate of tax you pay and who do you pay it to? (national government, local government, local chiefs) Who receives the VAT tax?
25. What role has the government played in the operation of this facility?

General

26. As a lodge owner in Nkhata Bay, what have been your greatest challenges?
27. As a lodge owner in Nkhata Bay, what have been your greatest accomplishments?
28. How does your lodge affect poverty in Nkhata Bay?

APPENDIX 4

Survey Questionnaire

Tourism, Development, and Poverty Alleviation: Survey Questionnaire

Date:

Respondent No:

Part I. Demographics

1. Respondent is: Male Female
2. Respondent is: Married Divorced/Separated Widowed Single
3. How many children do you have?
- 4.a) How many people live in your household? _____
b) Number of children: _____ c) Number of adults: _____
5. How old are the children who live in your household?
6. How many people financially support your household?
7. Are you originally from Nkhata Bay? Where are you from?

Part II. Economic Growth Indicators:

8. What is your job(s)?
9. How many jobs do you have?
10. How long have you worked as a _____?
- 11a). Do you work in the tourism industry? Yes No
* If yes, please indicate in which sector:
- 11b). Accommodation Food and Beverage Tour Guide Artisan/Carver
 Transportation Indirect Service: _____
12. What is the nature of your employment? (Check all that apply).
 temporary permanent part-time full-time contract casual
13. How many hours do you work every: day _____
 week _____
 month _____
14. How many days do you work every week?
15. How much money do you make every: day _____
 week _____
 month _____

16. What is the amount of your current savings (Malawian Kwacha MKW)?
 None 2,500 or less 2,501 - 5,000 5,001 – 10,000 10,001 +

17. What is the amount of your current debts?

18. What assets do you currently own?

19a. How has your income changed in the past five years?
 decreased a lot slightly decreased no change slightly increased increased a lot

19b. Please explain: (By how much has their income changed over the past five years?)

20. What benefits do you receive from your employer?

- vacation leave without pay
- vacation with pay
- health coverage
- pension
- none of the above
- other _____.

If respondent is employed in the tourism sector, ask questions 21 and 22.

21. How has your income changed since you have become employed in tourism?

22. How has your savings changed since you have become employed in tourism?

Part III Poverty Indicators

Access to Education

23. How many children in your household attended school in the past year?

24a). Did *any* of the children in your household *not* attend school in the past year? Yes No
If respondent answers YES, then ask: 24b). Why didn't they attend school?

25. In what levels are they?

	Females	Males
Nursery School		
Primary School		
Secondary School		
College/University		

26. How far do your children walk to attend school (one direction, in kilometers)?

27. In total, how much do you pay in school fees per term?

28. How much do you pay for school supplies per term?

Access to Healthcare

29. How many times have you and your family members attended the health clinic in the past year?

30. How far is the nearest health centre from your home? (kilometers)

31. What sicknesses, ailments have been diagnosed within your family in the past year?

Malaria Bilharzias Cholera HIV/AIDS Other

32. Did you receive the necessary medication for these illnesses? Why or why not?

33. How much did you spend on healthcare in the past year (consultation and medication)?

34. On average, how many hours do you sleep every night?

Living Standards

35. How many meals does your family eat in a day?

36. How many mosquito nets do you have in your home?

37. How many beds do you have in your home?

38. How much do you spend on food per day?

39. Where do you get your drinking water?

Tap Borehole Lake Other _____

40. How far is your current water source? (measure in meters)

41. How much time does you and your household members spend retrieving water every day?

42. What energy sources do you use in your household?

Electricity Wood Paraffin Charcoal Candles Other _____

43.a) How much do you spend on energy sources per day?

If the response is zero cost, then ask question 43b.

43b). How much time do you and your household members spend collecting wood every day? (hours)

44. Your current house is made of (Check all that apply. Include roof and walls.):
 Straw Brick Metal Roofing Reeds Wood Other _____

Communication

45. What type of phone do you have?
 Land line Cell phone No phone
46. How much money do you spend on airtime every week?

Transportation

47. What mode of transportation do you use?
 Walking Matola Minibus Own Vehicle Taxi
48. How much money do you spend on transportation every week?

Security

49. Do you feel safe living in this community? Why or why not?
50. Who makes decisions about money in your household?

Part IV Tourism, Development, and Poverty Alleviation

51. How has tourism changed in Nkhata Bay over the past five years?
52. How has tourism affected the local economy of Nkhata Bay over the past five years?
53. How has tourism affected poverty in Nkhata Bay over the past five years?

THANK YOU VERY MUCH FOR YOUR PARTICIPATION!!!(Give token of appreciation.)

APPENDIX 5

Matawali Village Forest Committee Act, Rules, and Constitution

From: Traditional Authority Mankhambira No.X
Sanga Headquarters
P/A Gong'ontha
Nkhata Bay.

