

**The local impact of the Presidents Cup 2003  
What lessons for sports tourism and development in South  
Africa?**

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in International Relations at Stellenbosch University**

**Dr. S. Cornelissen**

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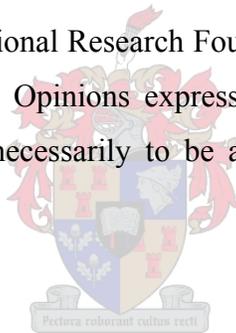
## DECLARATION

I, the undersigned, hereby declare that the work in this thesis is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

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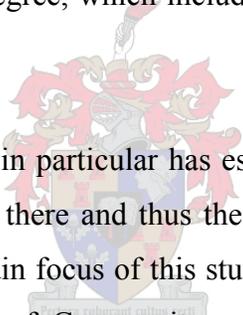
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## ABSTRACT

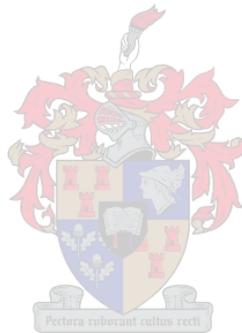
Tourism is regarded as the world's largest industry. The various contributions the industry can make towards the global economy and towards creating employment has been acknowledged. In South Africa, sport has been used as a method of nation building and a way of building the country's national prestige since its re-entry into the global community. The two sectors, tourism and sports, accompany with them the potential to create employment and generate economic spin-offs, as well as enhancing the quality of life for citizens. In light of the many benefits that sport and tourism can generate, South Africa has attempted to host and participate in numerous sports events. Since the end of apartheid, it has hosted several international sporting events, which include the Rugby World Cup in 1995 and the Cricket World Cup in 2003 as well as continental sporting events such as the Africa Cup of Nations in 1996. South Africa has also hosted international events of a smaller degree, which include the Presidents Cup 2003, held in George in the Western Cape.



Golf tourism in the Garden Route in particular has escalated to a large degree. Some of the top golf courses can be found there and thus the Western Cape province is closely linked to the golf industry. The main focus of this study is to explore the impact that the Presidents Cup had on the town of George, its community members as well as its contribution towards the tourism industry. It attempts to investigate whether the event generated economic spin offs and whether it has resulted in development for the town and its people. Through a series of face- to- face interviews, the study explores what the perceptions are among key stakeholders in the community concerning the economic and other spin offs.

One of the key findings is that the event has contributed to the escalation of various new golf estates in and around George and these has left community members disgruntled. This has resulted in provincial government placing a moratorium on any further development of golf estates along the Garden Route. It has also amounted to property values rising, making it difficult for the locals to afford proper housing. In an attempt to adequately address the issues that have been raised and to preserve and maintain the

natural environment for future generations, it is the contention of this study that sustainable development is pivotal. If implemented in a proper way it can have far reaching benefits for all.



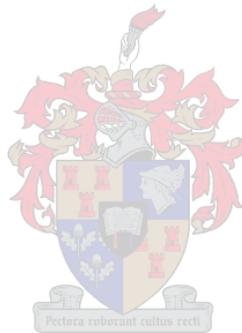
## OPSOMMING

Toerisme word as die wêreld se grootste bedryf beskou. Die bydrae wat toerisme tot die wêreld ekonomie en werkskepping kan maak is reeds erken. In Suid- Afrika word sport gebruik as 'n middel om nasiebou te bevorder en om die land se aansien te verhoog. Die twee sektore, sport en toerisme, bevat die potensiaal om werk te skep en ekonomiese voordele te genereer, asook om lewenskwaliteit te verhoog. Na aanleiding van hierdie voordele wat sport en toerisme vir die land kan inhou, is daar in Suid-Afrika gepoog om 'n aantal sportgebeurtenisse aan te bied asook om aktief daarin deel te neem. Suid-Afrika het gevolglik 'n aantal internasionale sportgebeurtenisse aangebied, insluitende die Rugby Wêreldbeker in 1995 en die Krieket Wêreldbeker in 2003, asook kontinentale sportgebeurtenisse soos die Nasiesbeker in 1996. Daar was ook internasionale sportgebeurtenisse van 'n kleiner omvang aangebied, soos die Presidentsbeker in George in die Wes-Kaap, in 2003.

Gholf toerisme het veral in die Tuinroete aansienlik toegeneem. Talle van die top gholfbane in Suid-Afrika kan daar aangetref word, wat wys daarop dat die Wes-Kaap noue bande met die gholf bedryf het. Dit is dus die sentrale fokus van hierdie studie: om die impak van die Presidentsbeker op die dorp George te ondersoek, asook die impak daarvan op die plaaslike gemeenskap en die toerismebedryf. Daar sal ondersoek word of die gebeurtenis wel ekonomiese voordele ingehou het, en of dit gelei het tot ontwikkeling vir die gemeenskap. Deur middel van 'n reeks aangesig- tot- aangesig onderhoude ondersoek hierdie studie wat die persepsies onder belangrike aandeelhouers in die gemeenskap is aangaande die ekonomiese en ander voordele van die sportgebeurtenis.

Een van die hoof gevolgtrekkings is dat die gebeurtenis bygedra het tot die groei van gholf landgoede in en om George, wat gemeenskapslede ontstel het. Dit het daartoe gelei dat die provinsiale regering 'n moratorium geplaas het op die verdere ontwikkeling van gholf landgoede. Die vinnige groei van gholf landgoede het ook veroorsaak dat eiendomspryse aansienlik gestyg het, wat dit moeilik maak vir plaaslike inwoners om behoorlike behuising te kan bekostig. In 'n poging om die kwessies waaroor daar

kommer bestaan aan te spreek, voer hierdie studie aan dat volhoubare ontwikkeling bevorder moet word. Die bewaring en instandhouding van die omgewing vir toekomstige generasies hang af van volhoubare ontwikkeling, wat indien dit korrek toegepas word, langdurige gevolge kan inhou vir almal.



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This study was in large part based on discussions with community members of George and so I wish to extend my gratitude to them who so eagerly and generously gave their time to discuss their concerns and perspectives on the topic.

To my friends, especially Ike, whose encouragement and belief, has kept me going when times were tough.

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My sister, Vivian and my brother Abrie, for setting very high and admirable standards in which I am privileged and proud to follow. My great grandmother ‘Ouma’ a dignified and wise lady. I can’t imagine a time you weren’t there. It’s an honour to know you.

To my parents, Lien and Ferdie, who have not left a stone unturned in affording me with every opportunity to further my education. This achievement is as much yours as it is mine. It is in this then that I dedicate this thesis to them for all the sacrifices they have made.

To my God Almighty, who have made all this possible.

**List of Acronyms:**

BEE- Black Economic Empowerment

DEAAT- Department of Economic Affairs Agricultural and Tourism

DEAT- Department of Environmental Affairs and Tourism

DSR- Department of Sports and Recreation

DWAF- Department of Water Affairs and Forestry

DEA/DP- Department of Environmental Affairs and Development Planning

GDP- Gross Domestic Product

HDI- Human Development Index

IDP- Integrated Development Plan

ITA- International Tourist Arrivals

ITR- International Tourist Receipts

NFs- National Federations

NOCSA- National Olympic Committee of South Africa

NSC- National Sports Council



RDP- Reconstruction and Development Programme

SATOUR- South African Tourism

TFDS- Total Foreign Direct Spending

TNC- Transnational Corporations

TCC- Transnational Capitalist Class

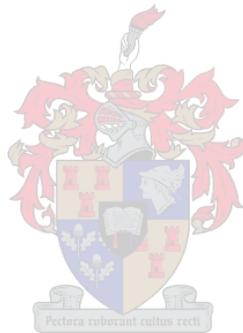
UNDP- United Nations Development Programme

US PGA- United States Professional Golfers' Association

WCED- World Commission on Environment and Development

WTTC- World Travel and Tourism Council

WTO- World Tourism Organisation

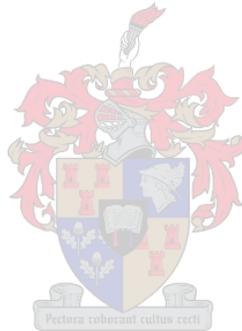


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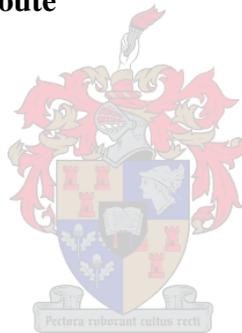
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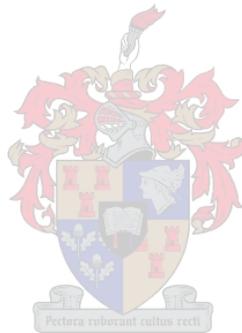
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# Chapter 1

## Introduction

### 1.1 Background and rationale

Since South Africa's re-entry into the international community following the first democratic elections in 1994, the country has gained increased exposure to the international tourism market. This has opened a range of opportunities to South Africa, its tourism industry and its people. Tourism is regarded as the world's largest industry and the various contributions the industry can make towards the global economy and towards creating employment have been widely acknowledged (Davidson, 1994:1). Since 1950 a cumulative number of 250 million people have travelled the world, but this number has more than doubled in recent years. In 2002 the number of tourists travelling the world escalated to over 700 million. Since the 1950s this constitutes an average growth rate of 6.6% (WTO, 2004).

Due to the acknowledgement of tourism's potential and the role it plays within an economy, tourism was targeted by the South African government as one of the sectors central in creating employment and enhancing growth (DEAT, 1996). In both developed and developing countries tourism's significance has been recognised and this is evident in the various government departments of tourism, the growth of small tourism related enterprises and the government's encouragement of tourist developments (Mathieson and Wall, 1982). In the South African context the significance of tourism is also related to providing opportunities for black business participation in the industry to empower the previously disadvantaged and to facilitate sustainable development of black tourism businesses. The South African government has embarked on a strategy to encourage the development of the tourism industry (DEAT, 1996). The tourism sector in South Africa is thought to have great potential. Given this, it is aimed to have the industry anchored in the larger national economy (DEAT, 1996).

The tourism industry has matured and consists of industries and activities that stretch across different sectors. Combining tourism with sport is one of the dynamic sector

stretches that have become very popular especially in recent years. Since 1994, South Africa has hosted a number of different sports events during its ten-year democracy. Hosting international sporting events has been targeted specifically for the large economic spin-offs and other benefits it has associated with it (Keyser, 2002). These benefits are not only economic but also can contribute generously to the communities of host countries.

The Western Cape has over the years become a prime South African tourism destination. Sport has become an increasingly important sector of the Western Cape tourism economy. To date little systematic analysis has been done on the impact of sports events and on tourism in South Africa. This study focuses on hosting international sporting events and on the benefits associated with these events. More specifically, when looking at the Western Cape it is clear that golf tourism has risen in popularity, and some of the top golf courses can be found there; and thus the province is closely linked to the golf industry. Golf is one of the more exclusive sports in the Western Cape and has seen tremendous growth especially in the Garden Route. The Western Cape has also been host to some major international sporting events, and the Presidents Cup of 2003 was one such held in the Garden Route. This therefore provides an excellent opportunity to study the impact of an international sporting event on the Western Cape, especially in a sporting field that has seen some significant growth and development recently. The recent hosting of the Presidents Cup in George has further helped to establish the province's popularity as a golfing destination. Matkovich's assessment of golf tourism in South Africa is that it is one of the fastest growing destinations in the world - and that its full potential hasn't even begun to be tapped yet (Morgan, 2004).

## **1.2 Problem statement**

In view of the increased emphasis placed on major sporting events, this study investigates the social, economic and political impact of a particular international event, the Presidents Cup held at George in 2003, with the aim of drawing some lessons for the

economic development and political consequences that hosting sports events hold. The study also aims to investigate how sports events can contribute to the growth of tourism. The study will attempt to determine what role the Presidents Cup played in developments in the tourism sector and to see whether this event was significant economically for the development of the community. Thus, the study will endeavour to investigate what the impact of international events of this magnitude, has been on tourism and development. Lastly, the study will explore what the link is between sport and tourism development.

### **1.3 International events, tourism and development in South Africa**

Sport and tourism were two of the sectors through which South Africa gained entrance into the international arena when sanctions were lifted. South Africa has since its reintegration into the global community increasingly participated in international sporting events. In addition, it has also attempted to host various events, of both a sporting and political nature.

#### *1.3.1 Sport events*

As stated by Cornelissen (2004) in the early stages of South Africa's democracy it opted to host these events in order to project the country's peaceful transition process as well as to showcase the country's nation-building and reconciliatory attempts. However, ten years into democracy the reasons for hosting such events have widened in scope. South Africa has bid for mega-events not just to strengthen its international position but also because these events are proclaimed to have economic and developmental objectives attached to them, which can contribute to the local tourism sector (Cornelissen, 2004:44).

South Africa has made several attempts to host mega events, which include the 2004 Olympics and the 2006 Soccer World Cup. Both these bid attempts failed and were given to other countries. However, the country hosted the 1995 Rugby World Cup and the 1996 Africa Cup of Nations. The Cricket World Cup as well as the Presidents Cup was both hosted in 2003. South Africa however, with a number of other African states, bid to host the 2010 Soccer World Cup and the second time South Africa proved to be more

successful as it won the bid to host the event. The Soccer World Cup is a mega-event<sup>1</sup> and attracts a much larger audience and the scope will be broader than that of the Cricket and Rugby World Cups (Cornelissen, 2004:42).

The Presidents Cup attracted about 22 000-23 000 tourists, who were expected to watch daily as the International team and the United States team played against each other (Weekend Post, 8/11/2003). Nearly 20 000 people stayed in George and its surrounding areas. It has been estimated that the event has injected the local economy with more than R110 million and has been instrumental in creating jobs for the local residents (Cape Times, 28/11/2003).

### 1.3.2 *Political events*

South Africa also hosted various international conferences of a political nature, which include the World Summit on Sustainable Development in September 2002 in Johannesburg. The summit injected a total amount of R2, 949, 0 million into the economy of South Africa. This injection generated new business sales via government and private sector spending, donor funding and expenditure by the delegates of R9, 151, 2 million. This stimulated 19,990 employment opportunities and contributed R1, 780, 9 million to the GDP. The latter represents less than 1% of the total GDP of South Africa. The conference, as projected, has generated quite a few benefits (Report of World Summit on Sustainable Development, 2002). Another international conference held in South Africa was the United Nations Conference against Racism, Racial Discrimination, Xenophobia, and related Intolerance during August and September 2001. Approximately 2 300 representatives from 163 countries were present at the Conference. These political events have also made some valuable injections into the economy of South Africa, which have helped to generate employment and other economic spin offs.