07/10/06

To: The District Commissioner
P/Bag 1
Nkhata bay

CC: The District Forestry Officer
Nkhata Bay

: District Community Development Officer
P/Bag 1
Nkhata Bay

: District Wild life Officer
Nkhata Bay

: A.E.C.

VILLAGE FOREST

On 7th of October, 2005, 1, T.A. Mankhambira accompanied by AEC went to Bwerero in the setting of GVH Mundola to inform villagers to form village forest committee in view that there is severe deforestation in the area.

Therefore, with regard to this, each and every village headman must elect their own village forest committee that shall make sure that people no longer destroy physical environment.

These committee shall also see to it that a village from another does not cross borders to cut down trees from a village that belongs to another village headman. Should such person be found, he/she must be brought before judgement.
This is established as a rule.

I am,

T/A MANKHAMBIRA NO.10

MATAWALE VILLAGE FOREST ACT

1. Any one wishing to engage in economic activities such as mushroom growing, bee keeping, eco-tourism, trout farming, or any nature sanctuary business shall do so by providing to the committee all the necessary documents to source consent of the approval.
2. Harvesting of forest or any forest products shall be secured by the consent of the Executive Committee at a given time or time of year.
 - (a) Firewood gathering from the forest land is not allowed.
 - (b) Domestic or commercial wood sawing is prohibited.
 - (c) Hunting of animals (game hunting) is not allowed.
3. Any one leading to bush fires in our forest land shall be liable to a fine of 50 US dollars.
4. Any one found or reported deforesting our protected area shall attract criminal or civil prosecution in a court of law and shall be liable to payment of fine of 50 US dollars.
5. Members of public from other settings other than our village shall not be allowed to enter our forest without proper consent or admission of the Executive. If found without acquiring the same shall be liable to prosecution in a court of law for Criminal trespass.
6. Settlement within the forest land or within a radius of 20 metres from the same is strictly prohibited
7. Any one desiring to view the forest land shall seek the authority of the committee or village headman Matawale.

NOTE: Acts stipulated above are subject to change, review, repeal, addition or amendments by the interested parties though with the consent of the Executive committee

RULES AND REGULATIONS FOR MY VILLAGE

VILLAGE NAME: MATAWALI

DEMARCATIIONS:

- (i) To the East, bordered by VH Yadinga
- (ii) To the south, bordered by VH Katema
- (iii) To the south-West bordered by VH Kasyata
- (iv) To the North- West bordered by VH Kamoza

PURPOSE OF MY VILLAGE FORESTRY COMMITTEE

- (i) To take care of physical environment which includes: trees, grass, bamboos, animals, birds bees, etc.
- (ii) To sensitise people how to care for the physical environment to avoid degradation.

REASONS FOR FORMULATING RULES

- (i) There should be no more destruction on the physical environment by: unnecessary cutting down of trees, opening up of new farms, cutting down of trees for settlement without permission, setting of harmful bushfires, hunting of animals and charcoal burning.
- (ii) That natural resources should not extinct
- (iii) That certain fruits from the bush should be found (readily available) i.e. mushroom, honey, fyavya, nyenyembi, makovya, nthunthu, mawungu, mavilu, kapwati, mavilu ng'onga, e.t.c

HOW TO REINFORCE THESE RULES

- (i) There shall be a committee that shall see that:
 - (a) We plant more trees
 - (b) We shall ask for assistance from the District Forest Office to assist us care for the trees (both planted and natural)
 - (c) Construction of dams for fish farming (we shall look for assistance from the District Fisheries Office).

DRAFT CONSTITUTION OF MATAWALE VILLAGE FOREST COMMITTEE

ARTICLE 1. INTRODUCTION

- 1.1 The name of the Village shall be Matawale Village
- 1.2 The border of the village shall be Yadinga to east, to The North- West Kamoza, to the South – West Kasyata and to the South Katema Village .
There shall be formed Committees such a health, environment, school, etc in Matawale Village for the common good of the people.

ARTICLE 2. NAME AN ADDRESS

- 2.1 The name of the organisation shall be Matawale Village Forest Committee hereinafter referred to as ‘the Committee’
- 2.2 The postal address of the: Bwerero F.P. School, P.O. Box 44, Nkhata Bay, Malawi.

ARTICLE 3. GOALS AND OBJECTIVES

- 4.1 Reinstate the natural environment through proper active management of natural resources by the committee such as soil productivity, wild animals and fruits, etc.
- 4.2 Help eradicate socio-economic problems such as poverty, hunger and avoidable diseases through sustainable utilization of natural resources be ensuring available of wild fruits, mushrooms, bee-hives, etc

ARTICLE 4. ACTIVITIES OF THE COMMITTEE

- 5.1 Hold public meetings among the people for capacity building and awareness;
- 5.2 Establish and encourage community based natural resources management- CBNRM Committee
- 5.3 Establishment of the village forest:
- 5.4 Carry out reforestation project to insure that there is no cutting down of trees in the forest without permission by the committee.;
- 5.5 Create and introduce income generating activities-JGAs for the people such as, bee-keeping, mushroom farming, etc.
- 5.6 Sanitise the community on bet fishing, farming and food diversification and storage management practices;
- 5.7 Promote peacekeeping among community members;
- 5.8 Make sure that immigrants are well taken care of by avoiding illegal settlements and activities that are no-environmental friendly in nature.

ARTICLE 5. MEMBERSHIP OF THE COMMITTEE.

1. The shall be formed a committee for the smooth running of the Village Forest activities.
2. The committee shall comprise of chairman, Secretary, Treasurer and their deputies and four committee members.
3. The committee shall work hand in hand with other committees for the common interest of the people.

ARTICLE 6.

FUNCTIONS AND POWERS OF THE COMMITTEE MEMBERS

6.1 The Chairman

- 6.1.1 The Chairman of the committee shall be the incumbent Village headman and shall be:
- i. The chief spokesman and leader of committee;
 - ii. The official signatory to committee bank accounts and authorizing officer for its finances
 - iii. Call for and prepare the gender together with the secretary for committee meetings;
 - iv. Preside over all meetings of committee
 - v. In his/her absence, the vice chairman shall deputize for him

6.2 The Executive Secretary

- 6.2.1 The Secretary be:
- i. The official signatory to COMMITTEE bank accounts
 - ii. In constant liaison with the chairman to make agendas for meeting;
 - iii. Maintain a register of all COMMITTEE members;
 - iv. Keep records, minutes and correspondence of meeting and decisions of Committee
 - v. Prepare and present minutes to the EC meetings
 - vi. Update the EC at its meetings.

6.3 The Treasurer

- 6.3.1 The Treasurer shall;
- i. Be the head of all committee finances,
 - ii. Be Signatory to committee bank accounts,
 - iii. Receiving and bank all the monies belonging to COMMITTEE;
 - iv. Keep and maintain books of accounts, vouchers, financial document and reports of COMMITTEE
 - v. Study possibilities and make proposals about appropriate ways and means of fundraising ideas.

ARTICLE 7. COMMITTEE MEMBERS

- 7.1 There shall be four committee members that shall be assigned different committee tasks as need arise.

ARTICLE 7. SUPPLEMENTARY PROVISION

- 7.1 The COMMITTEE shall have power to make Regulations, Rulers and Standing Orders for the effective implementation of the provision of this Constitution and for the proper running of COMMITTEE

ARTICLE 8. AMMENDMENT OF THIS CONSTITUTION

- 8.1 Amendment of the constitution shall be done by the EC subject to consultations with all COMMITTEE members;
- 8.2 The motion moved to mend or repeal shall be approved by $\frac{3}{4}$ majority of delegates at an annual general meeting.

APPENDIX 6

Letter from the Traditional Authority of Bwerero Matawali Village

Bwerero Matawale Village,
P.O. Box 44,
Nkhata Bay.

18th November, 2007.

Miss. Candice Gartner.
University of Waterloo,
200 University Avenue West,
waterloo Ontario,
Canada.
N2L 3G1.

Dear Madam,

Thank you for your letter dated 10th November, 2007 informing me about the Masters Degree studies that you pursue in Tourism Policy and planning at the University of Waterloo in Canada.

In an effort to explore more ways how tourism can effectively operate and reduce poverty in my area, I have identified areas where tourism operate effectively and ineffectively that need improvement.

The following are areas that I have identified :-

- Tourism has become a source of earning an income by the communities and a source of self- esteem.
- Communities sell their produce such as fish, fruits, rice etc to Hotels/Lodges that operate on Chikale Beaches which provides income to the families.
- Proprietors of Hotels/Lodges make generous cash or material contributions to communities which assist in various corners of development such as weddings, meetings, celebrations of events etc.
- Proprietors of Hotels/ Lodges also provide communities with Health and Education facilities for construction of Health Centres and Education institutions.
- In my area not much development in the field of tourism has been established and through your study tour, it is hoped that great improvement will be achieved.
I wish to encourage more Tourists to come and invest in my area.
There is suitable land for tourism development.
- Tourism is a source of earning foreign exchange that boost the economy of the Country.

The following are also problems that hinders efficient operation of tourism development in the area.

- The road network linking Chikale Beaches is very poor and needs construction of A tarmac road in order to attract more investors.
- I have observed that most of foreign investors prefer to build chalets instead of Permanent buildings which can be used for Hotels and Lodges which can be a source of increasing labour force for the community.

- Tourism can sometimes be sources of contracting **HIV/AIDS** through irresponsible Tourists and encouragement of practicing Drug abuse which may encourage poverty to be on the high increase.

In view of the findings that I have identified, I would greatly appreciate if you could take note of the concerns and advise accordingly.

Yours faithfully,



V.H. MATAWALE