It is expected that sport tourism will further push growth in the tourism sector. With varied success in hosting key events it can be argued that South Africa is on its way to bigger and better things. However, international experience has shown that frequently

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<sup>1</sup> Mega- events are large events targeted at the international markets most specifically to attract a great number of people, media, and financial involvement (Keyser, 2002:264).

expectations have not been fulfilled and the amount of benefits that a project will generate are often overestimated, while some benefits do not pay off at all (Crompton, 1995:16). The same can be said for sport tourism, since the expected spin-offs that the events are supposed to generate are often exaggerated. Often political role players pursue and convince people that these events will generate positive effects. However, many times these projections are manipulated and miscalculated to paint a positive picture (Crompton, 1995:16). In addition, there often exists only limited knowledge on what type of impact, positive or negative, a project or event may generate. Despite this South Africa has achieved some success in the events it has hosted such as the World Summit on Sustainable Development, the Cricket World Cup, and the Rugby World Cup. It is therefore clear that the impacts of any prospective event should be thoroughly considered before the project is embarked upon, in order to ensure South Africa's future success in hosting major international events, of both a sporting and a political nature.

#### **1.4 International events, tourism and development in the Western Cape**

Tourism, and specifically that linked to events, conference and business has come to be an important contributor to the Western Cape economy (Jackson, 2003 and [www.wesgro.co.za](http://www.wesgro.co.za)). This has been possible because of where the region is situated. With its natural and physical attractiveness, it has drawn large numbers of tourists to the region. Hosting international events in this region, especially Cape Town, has added to the region's popularity and to the already significant economic impact of tourism.

A study undertaken in the Western Cape, indicates that business tourists can bring significant economic advantages to the prime regional destinations (Cape Towns Convention Centre, 2003). This study shows that of the international conference delegates between the periods of July and December 2002 over 75% visited Cape Town for the first time. These international conference delegates spent about R 1 413, which was about 40.4% more than what the international leisure spending tourists, spent (Business Day, 2003/06/24).

Further, these delegates contributed to Cape Town's other tourist industries like accommodation, eating places and other attractions such as the Victoria and Albert

Waterfront, Robben Island and Table Mountain to name a few. In addition, it is contended that Cape Town's new International Convention Centre, which opened in June 2003, has further helped to expand the tourism sector in the region. This has further aided in the classification of Cape Town as one of the top class tourist destinations in South Africa and the world. According to Jackson (2003) the centre had already secured 134 conferences of which 100 were international, and this all before it officially opened. Despite this, little is known about events, conference or sports' contribution to the overall Western Cape economy in terms of its multiplier effect. Also, little is known about how such benefits are distributed throughout the province.

### **1.5 Why the Presidents Cup?**

In the history of South African golf nothing quite compares to hosting this event. Although South Africa hosted the Golf World Cup in 1998 and the Nedbank Golf Challenge, the Presidents Cup is much higher in prestige and profile. It was considered a major achievement to host the fifth international Presidents Cup tournament in the Western Cape region. The event was organised by the US PGA tour and arrangements started at least two years in advance. Fancourt Country Club Estate in George hosted the event at the Links Course. The Estate only hosted the VIP guests who among others included President Mbeki, and former Presidents Mandela and De Klerk, and former US President Clinton. The international team as well as the US teams also stayed at the estate and public access was limited. The international team included players from South Africa and Zimbabwe and was captained by Gary Player, playing against the USA team captained by Jack Nicklaus.

The Presidents Cup was an event unique in that it was targeted at the American corporate market, which is very influential. Golf spectators are distinct in that they are a powerful, wealthy and sophisticated audience. The spectators of golf are thus in a class of their own. This is highly different from the markets of sports such as rugby or soccer. The Presidents Cup is also an international event but one which attracts a much smaller audience.

Sport tourism in South Africa can be seen as an area with great growth potential as it has a good climate, some of the best sporting facilities and successful sports players in global sports such as golf, soccer, rugby and cricket. South Africa also has cities with exceptional reputations for hosting sport events, which includes Cape Town and the Argus Cycle Tour, George and golf (which is the topic for this specific study) and many others (Keyser, 2002:272). The hosting of international events is a way for the country to market and promote itself to the rest of the world. This is exactly what the Presidents Cup has done as it exposed the country internationally, and specifically George in the Southern Cape region. The event was broadcast to an estimated 140 countries all over the world and over 800 million people could follow the game on television and in the process be exposed to the region (Thiel, 2003).

The event was also believed to be instrumental in generating wealth in the region as tourists were expected to visit and invest financially into the economy of George. This will be investigated in depth later in this study. Despite golf's exclusive and wealthy image the game is becoming more inclusive to the ordinary person. Development golf, a programme developed to include the previously disadvantaged that is talented and interested, has also contributed to making the sport more accessible ([www.fancourt.co.za](http://www.fancourt.co.za)) As the hosting of international events is projected to have enormous economic spin-offs for everyone involved, it will be attempted to investigate what the exact economic benefits of this event were for both the host town and its community. In addition it will be investigated whether it had any impact on the tourism industry of the town.

### **1.6 Objectives of study and research questions**

The primary objective of this study is to assess the economic, developmental, and social impacts that hosting the Presidents Cup in 2003 had on local residents in George. The secondary objective is to review the available literature on international events in order to describe the effect it has on tourism and development. Specific research questions are:

1. What was the impact of the Presidents Cup on the community of George?
2. Did hosting this event make any contribution to the tourism industry?

3. What sort of economic spin offs, if any, were experienced while hosting this event?
4. What are the theoretical and practical linkages between sport and tourism?

### **1.7 Scope of study**

The geographical scope of this study is limited to George and the greater Western Cape region. The functional scope would consist of investigating the impact of hosting international events in the region. The economic, political and social impact the Presidents Cup had, as an international event according to the perceptions of local role players will be focused on. The economic impact will be analysed and represented through data and views concerning employment that resulted as a direct consequence of the event. Development will be measured in how the quality of life of the local residents was enhanced at grassroots level as a result of the event. All these results will be drawn from the perceptions and views from the local role players in George.

### **1.8 Theoretical framework**

The theoretical framework of this study focuses on events, tourism and event tourism or sports tourism as referred to in this study. Seen within the context of globalisation it has increasingly presented states with the opportunity to connect with other states across borders by means of events, and especially sport events that result in tourism. Globalisation, over the years has been defined in many ways by different authors. Scholte (1997) highlights that globalisation should not be reduced to capitalism alone, but includes also the structures of identity, community, knowledge and ecology. According to Appadurai (1996) globalisation can be seen as an interactive rather than an one-sidedly dominated process. From a cultural perspective Appadurai (1996) highlights a disjuncture between economy, culture and politics, which are based on five interrelated dimensions of “global cultural flows”<sup>2</sup> (Appadurai, 1996). Sklair (1995) developed a sociological theory of the global system and highlights the transnational corporations (TNC), transnational capitalist class (TCC) and the culture ideology of consumerism as the main

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<sup>2</sup> These global ‘scapes’ are distinguished as: 1) ethnoscaples, 2) technoscaples, 3) financescaples, 4) mediascaples and 5) ideoscaples.

units of analysis.

Globalisation according to Scholte (1997) is a process of increased trans-border relations and interaction between states. Thus it is the contention of this study that globalisation offers an array of opportunities to many states which can be experienced through events, tourism and sport events. It can be seen as South Africa has successfully bid and hosted many large events. These large events include sport events such as the Rugby World Cup 1995, the Cricket World Cup 2003 and in 2010 South Africa will host the Soccer World Cup. Thus this study sees globalisation as a medium that drives development and offers opportunities that can lead to growth of tourism. The literature review of the study is discussed in more detail in Chapter Two and here the two concepts, sport and tourism are explored. Specifically the link or relationship that exists between sport and tourism is highlighted.

### **1.9 Methodology**

A combination of primary and secondary sources of research was used. Primary research consists of empirical field research of which the main purpose was to assess impacts, economic and social as well as the effects on tourism. Using surveys, face-to-face, and telephone interviews was the methods used to collect this information. Interviewees comprised people in authority positions, in George, local residents and individuals in the tourism industry. A total of twenty face-to-face interviews were done. Six telephone interviews were done with other key figures, such as Fancourt employees and government officials. The respondents that have been interviewed can be divided into three categories. These role-players would include the government officials, the industry members (which refers to the private sector and everyone that owns or actively participates in the tourism industry) and thirdly civil society, which refers to the local residents of George. The questionnaire that was used sought to explore the different perceptions the selected role players have regarding the impact of the Presidents Cup, economically, socially, and politically. Table 1.1 gives an indication of the number of people interviewed as well as the different role players from the various sectors that was approached.

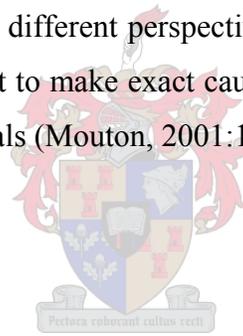
**Table 1.1**

<b>Political Role players</b>	<b>Industry role players</b>	<b>Civil Society</b>
Government officials	Private sector	Local residents
<b>4</b>	<b>6</b>	<b>10</b>

An analysis of secondary material on tourism is also included. Secondary analysis was used to contextualise findings from the primary research. This research focuses on the impact international events have on tourism and possible linkages with development. Newspaper articles, Internet sources and various books were also used.

### **1.10 Limitations and delimitations**

Certain limitations and strengths can be found in this study and should be highlighted. Making use of interviews and surveys with different people gives an idea of how people experienced the whole event from different perspectives. The sample group is small and limits the study. Thus it is difficult to make exact causal inferences about the impact and effect the event has had on the locals (Mouton, 2001:162).



### **1.11 Definitions**

#### *1.11.1 Tourism*

Tourism in general refers to the movement of a person from one location to another to engage in activities of either business or leisure and the economic transactions it encompasses (Cornelissen, 2002). As described by Peters (1991:4-6) tourism has a few characteristics: tourism compared in economic terms can be defined as an intermediate factor as some costs are paid for by the tourist such as transportation but on the other hand, infrastructure costs are paid by the government. Tourism is a service activity and involves the flow of resources, finance, goods, knowledge, and humans (Britton, 1991). Tourism according to Mathieson and Wall (1982) is a multi-faceted phenomenon, which incorporates the movement and stay in destinations outside the normal place of residence.

The concept of tourism is disputed among many different scholars and as a result the term is defined in different ways. However, the most comprehensive definition of tourism

is encapsulated in the definition provided by the World Tourism Organisation (WTO). It is also this standard conceptual definition, which will be used when referring to tourism. As stated by the WTO, tourism is defined as the temporary physical movement by a person to destinations outside the normal environment for less than one consecutive year for purposes not related to any activity remunerated from within the place visited. This is a broad concept, which makes it possible to distinguish between domestic tourism, which is the movement within a country, as well as international tourism, which refers to the tourist activities between countries (World Tourism Organisation, Basic Statistics on Tourism Concepts, 2004).

Tourism is described as the temporary movement to destinations outside the normal home and workplace, the activities undertaken during the stay and the facilities created to cater for the needs of tourists (DEAT, 1996). According to Bull (1995:1) activities generally referring to tourism can include the needs and motivations of a tourist, tourism selection behaviour and constraints, travel away from home, impacts on tourists, hosts, economies and environments.

### *1.11.2 Sport tourism*

The needs of tourists and their reasons for travelling have become more widespread and diverse. The modern tourist is becoming more demanding, especially as they have the ability to travel more often and thus look for unique destination areas that can offer them a different experience (Keyser, 2002). In an attempt by destination areas to appeal to the more discerning and sophisticated tourist the formation of different types of tourism products have developed. Destination areas have to be innovative and creative especially with regard to the products and services they sell. As a result, different types of tourism products that may have been considered controlled are growing into a profitable niche market. Keyser (2002) differentiates between the types of tourism, which can include cultural tourism, urban tourism, event tourism, and sport tourism. In this study, sport tourism is the type of tourist product that is discussed in greater detail.

Event tourism can be comprised of almost any event that people would like to participate

in or just attend. These events can include festivals, sport events, shows, and exhibitions. There are different goals for event tourism, which include creating a favourable destination area, and among others to attract the foreign and domestic visitors. Event tourism can also benefit other tourism sectors like transport and hospitality services (Keyser, 2002). Event tourism can be defined as the planning, marketing and holding of events as tourist attractions (Tassiopolous, 2000:5). The sport segment of event tourism is becoming very popular. Sport tourism according to Hall (1992) includes the characteristics of two behaviours, first travel to participate in a sporting activity, for example, golf, tennis, or mountain climbing, and secondly to travel and observe or watch the sport. Gibson (1998:44) argues that sports tourism is characterised by not two but three behavioural sets and defines it as leisure based travel that takes individuals away from home temporarily to either watch sports activities or to participate in physical sports activities, and thirdly to venerate attractions such as halls of fame or famous stadiums.

Kurtzman and Zauhar (1997) try to explain their understanding of sport tourism by using a sport tourism model. This model tries to integrate sport tourism motivations with destinations and settings that serve the sport tourists. It also highlights examples of other types of tourism that may contribute to the sport tourism phenomenon in particular situations. According to Turco *et al* (2002) sport tourism can be illustrated through numerous examples, which ranges from the traditional to the more extreme sports. Event-based tourism is focused on more in this definition. The general definition of sport tourism is where sport tourists travel to and participate in or merely attend a predetermined sport activity. Sport tourism can thus be defined as sport tourists attending or competing in a sport event (Turco *et al*, 2002: 4). Within this scope the Presidents Cup is a sport tourism event, where participants travelled to take part in golf but also one where people travelled to observe the sport.

### *1.11.3 International events*

Event tourism has been defined earlier but events should also be defined. Events can be divided into a number of different categories with its own needs in terms of venue or facilities. Mega events are large events that target the wider international market, and are

distinguished by the extensive level of publicity, attendance, financial involvement and political effects. It is a high profile event, which involves extensive media coverage and purportedly carries with it significant benefits to the hosts, of which the Olympic Games can be a good example (Cornelissen, 2004:40). The author distinguishes between second and third order events. Second-order events are smaller in scale and level of participation compared to mega events/ first-order events and examples of these types of events are the Cricket and Rugby World Cup. Third-order events include mostly regional or continental tournaments such as the Africa Cup of Nations (Cornelissen, 2004:40). A distinction can also be made between multi and single site events. As the name implies the latter refers to events being played in one city or region whereas the multi-site events are played in more than one location (Cornelissen, 2004:41).

The Presidents Cup can be defined as a second-order, single site event of international scale. The level of participation of an event such as the Presidents Cup is smaller, but it is internationally acclaimed as its participants were from more than two nationalities.

Hallmark or major events that have a limited duration or are recurring events enhance the awareness and appeal of a destination area. Major events also have the ability to focus national and international attention on the destination and are expected to have large external benefits (Burns and Mule, 1986).

#### *1.11.4 Development*

Development can be difficult to define as it can signify different things to different people depending on the context. Over time the term has become more widespread, and besides incorporating economic and social processes it also includes the ethical procedures, which involve the improvement of living conditions (Wahab, and Pigram, 2000:34). As the definitions of development have changed, the measuring methods have broadened as well, which may include indicators of poverty, unemployment, inequality and self-reliance (Binns, 1995:304). Development is concerned with human betterment through improvement in lifestyles and life opportunities and indicates the level of achievement of an individual society, in developed, developing and underdeveloped countries (Wahab and Pigram, 2000:35).

However, the term often has strong ideological underpinnings with conservative, liberal and radical traditions, which have led to different perspectives on the causes of development challenges and their likely solutions. In the context of the current study the term can be defined as any activity, sport or conference, which leads to the expansion of people's immediate living standards. It can also be defined as an advancement be it in terms of economics, politics or society within a certain industry, region or community. Within this specific instance, development refers to the advancement of the tourism industry as well as the community in the region.

Tourism can be regarded as a vehicle for development in developing countries and can be instrumental in creating a better future. As the South African tourism industry is dynamic and still growing, over-development is a concern. However, over-development can be avoided by engaging in sustainable development. Thus, sustainable development is a term that has become increasingly important and in the Brundtland tradition (WCED, 1983) can be defined as development that meets the needs of the present without compromising the needs of future generations (Wahab and Pigram, 2000:3).

#### *1.11.5 Civil society*

As used here, civil society refers to the local residents of the George area who share a common interest. It must also be taken into consideration that interests which communities share do not always coincide and as such, communities can often be in conflict with one another. Not all local residents are always convinced that all developments are entirely good. For example, questions such as whose community is it, which would be determined in terms of social, economic, and spatial definitions, while other questions include who should benefit from tourism and how tourism should be presented to the tourist (Hall and Richards, 2003:1). In an attempt to answer the first question, the term community should be defined. In this case, the term civil society will be used rather than community because of its changing role.

#### *1.11.6 Social impact*

This study attempts to evaluate the social impact the Presidents Cup has had on the community. This includes the perceived advantages and disadvantages the event has had

for the local residents. The positive effects of the event socially in this study refer to the changes in the quality of life of the local residents of tourist destinations. Thus, the aim of this study is to highlight whether the immediate circumstances of the local residents were positively influenced as a result of the event.

#### *1.11.7 Economic impact*

Government looks to tourism as an avenue of economic development. Economic impact referred to in this study is defined as all those processes or occurrences that would enhance the local economy of the town. Tourism can have major effects on the economies of destination areas and as such, this study focuses on these issues. The economic impact is organised by a multitude of factors some of which bring much-needed foreign exchange and employment, and adds to the diversity of the industry. However, not all impacts are positive as mentioned above. The negative impacts are also assessed as to give this study a more balanced approach. Thus, the benefits and costs of tourism will be assessed. Positive economic impacts according to Mathieson and Wall (1982) and in this study can be categorized as the following:

- Distribution of foreign exchange
- Employment and income
- Escalation of more businesses/entrepreneurial activity

What is regarded as the negative economic impacts highlighted in this study are the:

- Over-development
- Escalation of higher land prices
- Seasonality in demands culminates in low returns

The abovementioned factors are recognised as the costs involved with tourism development and are also discussed in this chapter. It is generally viewed that tourism generates employment and this is regarded as a positive impact (Mathieson & Wall, 1982:77). The accommodation sector, as well as the expenditure of tourists outside their accommodation facilities creates employment opportunities for the local community members. The expansion of the tourism industry includes the building, or construction of

hotels and other facilities, and also the upgrading of transportation and other facilities that create employment in construction.

### **1.12 Structure of study**

This study has five chapters.

Chapter One contains the introduction and outlines the general background to the study. The problem statement, main objectives, scope and methodology of this study are outlined. The conceptual definitions of relevance to the study are defined in this chapter.

Chapter Two constitutes a background chapter as it reviews the relevant literature specific to the study. In addition it also gives an overview of the state of tourism in South Africa and the wider Western Cape region and discusses the link between sport and tourism.

Chapter Three contains a background analysis of George and its surrounding areas. It discusses how golf became established in George and explores the impact of golf estate development. It also describes how George came to host the Presidents Cup and the history of the event.

Chapter Four outlines the empirical findings or interpretations obtained through surveys and interviews of the research study. This is done through highlighting the political, industry and social perspectives of the different role players. The economic, social and tourism impacts of the Presidents Cup are explained in this chapter.

Chapter Five states the conclusion and provides a summary of the preceding chapters. It highlights the possible future research to be pursued as well as the lessons to be learned and possible recommendations for future use

## **Chapter 2**

### **Literature review and theoretical framework**

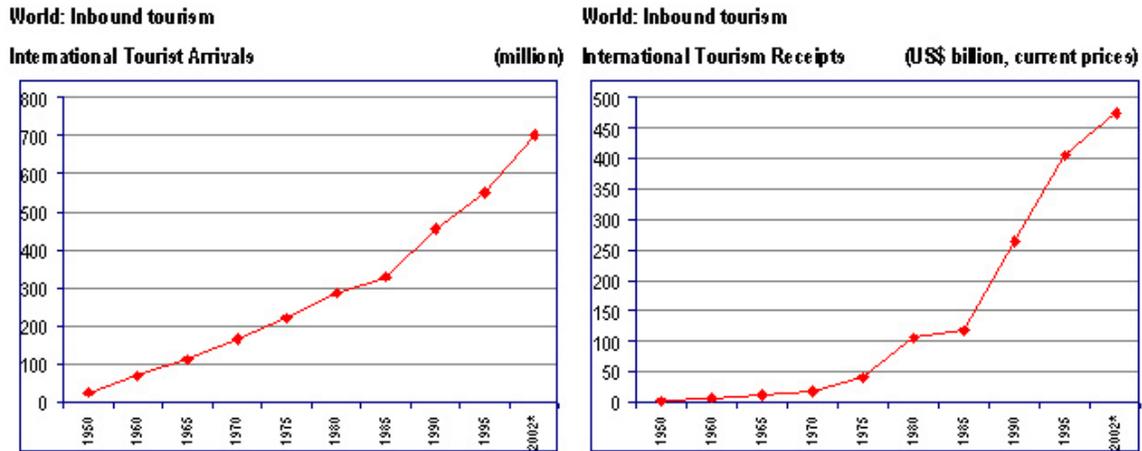
#### **2.1 Introduction**

The following chapter gives a broad overview of the South African and Western Cape tourism industries. Government policies regarding tourism in South Africa as well as the Western Cape will also be discussed in this chapter. Furthermore the literature on sport, events and tourism will be discussed, and more importantly there will be investigated what the link is between sport and tourism development. The different impacts of sport events and specific studies that have been conducted will also be explored in this chapter.

#### **2.2 History of international tourism**

The international tourism industry has achieved substantial growth and this has marked tourism as one of the most remarkable economic and social phenomena of the past century (WTO, 2004). The number of international arrivals has risen from 25 million in 1950 to over 700 million tourists in 2002, which shows an annual growth rate of 6.6 per cent. This makes international tourism one of the fastest growing and biggest single industries worldwide (WTO, 2004). This growth rate is noticeable from figure 2.1 below, which shows the international tourist arrivals and international tourism receipts from 1950 to 2002. Between 1950 and 2000, Europe and the Americas were the main tourist-receiving regions. Since the 1950s up until 2000, both regions represented a large joint market share, however in 2001, this ranking changed as Asia did exceptionally well (WTO, 2004).

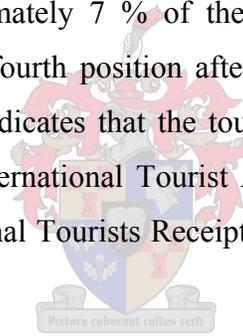
**Figure 2.1**



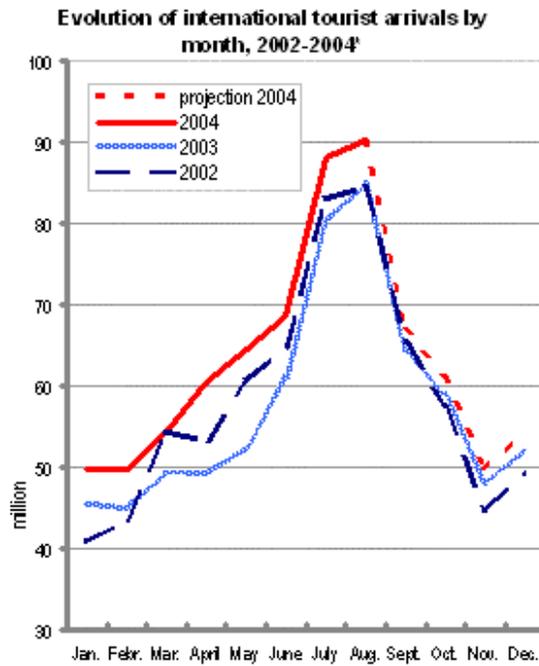
Source: World Tourism Organization (WTO) ©

**Source: World Tourism Organisation (WTO), 2004**

According to the WTO (2004) tourism, including international tourism and international fare receipts, represents approximately 7 % of the worldwide exports of goods and services. This places tourism in fourth position after exports of chemicals, automotive products, and fuels. Figure 2.2 indicates that the tourist arrivals to Africa increased by 2.8% in 2002 and the overall International Tourist Arrivals (ITA) for Southern Africa was 8.9 million and its International Tourists Receipts (ITR) were about US\$3.5 million dollars (WTO, 2004).



**Figure 2.2**



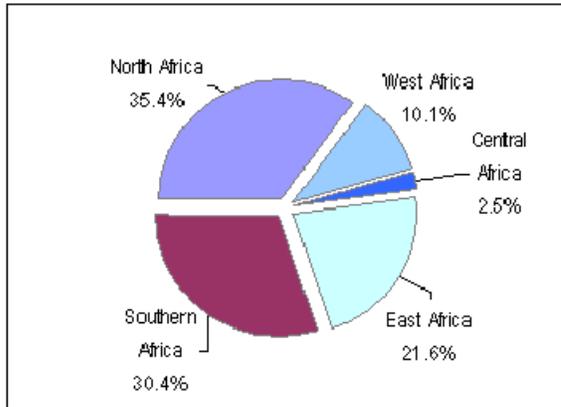
**Source: World Tourism Organisation, 2004**

### **2.3 South African tourism overview**

In 2002, Africa recorded a 3 per cent increase in international tourist arrivals to 29 million, or a world share of 4 per cent. Although North Africa experienced a slow growth rate, Sub-Saharan African countries in contrast experienced positive growth. South Africa, the most successful destination in the sub-Saharan region saw a growth rate of 11% in 2002. As can be noted from figures 2.3 North and Southern Africa earned the most significant receipts of tourist arrivals in 2002.

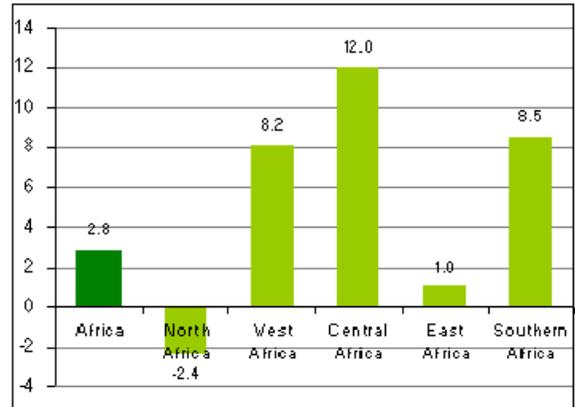
**Fig 2.3**

Africa and subregions: Inbound tourism  
International Tourist Arrivals, 2002\*  
(share, %)



Source: World Tourism Organization (WTO) ©

Africa and subregions: Inbound tourism  
International Tourist Arrivals  
(change 02\*/01, %)



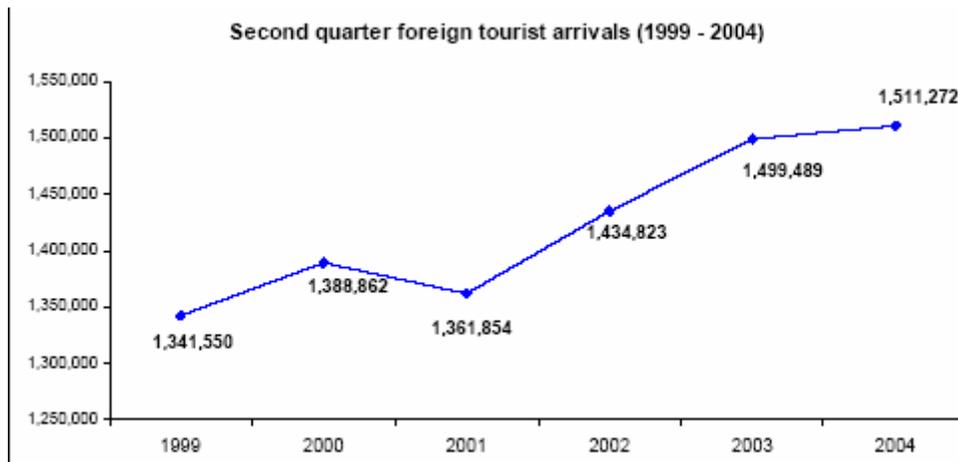
Source: World Tourism Organization (WTO) ©

**Source: World Tourism Organisation (WTO), 2004**

The foreign tourist arrivals in South Africa increased by 0.8%, which in real terms amounts to about 1.1511 million tourists visiting the country in the second quarter of 2004 compared to the second quarter of 2003 (South African Tourism Quarterly, 2004). This is reflected in the figure 2.4 below.



**Fig.2.4**



**Source: South African Tourism Quarterly, 2004**

**Fig. 2.5**

	Q2 2003	Q2 2004
Total Foreign Direct Spend in SA (Foreign tourists Q1)	R 7.8 billion	R 8.6 billion
Total Spend in SA per foreign tourist	R 7,130	R 7,027
Total Spend in SA per foreign tourist per day	R 1,105	R 1,147
Average Length of Stay	14 nights	8 nights
Most visited provinces	Gauteng, Western Cape and KZN	

**Source: South African Tourism Quarterly, 2004**

Figure 2.5 show that the total foreign direct spending (TDFS) in South Africa in the second quarter of 2004 amounted to R8.6 billion. Compared to the second quarter of 2003 an increase of about 3.8% was achieved. These figures show that the international tourism industry in South Africa has experienced remarkable growth. According to the World Travel and Tourism Council (WTTC) South Africa’s tourism industry is set to generate R135, 2 billion of economic activity in 2004. The Council also estimated that employment in South Africa’s travel and tourism economy accounts for 1, 2 million jobs, which represent about 6.8% of total employment in 2004. The tourism industry is expected to contribute 3.8% to the Gross Domestic Product (GDP) in 2004. The WTTC (2004) has forecast a very positive growth rate for tourism all over the world including South Africa.

## **2.4 South African tourism policy**

The government has recognised that tourism can offer a considerable amount of opportunities especially with regards to employment. According to the World Travel and Tourism Council (WTTC), tourism is the largest generator of jobs in the world. South Africa's supply base for tourism is large as the country has a diverse array of attractions, which include unspoilt natural scenery, wildlife, sunny climate, and well-developed infrastructure. It also has a lot of internationally acclaimed tourist attractions like Table Mountain, Garden Route, Robben Island, and the Kruger National Park. All these things add to the dividends of tourism. The government has realized that if tourism is developed in a responsible way it could generate positively towards the economy as well as to the citizens of the country. This is reflected in the national tourism policy that aims to use tourism to generate economic growth and foreign exchange (DEAT, 1996). The policy also encourages links with other domestic industries so as to curb possible leakages and promote a multiplier effect. The policy sets out to create opportunities to develop small businesses and entrepreneurs, especially those that were previously disadvantaged (DEAT, 1996). The government is aware that for tourism to be productive any type of tourism will not work and that it should be done in a sustainable way (DEAT, 1996). Tourism is seen as a development tool by government to help develop the previously disadvantaged. Many factors stimulate South Africa's tourism industry and its development. However, the tourism industry can make a valuable contribution towards the country's economic growth if all other factors like political stability, natural resources, tourism infrastructure as well as distance and location of the tourism market are in tandem. South Africa has realized that the country's richness in natural resources makes it very attractive for the tourism industry. Sport has also become an important facet of national developmental goals.

After 1994, the African National Congress formulated the Reconstruction and Development Programme (RDP) in pursuit of development and to allocate the necessary resources to the previously disadvantaged communities. The RDP's main objective among others was to create opportunities through sport and recreation for the historically disadvantaged people of South Africa to help with the development of the country's

strategy (Burnett & Hollander, 1999: 237). The National Sports Council (NSC) was formed in 1994 to develop South Africa's men and women by way of sports and recreation. Sport became very important especially at government level and was used to develop the national prestige of the country (Van Blerk, 1994).

At a national level the minister of sport and recreation at the time, Steve Tshwete, stated that between elite performance in sports and sports for all South Africans an interdependent connection exists (UK-South Africa Sports Initiative, 1996a: 5). The highest ladder of success cannot be reached when every potential sports person did not have an equal chance in achieving success. In the quest for nation building and racial equality sport was promoted across the country and across all race groups.

The Department of Sports and Recreation published a national white paper on sports and recreation in 1996. The main objectives of this paper were to develop resources, and generate financial funding for events. It also highlighted the coordination between stakeholders and the facilitation of sports events as well as to implement the affirmative action objectives in tandem with South Africa's national policy for a new South Africa (Gouws, 1997).

The White Paper claims that sport can play a vital role in the wider nation building process. It seeks to provide a system where elite sports will become less elitist and become more inclusive to players with potential. It also notices that sport extends beyond the confines of participation but also fosters a relationship with many other sectors including health, education, the economy and many others. Sport can have positive spin-offs in many different sectors including social benefits, which include raising the quality of life, reducing gender inequality, and lowering prejudice and discrimination against minorities and the disabled. It also seeks to maximise the probability of success in major events and to raise the profile of sport in the face of conflicting priorities. It seeks to ensure that economies of scale are produced and the implementation of sport and recreation policy through committee and stakeholders involved (Department of Sport and Recreation, 1998). It ensures to consider as a priority that the various sporting authority bodies work together in an attempt to foster growth of the industry and to implement the

various objectives set out in the policy paper. These bodies include the National Sports Council, (NSC), National Olympic Committee of South Africa (NOCSA) and the National Federations (NFs) (Department of Sport and Recreation, 1998).

#### ***2.4.1 BEE Tourism***

In order to give the previously disadvantaged a chance to empower themselves, the government has put strategies in place to help these groups gain entrance into the tourism sector. Various incentives have been put in place to help develop black ownership in the tourism industry. A black economic empowerment (BEE) scorecard for South Africa's tourism industry was launched recently by Tim Modise, chairperson of the Tourism BEE Scorecard Steering Committee, in Cape Town (Business Day, 09/12/2004). The draft proposes to achieve a 21% black ownership of tourism enterprises by 2009 and have targeted that by 2014 this percentage should have increased to 35%. The BEE Scorecard further targets to increase the percentage of blacks represented at the executive level to 50% by 2014. Similar projections are targeted for especially black women at executive management level, which are to rise to 15% within five years and to 25% by 2014 (Business Day, 09/12/2004).

National policies' chief objectives are to create an environment in which the private sector can broaden and maximize the development of the industries and to regulate and coordinate the planning between the public and private sector. It also aims to eliminate all the negative factors that might deter growth within the industry. Preserving and conserving the natural resources and cultural heritage of South Africa, as it forms the basis of tourism attraction, is another key objective of the national policy. It is also trying to open up the field so communities can become involved in the tourism activities.

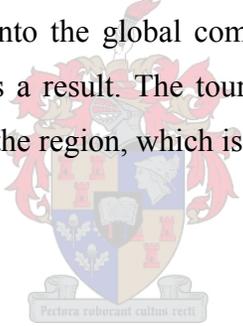
#### ***2.4.2 Types of tourism***

Different types of tourism have come about as the tourism industry has developed and tourists have modernized and adapted to the changing circumstances. Various types of people have become more accustomed to travelling and as a result, the tastes and needs of

tourists have become more diverse. In addition, the more tourists travel the more meticulous they become. This is especially the case in the types of experiences they want. Many tourists want to break away from the customary tourist excursions and want to experience a more cultural and unique destination experience. As a result, forms of tourism development that have previously been considered as limited markets are growing into niche markets (Keyser, 2002:246).

### 2.5 Tourism in the Western Cape

The Western Cape plays an important role in the national sector as it constituted nearly 55% of South Africa’s international tourist market (WESGRO, 1999). It was estimated that an amount of R7.1 billion was generated through tourism in the Western Cape during January to June 2000 and compared over the same period in 1999 and increase of R1.1 billion has been experienced (South African Tourism- SATOUR and DEAT). Since South Africa was accepted back into the global community new opportunities became available and the industry grew as a result. The tourism industry of the Western Cape grew as more people came to visit the region, which is reflected in the table 2.1 below.



#### Tourist Arrivals

**Table 2.1**

Total overseas tourist arrivals in SA (1999)	1.5 million
Total bed nights sold to overseas tourists (1999)	24.5 million
Overseas tourists visiting the Western Cape (1998)	830 000
No. Of annual bed nights in the Western Cape (1999)	8.5 million
Total overseas tourist expenditure in the Western Cape (1998)	R7. 2 billion

**Source: Statistics South Africa, 1999**

**Table 2.2**

	Summer	Winter
% Of overseas tourists visiting the Western Cape	59%	50%
Western Cape % of total overseas visitor nights	40%	26%
No. Of Western Cape attractions in top 15 SA attractions	9	7

**Source: Statistics South Africa, 1999**

Table 2.2 above shows that the tourism industry in the Western Cape is very popular among overseas tourists. Although the international arrivals of tourists have been very important, the domestic tourism market which may have been the backbone of the Western Cape tourism industry now plays a slightly reduced role, due to the dramatic increase in the province's popularity among foreign visitors. Though the value of international tourism cannot be overlooked, the domestic market of tourism is still very important. The annual domestic tourism expenditure for 1998 was estimated at R8.2 billion (Provincial Profile, 1999).

### *2.5.1 Tourism types characteristic to Western Cape*

The Western Cape is home to several sports and festivals including the Old Mutual Two Oceans Marathon and the Pick 'n Pay Argus Cycle tour in Cape Town, and the Klein Karoo Nasionale Kunstefees in Oudtshoorn. Golf is also a sport that is characteristic of sports tourism to the Western Cape and more specifically the Garden Route. The region is popular for its distinct golf courses. Aside from the recently hosted Presidents Cup 2003 it will also host the 2005 Women's World Cup of Golf. It is further also popular for its rich socio-cultural heritage, as well as its African roots and the European and Asian influences. This makes cultural tourism another type of tourism that is intrinsic to the Western Cape. In addition, the province is endowed with rich natural resources such as flora and fauna, oceans and mountains.

## **2.6 Western Cape tourism policy**

The provincial tourism policy embodied in the White Paper on Sustainable Tourism Development and Promotion in the Western Cape (DEAAT, 2001) has been designed on the principles of social equality, environmental integrity, economic empowerment, cooperation, partnership, and sustainability. It is further also driven to transform the Western Cape's society and economy. The policy seeks to connect with the constitution's commitments to improve quality of life and to protect the natural environment supported by the tourism industry. The policy has also been formulated in an attempt to develop human resources, build the economy and to democratise the state's society. It was designed to complement the goals of the province's economic growth and development strategies. The policy also supports entrepreneurship and innovation of new firms linking the Cape to the rest of the world through technology and upgrading of international transport. Furthermore it seeks to make it a learning region of high quality where acquiring and applying knowledge in a changing world makes the country an attractive investment for international tourists. Most importantly, the policy aims to help improve job creation, raising the quality of basic services to people and to further augment and expand a sector that can provide low-skilled jobs. The policy highlights the valuable contribution that tourism can make to society. Its ability to provide employment and other benefits to the community is also recognized. It also aims to protect and conserve the natural environment in a sustainable way since it is also the very essence of the tourist attraction in South Africa (DEAAT, 2001).

Many national and provincial policies are directed towards achieving sustainable tourism development. The goals and objectives for tourism in the Western Cape reflect that, in essence, they set out to achieve the same goal. The main strategic objective is to promote a clear tourism development strategy that is based on creating an appealing experience to tourists related to current market trends and requirements. The safety of especially tourists is a threat to the tourism industry and several relevant safety initiatives have been recommended to counter this threat. A strategy to provide for and facilitate gaps that might exist in infrastructure in the tourism industry is another objective that the policy highlights.

The Destination Marketing Organisation has established a strategy in conjunction with the provincial government of the Western Cape to position Cape Town as a world class competitor and South Africa's premier conference, incentive, leisure and events destination ([www.capetown.gov.za](http://www.capetown.gov.za)). The Events office has established the facilitation of the events industry whereby an events strategy has been developed for the city. The office assists event organisers with co-ordination services and permits, advice and assistance with regards to hosting major events and the bidding process. The Events office also keeps organisers up to date by publishing an annual events calendar ([www.capetown.gov.za](http://www.capetown.gov.za)).

## **2.7 Exploring the significance and relationship of sport tourism**

Around the world, many governments have been influenced by the potential of sport tourism and have introduced sport tourism initiatives to promote tourism and sport relations. South Africa is one of the countries that have done this, which is evident through its government policies. Other governments like the United Kingdom, Australia, and Canada also drew up policies on tourism and sport (Gibson, 2003:206).

Many scholars agree that the term encompasses both an active and passive form (Gammon and Robinson 1997; Ritchie & Adair, 2002; Standeven and De Knop, 1999). Sport tourism is defined in a more detailed way by Hinch and Higham, (2001:56) who describe it as sport based travel away from home for a limited time, where sport is characterized by a unique set of rules, competition related to physical competence and a playful nature. This specific study will predominantly look at the participation and observation of sport with specific reference to the Presidents Cup 2003.

Though the term might be fairly new in that it has not been researched as much, it has been present for some time. The first appearance of this term according to Standeven and De Knop (1999:11) can be found in Balck, (1887), the father of modern Swedish sport. In his book Balck (1887) enclosed a chapter called tourism and sport. While tourism and sport are two terms that are mostly defined individually, the relationship between the two terms are described and explored in more detail in this study. People travel from one

place to another for different reasons. They leave their home environment to watch sports games in different towns, cities, as well as countries. On local level participants leave to take part in sports based activities. They do things that normal tourists do, however their primary reasons are related to sports. This indicates that sport tourism and sport tourists exist and that there is a clear linkage. In this study it is contended that sport tourism can be classified as one type of event tourism.

These sport tourists make use of the infrastructure such as airports and roads, and they use electricity and a supply of water, which is important. When an event of great magnitude is hosted, it is bound to generate tourists both domestic and international. To host international sporting events, government's involvement is pivotal. First at a national level, the host country's government should be involved and it should be organized in line with government policies. All sport organising bodies should be included and depending in what region it is held all the sport governing bodies are involved in preparing for the event. Sporting facilities should be prepared to host the games. For example, when the Rugby World Cup was hosted in South Africa in 1995 the games were played in different regions and towns all over South Africa. To see to the smooth running of the games national, regional, and relevant provincial and local sporting bodies had to work together to ensure a successful tournament. The tourism sector also had to cooperate with these sport organisations to ensure that the rugby teams had proper accommodation. It necessitates that sporting bodies work together with tourism organisations, such as hotels, restaurants and B&B's as well as hostels to ensure that international teams are well taken care of. From this it is evident that an important link exists between sport and tourism.

Many scholars still regard sport and tourism as two vastly different notions with each having their own concepts and ideas. Indeed this is true, both sport and tourism rightfully exist within their own domains, but as it has evolved, it becomes clearer that the two co-exist and form an interrelated partnership. This is a view shared by many other scholars (e.g. Turco, Riley and Swart (2002); Standeven and De Knop (1999); Gibson, (2003). They see these two concepts as connected and as a legitimate subject of study. According

to many other scholars (e.g. Crompton, (1979); Baloglu and McCleary, (1999), the image of the destination area and the decision to visit the place all play a vital role in boosting the number of visitors to the host country during the time the sports event takes place (Chalip and Green, 2003:214). Visitors spending money at the games can bring income for the local community, while the media coverage of the event can further enhance the destination's popularity. All authors in this instance refer to the impacts that mega events and large sport events generate to these economies.

The economic benefits a country could gain by hosting international sporting events can be large. Gibson (2003:209) reports on an in-depth analysis of the cooperation between agencies responsible for support and sport tourism in the United Kingdom. In this study the key stakeholders' attitudes and practices in sport and tourism agencies at a national and regional level were scrutinized. Mega-events generate larger spin-offs in terms of publicity, the amount of tourists they attract and the economic benefits, than other smaller sport events. However, smaller international sporting events may have the same benefits and spin-offs attached to them, but on a smaller scale. According to Getz (1991) smaller events can be an important source of revenue to the host communities. Smaller participatory events often make use of existing infrastructure and volunteer labour, much like the Presidents Cup, therefore they can be relatively inexpensive to host and thereby yielding high-benefit-to-cost ratios (Allen, 1993).

## **2.8 Economic impact**

Economic benefits are bound to be highly important where sports events are held. Sport events are seen as business investments both for the entrepreneur and the sports department that organizes the event. According to Dwyer, Miller, Mistils and Mules, (2000) the economic impact of sports events relies on the visitors' expenditure during the event and second, the media coverage that the events generate. Visitors' spending creates an infusion into the local economy, which in turn contributes to generating economic wealth. Therefore, in the end the communities get back certain benefits, in the form of jobs and more income per household. In terms of sports events, economic benefits can be

considered as the net economic change in the host community, which results from spending because of a sport event (Turco and Kelsey, 1992).

Advertisements and marketing strategies are another contribution of sport tourism and can enhance the host country's image, which again boosts the number of visitors, so that it can grow outside of normal seasonal times. However, relying on media coverage essentially to stimulate the popularity of a tourist destination is risky, as media coverage is often haphazard and unfavourable at times, and thus it is not guaranteed that any positive effects would come as a result of this exposure alone (Chalip, 1990). Mossberg and Halberg (1999) conducted a study reviewing the effects of the World Athletics Championship on the images of Göteborg and Sweden prior and after the event; however the study yielded no significant effects of the event on the destination image.

One of the questions to be explored in this study is whether sport events have any beneficial impact on the host country. Local authorities sometimes may refer to the positive results of such studies to convince citizens of all the net benefits an event will cultivate. If results are truthfully presented these studies can contribute positively, however the effects of these events are often manipulated and miscalculated to paint a positive picture (Crompton, 1995:16). Political officials promote hosting these international events and the projections of the economic impact of the events are often inflated. The interpretation of the economic impact studies can often have a political dimension. Often, people initiating these economic impact studies use these analyses to support their own political positions regarding particular events (Hunter, 1988).

Baade and Dye (1990:6) reveal in an economic impact study how information is sometimes manipulated to concur with the motives of officials in order to support their position on a specific study. A study investigating the contribution of the Philadelphia professional sports team found that its economic impact was \$500 million to the city's economy. However, a study done by another researcher estimated the economic impact of the same event amounted to only \$200 000. This is a clear indication that different points of view and interests will produce different outcomes. Miscalculations and

misinterpretations can easily occur when researchers or key figures have certain views that they want to have supported as well and as a result the information is manipulated (Crompton, 1995: 16).

According to Standeven and De Knop (1999:179) participation in sports events is growing at a phenomenal rate and these events are focusing on the interest of tourists and residents alike. The large sport events such as soccer and rugby matches attract large volumes of spectators and as a result, the sport facilities must be up to standard to generate other projects. These events are developed primarily to enhance the awareness, appeal, and profitability of a tourist destination. Furthermore, these events according to Ritchie (1984:3) rely on uniqueness, status, and timely significance to create interests and attract attention. This is a most befitting definition because the Presidents Cup has been hosted in South Africa in the Southern Cape, which has scenic attractions such as the Garden route.

## **2.9 Tourism and economic development**

When studying the impact of tourism on economies it is very important to understand the difference between economic growth and economic development. Economic growth is usually measured by looking at the difference or change in a country's GDP, whereas the economic development can be seen when an overall improvement in the socio-economic circumstances of the communities is experienced (Keyser, 2002:278). The UNDP's Human Development Index (HDI) and the Gini Coefficient are key indicators of economic development. Although tourism is considered especially by developing countries to be a major factor that can boost the economy, it should not be the only factor that host countries rely on.

Keyser (2002) distinguishes between different types of tourism development. The two types that are most important and relevant to this study are event tourism and sports tourism. Sports tourism as mentioned already includes two sides, the participants' side, as well as the spectators' side. It would include participants of different sports such as golf,

tennis, and many other sports. As spectators, the sport tourists are attracted to sport events like rugby or soccer games as well as golf tournaments.

Governments see tourism as a source of revenue, a vehicle of growth and economic development, which could turn into a profitable project if it is managed in a sustainable way. Tourism operations and facilities are all contributing factors in the potential economic impact of tourism led socio-economic development (De Beer and Wheeler, 1997:4). Tourism's direct contribution to government's revenue is derived mainly from airport taxes, fees and levies that tourists pay. This money paid by tourists is used to maintain infrastructure, such as airports or it can be used for tourism marketing activities. Furthermore, entry fees, hotel, restaurant, travel agency, and other tourism business registration fees are significant contributors to government's revenue. If the amount of tourists increases, the amount of businesses catering for these tourists increases also (Keyser, 2002: 285-6).

The new companies that arise must pay taxes and employees also have to pay tax. As a result of the expansion of the tourist industry this will also increase the government's income base. The Canadian tourism satellite account found that tourism provided work for just as many people as the agriculture sector, three times as many as the mining industry and 18% more than the transportation sector and more than double that of the communications sector (Canadian Tourism Commission, 1994). Tourism can be a vehicle of development, and if managed appropriately as an economic activity, development of areas can result.

Certain obstacles can hinder tourism development in a country especially when the tourism industry budget is limited. Another obstacle is when the distinction as to the higher quality of certain tourists is not understood (Keyser, 2002:304). However, if these constraints are to disappear it is not certain that tourism will necessarily flourish. To enhance the economic benefits of tourism, tourist spending can be encouraged through creating better service to the tourists, stronger links with other sectors could be promoted, and ownership of local tourism facilities should be encouraged (Keyser, 2002:306). The

economy should be diversified, where several economic industries co-exist, however an over reliance on one industry as a source of economic development can lead to the country not receiving the full economic benefits the industry has to offer.

## **2.10 Conclusion**

This chapter gave a broad overview of the tourism industry in South Africa and more specifically the Western Cape, as well as their government policies on tourism. Tourism has expanded well in the past decade and positive economic spin-offs resulted. The significant relationship between sport and tourism has been investigated. Frequently misleading results regarding the impact of these events have been projected. This is due to the fact that officials responsible for arranging these events often have political motivations, such as boosting their own prestige. Therefore, in order to understand the true impact of such sporting events, it is necessary to look beyond personal motivations and official reports, which will help to determine what the long-term effects have been on the local communities. The Presidents Cup held in George offers a good, local opportunity for this. Thus the following two chapters will proceed to give more detailed insight into the impact the event has had on George. Chapter three will look at the history of golf and also tries to explore how the sport has evolved. Chapter four in particular will explore and evaluate the effects of the event as experienced by the local residents and business entrepreneurs.

## **Chapter 3**

### **Golf in the Garden Route**

#### **3.1 Introduction**

This chapter provides an overview of the most predominant tourist attractions and main tourism infrastructure in George. It focuses on golf and gives a brief background on the history of this sport while it explains how the sport industry has evolved. It also seeks to show how the perceptions of the sport, as mainly an exclusive sport reserved for the wealthy, are changing.

#### **3.2 George and surrounding areas**

##### **Relief and topography**

About three and a half hours drive from Cape Town; George is centrally placed between Cape Town and Port Elizabeth. It is situated approximately 100km west from Plettenberg Bay and 48km east from Mossel Bay and is a further 8km from the sea and the Outeniqua Mountains divides the area from the Klein Karoo. It is the 6<sup>th</sup> oldest town in South Africa, situated in the Garden Route of the Southern Cape.

##### **Infrastructure**

The N2 is the main road connecting George with the other regions of South Africa and gives access to the surrounding areas in George. The town has a competitive advantage above other smaller towns in the region because it has an airport receiving local flights from Johannesburg, Cape Town, and Port Elizabeth. It also makes it easier for tourists to visit the town and the surrounding areas. George is considered the main businesses centre in the region and it has many popular sports clubs, esteemed educational centres, medical, legal, and financial services. The town's infrastructure is well developed. A further advantage is that it is centrally based in the Garden Route.

##### **Tourism attractions**

Among South Africa's top ten tourist attractions, the Garden Route is ranked in sixth position<sup>1</sup>. The Garden Route has many tourist attractions that tourists can explore. These are in order of ranking the Tsitsikama National Park, a marine reserve that stretches about 5.5km out to sea; the Outeniqua choo choo train that runs between George and Knysna; the Lakes National Park and the Monkey Land Primary Sanctuary; the Cango Caves; the Ostrich farms in Oudtshoorn can also be visited. Fancourt country club and golf estate has consistently been voted the premier resort and best golf course venue in South Africa. Main tourist activities in and around the town include the eco-tourism, archaeological tourism, and botanical and golf tourism and coastal (marine) tourism.

The Southern Cape was very successful in developing golf tourism and it has become synonymous with golf. Golf tourism is a niche type of tourism that appeals to a certain type of tourist. George and the surrounding areas offer an array of accommodation facilities, which makes the competition in the accommodation sector very stiff and many compete for affordable pricing. A wide range of accommodation facilities exists in the Southern Cape area. Table 3.1 and 3.2 details the type and quantity of accommodation facilities in George.

**Table 3.1. Accommodation facilities in George and surrounding areas**

Guesthouses and B&B's	13
Self-Catering lodges	7
Hotels	4
Guest farms	3

**Source: Where to stay in Southern Africa, 2004**

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<sup>1</sup> With the Kruger National Park in first position and Table Mountain in second, game reserves in third, in fourth position there are the sandy beaches and fifth is Robben Island. The Garden Route ranks higher than Sun City and the V&A Waterfront, which is only in seventh and eighth, position respectively. Soweto is in ninth place while the cradle of humankind in Johannesburg is in tenth place (South African Tourism, 2004).

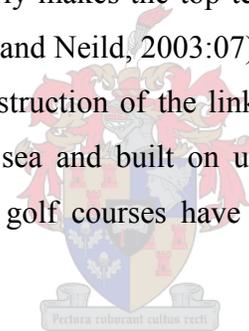
**Table 3.2. Wilderness Accommodation**

Guesthouses and B&B's	6
Hotels	1
Self-catering lodges	5

**Source: Where to stay in Southern Africa, 2004.**

### **3.3 The origins of golf in George**

The game of golf has become inextricably linked to George, so much so that the town is now referred to as the golfing mecca of the Southern Cape. Golf specific to the town can be traced back to as early as 1886, but the municipality only formalised the game in 1906 (Capostagno and Neild, 2003:106). In 1927-28 the golf courses were redesigned and today it has matured into one of the most popular parkland courses in the country. This is reflected in the fact that it regularly makes the top ten lists of both Golf Digest SA and the Compleat Golfer (Capostagno and Neild, 2003:07). In 1999, Gary Player designed the Fancourt golf course and the construction of the links course at Fancourt began. These 'links' courses were next to the sea and built on undulating ground (Capostagno and Neild, 2003:121). Today several golf courses have sprouted up alongside the Garden Route.



### **3.4 Golf estates in George**

There are more than 500 golf courses in the country and this number keeps changing as more and more golf courses arise ([www.southafrica-travel.net](http://www.southafrica-travel.net)). One reason for George's prominence in the Southern Cape is its high quantity of short courses. These differ from golf courses in three main ways: they are smaller and less intimidating; the average distance is about 130m; they work according to a system of 'pay and play' and no advance bookings are necessary. Since golf tourism in the Garden Route has flourished the development of these estates in general must be assessed.

There are a number of golf courses in George and one of these are the Fancourt country club and golf estate. It has four golf courses on the estate. These are The Links Course, Fancourt Montagu, Fancourt Outeniqua, and Fancourt Bramble Hill. The Links was the

course where the Presidents Cup was hosted. Fancourt Montagu and Outeniqua are reserved for members and their guests, as well as resort guests. The open area that used to be a dairy farm was converted into a public course called Bramble Hill, which still forms part of the Fancourt assortment today (Capostagno and Neild, 2003:120). Bramble Hill is a public pay and play course making it possible for members of the public to play there as well. George golf course is one of the oldest in South Africa and is currently rated 7<sup>th</sup> in the country, but many rate it as the best in the Southern Cape. It is situated in the foothills of the Outeniqua Mountains and is one of the oldest golf courses in South Africa (Garden Route, Golf courses and golf estates, 2004).

### **3.5 History of the Presidents Cup**

Firstly, the Presidents Cup as an event was formed as a result of the predictability of the European Ryder Cup. The Ryder Cup is played every second year and it attracts huge audiences and generates enormous revenue. However, golf is a sport played all over the world and some very talented players are ineligible to play, because of their nationalities. In an attempt to fill the biannual void and to include other talented golfers of different nationalities, playing in an international event of the same stature, the Presidents Cup was established by the USPGA tour in 1994 (Capostagno, 2004:127). The theme of the event was designed to extend to a global based team competition at its highest level.

The first Presidents Cup was played in the United States of America in 1994. In 2003, the fifth Presidents Cup was played and President Mbeki was the second serving president after President Clinton, to have this honour fall upon him. This was the first time the event had come to Africa, which made Mbeki also the first African president to serve as honorary chairman of the event. The 2002 Presidents Cup was postponed due to the terrorist attack of 9/11 on the USA.

### **3.6 How George came to host the Presidents Cup**

Before the 4<sup>th</sup> Presidents Cup was played, it was decided and announced that the fifth Presidents Cup would be hosted by South Africa. According to Dennis Alpert, Executive Director of the Presidents Cup 2003, for the event to run smoothly both logistically and

operationally, it must be within an hour's drive from a major city or airport. In evaluating South Africa as a possible host of the event, it was believed that Cape Town and Johannesburg were the two most appropriate locations to act as host. As the latter did not have the necessary capacity to logistically host the event, Cape Town was the logical next choice. Cape Town had several good factors as sandy beaches and a Mediterranean climate surround it and it also has numerous high quality golf courses (Capostagno and Neild, 2003: 137). The Western Cape has an assortment of golf courses, which gave them a variety to choose from.

Many golf courses in the Western Cape were considered, which included Atlantic Beaches, Arabella and Pearl Valley, as well as Fancourt. In the end Fancourt was selected to host the Presidents Cup. Both Gary Player and Ernie Els have been key sport figures that have been campaigning for Fancourt, ever since it became known that the event was to be held in South Africa. These two golf icons are central to the South African and more specifically to the golf industry of George. Their involvement may well have been instrumental in gearing the decision to award George or rather Fancourt the bid to host the event. Although the Links course has been ranked under the top five golf courses in the country, it was surely not the only reason for awarding this specific golf course the opportunity to host the event. Money also played a very important role in the decision-making process. The fact that the owner, Hasso Plattner, is a very wealthy man and was willing to do almost anything to assure the event be hosted in George played a significant role.

It has been claimed that the event earned great significance for the golf and tourism industries, as well as for the local residents. The golfing sport is central to George and as such, the sport has impacted on the town and its residents in some respects. Thus the effect the event has had on the town will be explored in more detail later in the following chapter.

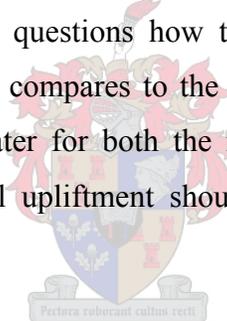
### **3.7 Golf and development in George: preliminary issues**

Some of the top golf courses are located in George, which gives the golfers a variety to choose from. However, it also makes the industry much more competitive as so many golf courses exist in close proximity. This raises the question as to whether it is feasible to have so many golf courses in one area. It also begs the question as to its sustainability in terms of the environment and whether the capacity of the town has adequately been assessed before the developments took place. This can be strenuous on natural resources and water in particular, as maintaining the greens require a great deal of water. This is a natural resource which the Western Cape has experienced a serious shortage of in recent years (DWAF, 2004). Due to the concerns that have been raised about the growth of golf developments, the Western Cape's Department of Environmental Affairs and Development Planning (DEA/DP) initiated a study in October 2004 to investigate the impacts of golf courses and polo fields. The social, economic and natural environmental impacts associated with golf and polo fields have been assessed in this study. The information has been obtained through interviewing individuals and organisations. Its approach is to assess both the negative and positive issues relating to golf and polo developments within a sustainable development framework (DEA/DP, 2004).

The establishment of golf estates in the Southern Cape and the role they play in the social, economic, institutional and environmental context compared to other types of development are assessed in this study. A need exists for developing guidelines on how future development of golf estates should be done, as compared to other types of developments. When enhancing sustainable development with regard to golf estates, a balance between conservation and development is important and golf estates should be developed in such a way that they add value to the community in which they are located. A balance between golf estate development and biodiversity is very important and should be maintained (Eden District Municipality Revisited IDP, 2003). Normally it is foreigners that invest in golf estate developments. However, these foreign investments should be evaluated by keeping in mind the settlements of emergent farmers, residential needs. Many farms on the way to George airport are described as good property for golf and with the rate at which golf estates are sprouting up in George it would not be

surprising if these farms will be sold in the not so distant future for the purposes of golfing estates.

As golf is seen as an urban activity, the location of these golf estates within a town is also very important. The effect the development of golf estates has on the rural areas should be taken into account, as well as its effect on rural development in comparison to golf estate development. In this, it is very important to note that guidelines for golf estate development are urgent as many more applications are awaited in future. In effect as these many developments of golf estates arise, the question should be asked what exactly the golf estates generate to the general public or community and how accessible these golf estates are. Also what the use of these estates may have to the general public at large. Although it is presumed that golf estates supply many economic spin-offs and ripple effects in the local economy, it should also be inquired what exactly these golf estates generate. The rise of golf estates questions how the link between the disadvantaged communities of the Garden Route compares to the golf industry. These tie in with the question of how municipalities cater for both the rich and poor. As many more golf estates continue to emerge, social upliftment should form part of the criteria of the development for communities.



Due to the rise of golf estates, local people are excluded from public beach areas and so the golf developments have negative effects as well. This has occurred where the people of Pacaltsdorp cannot access the Gwaing River as the municipality has leased it out to a private person. The people are now expected to pay an amount before access to the beach is given. This causes concern among community members and they have reacted by way of protests and these have also been showcased on television. However, the positive and negative effects of developments are one of the major topics of this study and will be explored in more detail in the next chapter.

### *3.7.1 Democratising the game of golf*

Although golf is considered to be a very exclusive sport, this tendency has receded somewhat recently. It has become more open to the general audience and the notion that

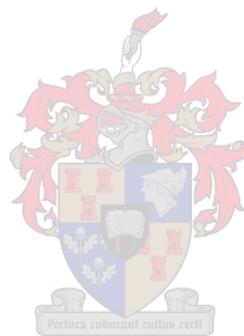
it is an exclusive sport reserved for the wealthy is rapidly declining. The golf sport academy has launched a programme whereby development golf is being introduced progressively to the less wealthy, who cannot afford to play the sport ([www.fancourt.co.za](http://www.fancourt.co.za)). This has opened up numerous opportunities to the local residents of George and the Southern Cape. The programme presents those talented golfers with the opportunity to develop their golfing skills. The Fancourt Golf Development team was established in 1999 and is producing some promising golfers. Golf players from the local community were selected to form part of the development group of golfers. This is one of the positive advantages that came about as a direct result of the golf development that has taken place.

This has given the talented players from the local community an opportunity that is unique to the region and which is also a direct result of the popularity of the golfing sector in the Garden Route. In an attempt to conform to and participate in the global community, the sport industry has democratised. For this reason they must follow the rules of the game to be recognised by the international community. Making sport more inclusive also leads to more investment, more people playing the game and more publicity for the sport as a whole. This could lead to the industry becoming more popular and extends the profit margins. There is also a general trend of stakeholders realising the business potential of the sector, which can be utilised to make money.

## **Conclusion**

In this chapter the areas surrounding George and the town itself have been explored. This has been embarked on in an attempt to highlight the tourist potential of the town. The main theme throughout this study is linking tourism and sport. Golf is an important part of George's tourism offer. Further, the town and the wider Southern Cape have some of the top class golf courses. The political dynamics and decision-making processes in awarding George the bid to host the Presidents Cup have been discussed. Influential sport icons, especially golf role players, have campaigned for the event to be held at Fancourt. This has given George some kind of advantage as they had South Africa's most respected golf players backing their case. Lastly it has also endeavoured to show how the sport has

become much more inclusive and how the stigma and stereotypes connected to the sport have been reduced. This in turn helps to reduce the gap and bridge the divide between the wealthy and the less privileged through sport.



## Chapter 4

### Evaluating the impact of the Presidents Cup

#### 4.1 Introduction

The following chapter seeks to outline the empirical findings of the research conducted. A summary of the questions asked as well as the aims of the questions will be highlighted. The answers of the respondents will then be stated and these will be analysed. A basic description of the respondents and the positions they hold in the community, including in terms of employment, will be provided. The discussion of respondents' perceptions of the event's impact is organised and evaluated along the following main themes: escalation of higher estate and land values; over development; and the social and tourism impact of the Presidents Cup. The effects of golf estate developments are also discussed by highlighting certain issues including the loss of agricultural land, water scarcity, socio-political issues and seasonality.

Role players include government officials, the industry members as well as members of the local community. Their different interpretations of the impact of the event will be discussed. Lessons and conclusions can then be drawn from the viewpoints of the different respondents regarding the event.

#### 4.2 Background on respondents

The respondents interviewed as described in Chapter One have been divided into three categories. Firstly, there are the government representatives. These include local municipal officials. The current Western Cape premier, Ibrahim Rasool, can be categorised under the government officials. The second category is the private sector and more specifically those actively involved in the tourism industry. The private sector representatives include local business owners within the tourism industry. All these can be seen in Appendix 1. Lastly, there are the local residents or civil society, included to give their social perspective on the state of affairs. Cosatu's Southern Cape Secretary has also been quoted and forms part of the civil society representatives. The chapter presents respondents' viewpoints according to the categorisation illustrated below in Table 4.1.

The study seeks to convey the political, industry and social perspectives of respondents regarding the impact Presidents Cup. As a result the interviewees were chosen on the basis of their political and social status in local government of George and its community members. Their involvement within the tourism industry and the sport event were also reviewed before interviewing respondents.

**Table 4.1**

<b>Political role players</b>	<b>Industry role players</b>	<b>Civil Society role players</b>
Government officials	Private sector	Local residents
<b>4</b>	<b>6</b>	<b>10</b>

### **4.3 General views and perceptions regarding the impact of Presidents Cup**

With the recently held Presidents Cup in George (during 2003), visible changes and development came about; this has affected George and its people. However, not all change and development can necessarily be regarded as positive and this will be discussed in more detail in the course of the chapter.

Everybody interviewed agreed that the Presidents Cup had a positive effect overall, due to the exposure the town received during the event, particularly in potential international source markets. While it can be argued that it has been on the international map before, this type of exposure is rare. This is especially the case with golf developers as many more golf developments have seen the light since the event was held in George. According to an economic assessment done, the Presidents Cup injected about R300 million into the economies of the Western Cape and the Garden Route. It has been stated that visitor spending in the Garden Route amounted to R106million. This amount could well reach R185 million as money circulates through the economy (Datavision Marketing Research, 2003). About R100 million was generated through the employment of local suppliers of infrastructure and services of the event. The Datavision study also found that the major sporting events encourage first time visitors to return at a later stage to visit the area again. The survey indicated that about 77% of visitors are likely to return (Datavision Marketing, 2003).

In terms of tourist growth since the event, most tourism businesses (in particular the accommodation sector) have experienced that 2004 has been their slowest and most quiet year. A tourist accommodation owner laments this: “Business has been slow this year, in fact we are experiencing our slowest year”. Another tourism owner corroborated this: “This year so far has been the slowest we experienced, everybody would confirm this.”

George has become known as the golf mecca of the Southern Cape and hosting the Presidents Cup has just enhanced this notion. Since the event, more and more golf developments in the form of estates and courses have arisen and this has not been well received by community members. As such, the effect of the Presidents Cup has had both good and bad impacts. As golf developments have occurred, it has generated some employment. These developments, in other words do stimulate employment depending on which sector one looks at. This has an effect on local business as many developments have a real estate component and the building industry; carpenters, painters and interior designers are just some examples of the beneficiaries of these developments.

Particular sectors are set to benefit from these developments in specific ways. Security companies, fence manufacturers, lawyers, municipalities, architects and brick makers are the many recipients of business benefits of these estates. An example of the booming state of business was when on enquiry, brick sales have been found to skyrocket and the supply of bricks in George has been sold out. Another example of this was mentioned by writer Larry Gould on enquiry to a garage owner outside Fancourt: “the volumes of petrol sold are amazing, so many permanent residents on our doorstep added to the tourists and coaches we receive has served to truly make a difference to what was always a small business” (Gould, 2004).

However, although this is good, many golf estates are developed and owned by a large proportion of people who are non-South Africans, and other times mostly the wealthy are involved. Moreover, some of these golf estates are deserted most of the year, which does not make for any sustainable employment, as employment is mostly seasonal. Investing

in the development of golf estates requires large volumes of water and municipalities also stand to gain a large amount of money from these developments. German golfers have been the main stable clients for many years. In the past two years, many golfers from other countries, which include Sweden, Denmark, and Finland, have also visited. The French are also becoming a growing market that visits South Africa regularly. A new emerging market constitutes golfers from Ireland (Gould, 2004:14). The Garden Route has thus established its niche, which is evident in the many golf courses that have sprung up.

Golf developers must buy the property they want to develop and also submit applications to the municipality in order for their developments to be approved. In this way municipalities stand to gain large sums of revenue when golf estates are developed. However, if these developments are not managed in a sustainable way it could have negative effects on the tourism industry at large as well as the city and its members. Many of the local residents are in protest against the rampant rise of golf estates in the area. They are of the opinion that the developments are not taking place in a sustainable way. Their appeals have resulted in the Western Cape Premier Ibrahim Rasool placing a moratorium on any further development of golf estates in the Southern Cape region. The Premier said that it would not affect the already existing golf estates, but it would seriously consider. Since the Presidents Cup was held in George, numerous golf courses and estates have been constructed.

#### **4.4 Economic impact**

This definition of economic impact and what exactly this means in the context of the study was described in chapter one. Positive features of economic impact can be described as the distribution of foreign exchange and escalation of more businesses whereas negative impact can be manifested in the escalation of higher land prices and the fact that the industry is still highly based on seasonal demand which leads to low returns. Accordingly this type of impact can be understood in a number of ways. In this study positive economic impact was operationalised as employment opportunities and the escalation of new businesses or the growth of current businesses. In addition, questions

about possible new infrastructure developments were also raised. These questions were asked to evaluate whether the town experienced any upgrades as a direct result of the event. The economic impacts of the Presidents Cup will be evaluated by a number of factors.

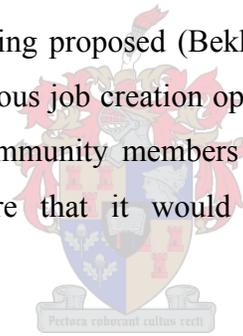
Certain questions were asked with the aim to evaluate the economic impact in terms of employment and the escalation of new business. The conjecture is that as more tourists visited George, it led to more economic and financial investments, which stimulated the economy. The benefits as a result of the investments to the local tourism industry are thus evaluated. The same categories of respondents were asked to give their views on all these questions. Some of the main issues are highlighted and discussed in the following part of the study, as derived from completed questionnaires and interviews conducted.

#### **4.5 Rising land values and over-development**

One of the obvious ways in which the event impacted on the town is stated through the rising land value. Aside from the rising land value, there have been other developments that have impacted on the town and its residents. The rise in land value can also be an extension of the initial developments that have taken place at a significant rate. In analysing the questionnaires completed by the selected role players, this was the obvious conclusion that was drawn. Many respondents, mostly authority figures, highlighted the rising land values as a positive economic contribution towards the local economy while others considered it to be an economic cost. It can be argued that the increasing numbers of tourists cause an increase in land values, and this creates a demand for land and the competition from potential buyers forces the price of land to rise. Although the demand for accommodation facilities means an increase to the construction industry, it also means that real estate agents, landowners, and local residents are forced to pay more for their homes due to the higher taxes, caused by the increase in land values. Due to these developments and land being used to build golf estates, the prices of property have shot up significantly and have become largely unaffordable to locals.

Over-development is another effect that must be taken into serious consideration. The continuing development of golf estates in the Garden Route is seen to have an effect, be it positive or negative on golf tourism and the immediate area. This in turn has an impact on local business in the area. In the aftermath of the big event, the Presidents Cup 2003, the effects and impacts can be seen and thoroughly analysed. It has stimulated the development and growth of many new golf estates in surrounding areas. Ernie Els' golf course at Oubaii estate is under construction, and the estate will host 323 properties of which 276 are sold on completion. The estate also offers 128 luxury apartments and 113 were already in private ownership September by 2004 (Gould, 2004:11).

Another project, the Knysna River Reserve Development, is being proposed which includes the Old Drift riverside picnic site. A world-class sporting facility with a Hall of Fame Sports Oval, an Audubon International Golf Course, a 60-suite hotel, 87 homes, and 453 holiday dwellings are being proposed (Bekker, 2004:3). It has the approval of Cosatu as it is said to have numerous job creation opportunities, skills development, and poverty alleviation. However, community members want governments to thoughtfully consider developments to ensure that it would have positive effects for future generations.



Le Grand, set to be built on the very premises or land that has in the past been allocated for township development for local residents. Local residents have been excluded from development and recreation of land for the wealthy few, mostly foreigners at the expense of the locals. Plots set to be sold range from R680.000 to R1.4 million. Another development mentioned earlier at Hoogekraal estate was sold for R40 million to a developer in Pretoria. The Lagoon Bay is set to have two golf courses, a five star Sun International hotel with a small shopping centre. These developments are set to range from R700 000 to R5 million, which is unaffordable to local community members (De Beer, 2004:4). A private beach at the Lagoon into which the Maalgate River flows, is proposed to be the centre of human activity on the lagoon including the lagoon bar, restaurant and family entertainment.

Many farmers are also concerned with the rate at which agricultural land is being rezoned for development. Although development creates jobs and ensures the successful livelihood of local members, it should be done in a sustainable way. If this is not done, it could have far reaching effects for the farmers involved, especially if water extracted from agricultural land starts affecting farmers.

### *Political perspective*

Government officials are of the opinion that the exposure of George has led to more people becoming interested in investing in the town's development. It creates employment, which generates income and stimulates the economy of the town. The former mayor of George stated: 'Oh yes property sales skyrocketed and this was of course very good for George and it also resulted in job creation for the locals' similarly the George Business Chamber employee stated: "Property sales have gone up tremendously since the event."

The perceptions of political role players have mostly been in support of perceived benefits of hosting events and combining sport and tourism. Their reaction towards the escalating developments generally seems to be one that promotes this process. Government authorities seem to be development agents and thus push for development to take place. However, it seemed that the local residents had some effect on policy as Western Cape Premier; Ibrahim Rasool, has placed a moratorium on the approval of any more golf estate developments until investigation into the golf resorts has been completed, when he visited the region in August 2004. However, he also said that the Western Cape government did not want to chase investors away as they helped to create jobs. As a result of the many golf estates, developing the Western Cape Administration has been forced to order a review to estimate the impact of golf parks in the region (De Beer, 2004:3). Though this has been ordered it is clear in the statement made by the Premier that he believes that these developments harness positive growth.

### *Industry perspectives*

Regarding the rising land value, real estate agents see this as an obvious benefit. According to role players actively involved in the tourism industry the international exposure of George created huge awareness in South Africa, causing a lot of interest in property, resulting in higher asking prices for land. The following statement by a local businessman confirms this: “Property prices here have gone up by 30% since October 2003 and is continuing upward.” He further states: “Many sectors, most obvious not only building, are providing many new jobs which though originally thought to be temporary in length have become almost permanent”. “Benefits across all income groups are shared even among the unemployed; due to the influx of high earners into the area this makes businesses generally more successful.” Many other industry owners share the same sentiments: “the benefit of developments and rising land values creates money in all earners pockets, allowing better tipping, better charity donations, better giving generally and the effect filters down even to the car park attendants.”

Over-development as stated by a Bed and Breakfast owner: “Critics of development often overlook that you can’t have taxes or money for charity or social developments without growth across all levels. Growth only for the rich-, which is often the critical comment in the letters to the Press-, is not the reality here as all businesses in every sphere are prospering. You can easily calculate over 50 000 poorer people are living from the growth and employment created by golf tournaments and golf estate-type housing. That is hardly the rich benefiting.” These are the sentiments that most business owners’ share and they welcome the new investments, as their own businesses will flourish.

However, though most believe in the positive impact these developments represent, not all business owners are convinced that the benefits of developments are equally distributed. According to a local resident and prominent businesswoman: “the tourism industry and its distribution are skewed, the larger part of benefits is still very much centrally placed in the hands of those with money, meaning just for whites.” “The impact is still too exclusively for whites.” This has meant that the attempts of the previously disadvantaged to gain entrance to the tourism market has been very difficult. According to her, the industry has democratised and government has created some incentives to help

new entrepreneurs to gain access. However, the more established business community still has the upper hand and is not very eager to accommodate the new entrances into the market. Thus, the entrance of the previously disadvantaged is still limited, which has made it difficult for them to make a profit.

### *Community perspective*

Local residents, contrary to the aforementioned role player's perspectives, are extremely upset about the rising prices of property in the community. Chairman of Pacaltsdorp Community Association, echoes this with the statement: "We are not satisfied with the fact that land in the area was increasingly being used to provide recreation to a wealthy few at the expense of the livelihood of others, many of them foreigners." He also stated: "We are tired of people playing ball-ball with us. In all these massive developments, we have been totally excluded."

Mostly municipalities have to ensure they have sufficient revenue and through these developments they are secured of an income, as is reflected in a statement made by Wilderness Tourism Bureau Manager. This is a clear indication that tourism development means different things to different people. However, there is consensus about one thing: All role players in the different levels selected for the purpose of this study agree that property prices have escalated tremendously. Although there is no doubt about the latter statement, there certainly are different ways in how it is perceived, and since perceptions depend on the interests of the role players, this is clearly evident from their statements. From the different reactions of the role players, it is evident that they all have different interests to protect. This has given rise to conflict between the different interest groups, which might never have arisen prior to the event. The differences in perceptions between the different role players have led to conflict rising between the role players especially government officials and local community members.

The community members of the Garden Route who protest against the extensive developments taking place, have formed an organisation called "Guardians of the Garden Route", GOG, which includes land activists and environmentalists who are against

development taking place in a non-sustainable manner. The organization representing groups from Knysna, Plettenberg Bay, and George have planned protests. Community members in George have expressed their discontent with the rate at which golfing estates have escalated in the Garden Route. Many residents are concerned about the impact this seemingly growing trend is having on the environment as well as the ability of local authorities to keep up with the provision of adequate infrastructure. The influence developers exert over the area while government officials are unable or unwilling to see and act on these developments are worrying.

According to GOG's Knysna coordinator, "Developers always promise that they will create jobs and that they won't damage the environment and won't cut off access to the coast. And then once they get permission they do exactly as they please. The public is overwhelmed by their slick public relations. Government officials seem to be battle-fatigued and without the muscles to challenge transgressions."

GOG supports the government's intention to integrate communities and minimise the destruction of agricultural land, biodiversity, and scenically sensitive areas, through planning and development controls (Bekker, 2004:3). The concern about the water being extracted for the luscious developments in golf estates is also becoming a problem for the town people. Another local resident and farmer said: "I am not anti- development if it is done appropriately. However, where the amount of water extracted from agriculture starts affecting us seriously, one must be concerned."

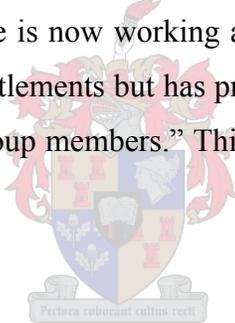
Cosatu's Southern Cape regional secretary however states the opposite "We are talking about job creation, skills development and alleviating poverty in an area where 40% of people are unemployed. In the construction phase this development will create about 4800 jobs and there will be permanent sustainable jobs for more than 1000 people, and black empowerment partnerships" (Fredericks, 2004). It seems that even among community role players a variant of discord exists.

#### **4.6 Social impact**

In trying to explore what the social impact was for the local residents a large proportion stated that the impact was significant. Throughout the interviews it was seen that most people thought the event had tremendous positive effects on the local residents.

##### *Political perspective*

Mostly government officials affirmed this notion that the event had positive effects. The former mayor of George confirmed that the locals received training as volunteers and were presented with certificates to award them for their hard work. Chairman of the George Chamber of Commerce and Industry, also said: “this was a wonderful opportunity for many of the local youngsters; they received training and gained skills that they can use in future.” She also stated that: “while a volunteer heading the group of volunteers, one young man in my group of volunteers was unemployed and living in the informal settlements in George. He is now working as a driver for a company and he is no longer living in the informal settlements but has proper housing in town. I don’t know what others have done for their group members.” This can be seen as a positive effect of the event.



##### *Industry perspective*

The same sentiment is shared among members of the industry. A statement by the Airport Manager: ‘the locals including youngsters were recruited as volunteers for the duration of the event. They gained experience and it gave them a chance to equip themselves with skills that they can use in future.’ The event has been experienced as a positive one and this is a sentiment shared by most government officials but most other individuals also agreed with this statement. Many are in agreement that the exposure was good and many are of the assumption that it led to more development that has brought more employment to the locals.

Other bodies reviewing the impact of the event have thought it to be valuable especially since Fancourt won the bid to host the Women’s World Cup of Golf for the next three years. The event will take place next year during 11-13 February 2005. While speaking to

the George Airport Manager, it became clear that the Presidents Cup had extended their capability. “Because we had to accommodate a number of flights and more passengers than we are capable of handling it forced us to accommodate this significantly. Since the event, we as a company have learned to integrate good practical and theoretical skills. This has proved to many that we are certainly capable of handling such a major event.”

“Taking into consideration that we lacked the necessary infrastructure we could still pull it off due to good organizational skills. And for being able to work together as a team and for that I give credit to my staff.” She is also of the opinion that the ability of the airport to cope with such a huge influx of aircrafts and passengers must have contributed in some way to induce the decision to award George the credit of hosting the Women’s World Cup of Golf for three years. As stated earlier in this study, one of the factors considered when looking for a host of a major event, is that it has to be in close proximity to an adequate airport. Therefore, this statement might not be too far-fetched.

According to the manager, the airport has attained a growth of about 18%, but she is hesitant in attributing this to the Presidents Cup entirely, though the exposure has been good to them. The airport is in the process of expanding and making some bigger developments; but again, this cannot be attributed as a direct result of the Presidents Cup.

#### *Community perspective*

According to the person who was head of the recruitment of volunteers from the different informal settlements and neighbourhoods in George: “I had to get young people from Blanco, Pacaltsdorp, Thembalethu, Levalia, and Parkdene there.” All these youngsters who were mostly unemployed and working as volunteers were welcomed as it gave them some opportunity to invest in a worthwhile cause and at the same time also into gaining skills and experience. He further stated “the event was great, we all received free meals and T-shirts as well as caps, we all looked very neat and tidy.” “We mostly worked as car park attendants and security volunteers. The others worked on the golf courses and acted as jockeys, hopefully we will be able to do that also someday. “It was a great experience that I am happy to have experienced. We received a two day training course so we

exactly knew what to do and what is more this will look good on our CV for future references. Also when more events like this come to George we will be qualified and experienced to work as volunteers again, this is really a positive alternative for many of us.” It is certain that more events like this would be hosted in future as Fancourt got the bid to host the Women’s World Cup of Golf for three years. We are going to work as volunteers again next year for the Women’s World Cup Golf.”

“I am an electrician and since the Presidents Cup I have received many subcontracts for electrician jobs. Mostly for houses that have been built in surrounding areas. Many people from overseas want to build new houses here and so this means more jobs for us.” From the perspective of civil society at grass roots level, it has meant better opportunities and employment. This is a sentiment shared by most role players interviewed. This is also the sentiment shared by most people that were not even directly involved in the event.

#### **4.7 Tourism impact**

Questions that will explore and highlight the tourism impact were asked when interviewing the different role players. The aim of the questions was to compare whether the number of tourists before, during, and after the event had seen significant changes and whether the event established or complemented the industry in terms of numbers. It was also asked whether any additional employees were employed for the duration of the event, in order to determine whether the growth in tourists resulted in further growth in economic terms. A conclusion that was drawn from responses is that different sectors did employ additional people during the event. George airport flew in extra personnel to act as casuals from Johannesburg and Cape Town as they had a shortage of staff. This was necessary due to the amount of people that flew in every hour. These extra casuals were also paid as airport manager stated: “We paid our casuals because I needed people with the necessary skills and discipline. We could not compromise on our quality of service, because that would have reflected poorly on us and how we operated.” In this instance, the locals did not gain any economic returns per se, but people working as casuals, from the wider region and parts of the country, had some exposure as a result and benefited

from it. This made the scope of the event more widespread and applicable to local domestic visitors as well.

It is also imperative to note the geographical location of the employed individuals as well as the type of job in which they were employed. This could give an indication of the intensity of the impact on the local economy of George. In addition it must be noted whether these workers were employed as temporary or permanent workers, or if it was just a seasonal occurrence. The reason for their employment was a direct result of the event that was held in the region. The aims of the aforementioned questions have a specific function in that it would give a more concise indication of the impact of the Presidents Cup. The amount of advance bookings could give an indication of how popular the destination is or has become. The economic and tourism impacts interlock, and would indicate whether the marketing of the region has been done successfully as many more tourists would visit the area. The popularity of the region could also say a lot about the quality and standard of service visitors receive, in addition to its popularity as a good destination.

#### **4.8 What is the state of tourism?**

In order to conduct a proper review of the effect the tourism industry experienced after the Presidents Cup, the state and perception of the industry before the event should be evaluated. The tourism industry experienced its best year all round in 2002. This was stated by business role players and many others operating in the tourism industry. The statement by a B&B owner, estate agent and businessperson confirms this: “2002 was most definitely our most profitable year and if you ask any other business person they would corroborate this.” Another Bed and Breakfast owner stated: “According to our business’ statistics and personal experience, we experienced our best year in 2002; the whole industry experienced a good year.” This can be attributed to the fact that George would have hosted the Presidents Cup that same year. The publicity of hosting such a major event may have been evident as most of the accommodation facilities were booked months and some even a year in advance.

However, the event was postponed due to the September 11 attack in America and was only held in 2003. Since the Presidents Cup was held business has been slow, and this could be due to the fact that the industry has grown and become more competitive. As 2002 was a very good year for tourism more businesses especially accommodation facilities were established. Another economic cost of tourism development is that retailers in the industry realize that the type of tourist they appeal to is able to pay more in monetary terms for products. As a result, retailers increase their prices, which increases their profit margins (Mathieson and Wall, 1982: 88). These retailers can afford to pay higher rent and taxes and thus they can successfully compete with others catering for local residents. Thus local residents may have to go beyond the local environment to shop for their purchases. This is due to the fact that the diversity of products is reduced as stores that cater for the local market are displaced and more and more specialty stores for tourists are established (Mathieson and Wall, 1982:88).

According to the Wilderness Tourism Bureau Manager, during the Presidents Cup, tourism prices rose. The following statement is revealing: “They have priced themselves out of the market and I don’t think they realize it.” He also believes that the industry members have not yet adjusted to the market and as a result business has been slow. The quality of service determines whether the business will be profitable or not. Every visitor wants value for their money and so the quality of service will determine whether customers will come back. Visitors know what their money is worth and if businesses make their prices too high, many will lose customers if they are too greedy. Governments would consider this as good development since that would make the tourist feel more comfortable, however this comes at the expense of the local residents as they are inconvenienced to accommodate tourists.

Many industry role players are of the sentiment that not enough is being done by authority figures in the industry to promote the region enthusiastically enough. The town and the real value and potential of the tourism industry are being underplayed. Resources are not being used properly and thus the potential of the town is not used to the full. The tourism industry is a dynamic business and although it is open enough so the ordinary

businessperson can benefit from it, its distribution is skewed and in the hands of the minority, which have money, as was mentioned earlier in this chapter.

When evaluating the impact of the Presidents Cup in George there are many factors that should be taken into consideration. The event was advertised widely, however, some people are of the opinion that the event was not marketed properly and did not exhaust all the possible resources at its disposal to appeal to everyone. Whether the inability to market the event properly had any effect on the growth or lack thereof in the tourist industry is unclear. According to some, the event was not marketed effectively and aggressively enough and more could have been done to attract and sell to the American market. An executive employee of Fancourt sharing this belief says: “I don’t think the event was marketed forcefully enough to attract the American public.”

Since the event, the expected influx of American tourists has not yet been realized. The lack of tourists in numbers could also be ascribed to a number of other reasons. In light of terrorist attacks on America in 2001, it is no surprise that people are afraid to travel. Another reason for tourists not visiting the country could be because of the Rand appreciating increasingly against the US dollar. The strong currency makes the country more expensive to visit especially for the American market. People visited the country during the event and they might still come back. The US also recently held elections and this might have also impaired travelling out of the country a bit. The long-term tourism effect in terms of the Presidents Cup on George has not been as phenomenal as most proclaimed it would be.

#### *Basic observations*

Seasonality is an added factor that is imperative to note when exploring the tourism industry. Production, especially in the accommodation sector, is greatly reduced in the off-season period and so returns are often very low. This is one of the negative effects of tourism due to its seasonality. Thus, many in the industry have to make other arrangements in the off-season, as the income is lower at this time. The whole tourism industry slows down in the off-season, and so financially more responsibility is placed on

local investors (Mathieson and Wall, 1982: 89). If the industry falls short, public authorities may even have to step in to redeem the situation. The seasonality of the industry also makes employment unstable for a while, which makes residents more vulnerable.

#### **4.9 Effects of golf estate developments**

Some of the guidelines or factors that should be looked at include the carrying capacity of municipal areas, social impact, and the environmental considerations. At the moment, there are two applications to be considered, one is the lakes Eco and golf Reserve and the second the Lagoon Bay, to be launched by October 2004 at Hoogekraal estate. The application for the golf estate called Le Grand next to Oubaii has not yet been submitted for approval, but developers are already selling plots as part of the estate. It is this development close to Pacaltsdorp that has caused a stir from Pacaltsdorp community members.

It seems that property developers have a great deal of power and this has left local authorities powerless as many developers come into the market under the pretence of testing the market. This leads to development taking place and developers marketing and launching their developments before their applications have been rendered and even before applications are submitted to local authorities. Le Grand, one of the developments where plots are marketed, has yet to apply for approval for golf courses. Lagoon Bay is set to launch their estate by September/October but only expects approval from George by mid 2005 (De Beer, 2004:4).

#### *Loss of agricultural land*

A worrying trend in George is that golf course estates sometimes occur on prime agricultural land. In the short-term the overall financial value of golf course estates may be greater than that of farming. However, in the long term, these short-term monetary gains, which benefit only a few individuals, may be disguised by a shortage of food-producing areas, affecting all South Africans. Also the loss of land results in farm

workers being displaced and they are not always employable on golf estates and can lead to even worse circumstances (DEA/DP, 2004:48).

### *Collapse of urban communities*

Many golf estate developments are on the urban edge or in semi-rural areas. This results in urban sprawl and can create development nodes where infrastructure does not exist. This places an added burden on local municipalities and the community at large, for example, through increased traffic congestion and demand for services (DEA/DP, 2004).

### *Water scarcity*

Due to the consideration especially when golf estates are approved. The amount of water golf courses use varies fact that water resources are scarce in the Southern Cape, it is a fact that should be taken into greatly depending on the region, but on average they use about 10 800 000 litres of water per year. According to the Golf Course Superintendents Association, US golf courses use, on average, 414 500 000 litres a year. In essence each golf course uses enough water to provide at least 1200 people with their basic water needs for a year. South Africa is a dry country and many people still do not have access to basic running water.



### *Socio-political issues*

Golf course estates are often isolated from surrounding communities. They have thrived on people's fear and insecurities in the face of increasing levels of crime and violence. People who have accumulated sufficient wealth to do something about this inhabit these estates, but rather than use their considerable resources to assist in addressing the problem, they attempt to block themselves off from the rest of society. These estates are off limits to the public, limiting access to public space. This cannot be very encouraging to the rest of society and creates tension between the wealthy and poor. By restraining access to natural resources such as arable land, fuel, water and food, golf estates further impoverish poor communities, both economically and psychologically.

#### 4.10 Conclusion

Throughout this chapter the perceptions of the selected role players were explored, and interpreted to provide an assessment of the Presidents Cup. Various interest groups were included in an attempt to give a representative description of the perceptions regarding the event.

##### *Who is set to pay and who gains?*

The promoters and operators of the event as well as their employees have accrued much of the direct returns. Other role players like the local residents were affected by the event and the tourism industry even though directly they might not have been involved in tourism. They may have experienced many of the indirect costs like the rise in inflation induced by tourists and increase in property values to name but a few (Pearce, 1983). Thirdly, there are the government authorities in this instance presented mostly by municipal officials that have been the drivers of development. However, the very essence of the rewards they may reap and the costs that might be inferred to them will differ from those of the other role players (Pearce, 1983:63). A possible fourth group that could be added is the tourism industry, as they are fundamental to the process. As highlighted by Pearce (1983:63) tourists are the ones who bear the direct financial costs, but they also experience the benefits, though it is mostly financial. In addition, as mentioned earlier in this chapter they can also be the catalysts that push up prices for local residents and locals are often priced out of the local market as a consequence.

It is clear that no simple statement can be made concerning the impact of hosting events (Pearce, 1983:63). The effects of the sport events can surely be felt and have widespread ramifications on the rest of the host nation or city. One can draw the conclusion that even on a smaller scale similar events to the Presidents Cup, contrary to mega-events and the general perception; can surely have impacts that are more complex<sup>3</sup>. From the major points highlighted in this chapter, this has been evident. Accordingly, Pearce (1983)

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<sup>3</sup> I am indebted to Dr. Scarlett Cornelissen for highlighting this point to me.

makes the statement that the nature of the effect of such events depends on the context and the process of development and it may also vary from case to case.

Douglas Pearce (1983:63) stated that the best way to assess the overall impact is to improve the methods of assessment. Comparing economic costs and benefits against the social and political rewards and drawbacks can be one method. However, after all the costs and benefits have been established there is no easy way of deciding who is best positioned to decide what method or measure is the best when evaluating the best form of development (Pearce, 1983:63). All these developments cannot be worthwhile if the local residents feel apathetic towards them and feel that they are excluded and driven out of their own community by foreign developers, who are only concerned in subsidizing their own benefit. It can be stated that tourism does not generate as many positive factors as governments and other role players would like people to believe and that development that originates from tourism is not mostly good.

The central views throughout this study have been the rise of land values and the rising number of golf estates in the area. The rising golf developments have also resulted in the quest for land, which has caused the value of land to move upwards. According to this, many farmers have sold their property to developers and so a loss of agricultural land has been experienced.

As the different views of role players were highlighted, it has been noted that tensions between government officials and community members have erupted due to the different views on the issues of rising land values. Community members see the developments as detrimental to the long-term growth while governments only see the short terms benefits and what it can mean to the local community members and businesses. Government officials see the rise in estates as positive because of the employment it can generate. However, community members see it as a detriment and feel incapable of ever being able to afford proper housing. Restricting entrance to the tourism industry for non-whites makes the people apathetic and makes it difficult for them to stay in the business. This leaves them feeling that they are not included but pushed out of the tourism industry.

## **Chapter 5**

### **Conclusion and discussion areas for further research**

#### **5.1 Introduction**

This study has sought to assess the impact of the Presidents Cup 2003 on the local community as well as the local industries. The central theme throughout this study was to highlight the development and impact the international sporting event in particular; the Presidents Cup 2003 has contributed to the George region and community members. The study has tried to convey the perceptions of the different role players. Although this has been done in an attempt to give a broad view of the perceptions at the government, industry, and community levels, the study's sample frame was very small. This is a serious limitation of the study. In addition, it was based more on the personal views and perceptions of the individuals and should be taken into consideration when reading this study.

#### **5.2 Summary of the different chapters**

The preceding chapters all had specific topics that were discussed and certain goals that had to be reached. Chapter One gave a brief description of the outline of this study and explored the definitions of the important terms in the study. Chapter Two gave a literature review and background on the relevant literature regarding tourism and sport. The tourism industries of South Africa and more particularly the Western Cape were analysed. Chapter Three gave a description of the George region and surrounding areas, it further described the developments of golf and the development of estates. In addition, what the effect or impact golf tourism has had on the development of the local community was described. Chapter Four expressed the responses of the empirical research according to different role players. The findings in this chapter were quite significant and this led to certain conclusions that were drawn. The impact of the Presidents Cup was evaluated based on the responses of the selected role players.

### **5.3 Research questions**

In the beginning of the study, key research questions were asked and in the course of the study, it was attempted to answer these questions. The answers to the questions were explored and compiled as the following.

#### **5.3.1 What was the impact of the Presidents Cup on the community of George?**

The impact the event has had on the community was manifold. During the event many local community members were recruited as volunteers and this was for many a highlight. Gaining the experience was significant, as they should use the skills they have acquired again in future. It has been described by most as a positive investment that made a positive contribution especially to the unemployed youth of the local area. However negative impacts have also resulted and community members have been up in arms about this especially the number of golf developments taking place. Many more developments, especially golf estates, have escalated since the event was held and affecting most community members in a negative way. These developments have made it more difficult for them to afford proper housing as developers are pushing them out of the market.

#### **5.3.2 Did hosting this event make any contribution to the tourism industry?**

The impact the event had on the tourism industry was not as phenomenal as it was thought it would have. The tourism industry experienced their best years all round in 2002 however, since the event, business has been slow. The town and the real value and potential of the tourism industry are being underplayed. Resources are not being used properly and thus the potential of the town is not used to the full. The tourism industry is a dynamic business and although it is open enough so the ordinary businessperson can benefit from it, its distribution is skewed and in the hands of the minority, which have money. Towards the tourism industry, it was mostly the minorities that benefited and this was disappointing for newer entrepreneurs within the industry.

#### **5.3.3 What sort if any economic spin offs were experienced while hosting this event?**

The economic impact is investigated because government is of the opinion that tourism as well as hosting sport events has economic spin-offs (DEAT, 1996). The study

investigated the economic impact of the event especially to determine what it meant for the local residents, whether it created employment, and whether it spawned the expansion of new businesses. Since the event, numerous golf estate developments have escalated, property prices rose and employment for the locals was created. International exposure of George created huge awareness in South Africa, causing a lot of interest in property, resulting in higher asking prices for land. Among the different role players, different perceptions have originated. Many community members think that the higher prices for property are not at all good, while most industry and government; officials think that the higher asking prices for property result in positive returns as it generates more employment for local residents.

#### **5.3.4 What are the theoretical and practical linkages between sport and tourism?**

Although it has been established that many scholars still see these two concepts as two different entities, it has been established that a link between sport and tourism does exist and this has been ascertained in the second chapter of this study. This is a view shared by many other scholars such as Turco *et al* (2002) Standeven and De Knop (1999); Gibson, (2003). They see these two concepts as connected and as a legitimate subject of study.

Both sport and tourism rightfully exist within their own domain, but as it has evolved, it has become clearer that the two concepts co-exist and form an interrelated partnership. Visitors' spending money at the games can bring money to the local community; the media coverage of the event can also further enhance the destination's popularity. It has been established that international sporting events like the Presidents Cup, can have significant effects in terms of the economy of the host country.

#### **5.4 Discussion and areas for further research**

One of the main issues discussed in chapter four was the rising value in property estates. The rise in land value generally has benefits for most role players, but this distribution does not necessarily generate in an equal way to everyone. As a result of the rise in property value, local residents are priced out of the market, which makes it difficult for them to obtain affordable housing. This begs the question: Who is the most important in

this instance, the local residents, or the wealthy developers and foreigners who bring with them the opportunity to generate income by way of creating jobs? If these two opposites can find common ground, they may be able to engage in an agreement that would benefit both groups. However, it would be beneficial for both if developments were carefully selected and scrutinized before they are approved. These would undeniably have to be of such a nature that it would generate jobs in a sustainable way. According to De Beer, (2004:4) a set of guidelines will be implemented whereby applications will be evaluated in future. These guidelines include distinguishing the carrying capacity of the municipal area, as well as the social impact and the environmental considerations.

Another issue that was discussed in the previous chapter was the rise in the number of golf estates in the Garden Route. This has resulted in over-development, so much so that government stepped in and placed a moratorium on the further approvals of golf estates. A more balanced approach should be taken when looking into these developments as developers create jobs and generate some economic growth. However, these should all be done in a sustainable way to obtain paramount productivity from the situation. Possible alternatives to these developments should be considered and resources should be used in a wiser and more reasonable manner. Economic, social, and environmental factors affect the quality of people's lives and the state of communities. The links between these three factors are important and should be kept in balance to preserve and conserve for future generations.

While investigating the tourism industry it was discovered that the industry distribution was skew. Although many opportunities do exist for non-white business entrepreneurs to enter the market, the question was raised as to whether the new owners of the industry are accepted amongst the wider community of business owners. It also begs the question as to whether incentives provided by government, are sufficient to keep young businesses with many inexperienced business owners afloat in a very competitive market.

### *Sustainable tourism growth*

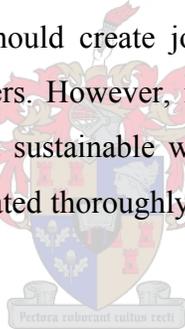
In light of the many economic developments and growth that is claimed to have occurred in the Southern Cape, it is imperative that development takes place in a sustainable manner. In addition, economic growth increasingly takes place at the expense of the natural environment and as such, conservation bodies plead for national and regional policies that facilitate sustainable development. Sustainable development is defined as development that meets the needs of the present and future generations without comprising either in any possible way. The Eden district municipal report (2003) acknowledges two components, called concept of need and the environment's ability in achieving sustainable development. The environment's ability in achieving sustainable development refers to the needs of the present generation without compromising on the future needs of the environment, whereas the concept of need refers to the needs of the poor especially. Three global imperatives are acknowledged in attaining sustainable development. These include the social, economic, biophysical, and technical sustainability. The social sustainability refers to the concept of needs mentioned earlier and helps towards improving the quality of human life while poverty elimination implements skills and capacity enhancement for historically disadvantaged people. While evaluating the key issues in tourism in George and surrounding areas, the word that comes to mind is sustainable development.

As stated in this study the rate at which golf estates appear is worrying in that it is not done in a sustainable way especially for the community members at large. Though it has certain positive advantages in the short term, whether it would have any long-term effects for many is questionable. Creating all the golf estates might have certain positive advantages for the civil society when the estates are in their infancy state however, once the estate reaches the stages of completion the benefits for the poor civil society would have decreased considerably. It would be the playground for the rich and the elite.

The Eden Municipality highlighted a combined financially viable local project in their Development Plan 2003, which includes both profit and non-profit projects in order to ensure that every stakeholder, community member, employee and partner can take part

and benefit. They have emphasized the provision of secure employment, and competitiveness enhanced through the promotion of policies and practices that advance environmental sustainability.

Tourism is becoming more progressive and more significant to communities around the world; the need to develop sustainable tourism also becomes a primary concern (Hall and Richards, 2003:2). Similarly, it is also the case in George where local residents are demanding more sustainable tourism development. As many developments have occurred, mainly golf developments, different role players are in disagreement as to the sustainability of these developments. One of the key observations is that industry members agree that development is good while community members think that not all development is good if it will affect them negatively in the end. It is important that local residents enjoy preference when employment opportunities are presented in George and surrounding areas. Local tenders should create jobs in the area with mobilization of human resources including volunteers. However, it is not sufficient to create jobs, but employment should be created in a sustainable way. The developments that stimulate employment should first be investigated thoroughly to ensure that long-term employment could be created.



Marketing is one of the issues that people especially at the Tourism Bureau should look to incorporate and enhance in a more enthusiastic way. They have done some significant work but they could do more to market the industry. Knysna has marketed their town more dynamically and as a result have reaped the rewards. George should be marketed more profusely as a central base in an area surrounded by natural attractions. There seems to be a lack of enthusiasm to keep the tourists in George for as long as possible. Though the area is endowed with many natural features this is not all that should be relied on to draw tourists, and active and strategic marketing should take place. General marketing of key attractions in the Garden Route area is critical though the awareness of their existence at both national and international level is moderate. Attention should be rearranged to guarantee that the tourism areas and activities are properly promoted and

mega events in the region should be marketed well. It has been one of the findings that were mentioned by role players that the event was not marketed properly.

A continuous efficient and integrated development plan for the George tourism industry should be implemented and diversified. Although George is a coastal town, it has increasingly become known as the Golf mecca of the Southern Cape. However, the tourism industry should guard against becoming too reliant on one type of tourism for example: golf tourism. The industry should be aware of the dangers of a one-dimensional industry and should diversify so that the reliance on one specific form of tourism does not become too excessive for the industry to attain. The local municipality and its tourism department could do many things to connect the industry.

While hosting the Presidents Cup at Fancourt, it was shown that it has the infrastructure, ability and capacity to host a major event like the Presidents Cup. This would enable the host town and golf course to cater for and host many other event of similar calibre. This is visible in that Fancourt will be hosting the Women's World Cup of Golf for three years. This has certainly had a positive effect for the business of the golf estate in general.

The natural environment is in danger of damage especially where large numbers of tourists are found. As the Garden Route has a diverse array of wildlife and vegetation, it is inevitable that the quality of water and other natural resources will be affected. The way in which it will be affected depends on how sustainable the tourism industry is managed. The type of golf development that has occurred in George and surrounding areas can have a distinct impact on the environment. Large amounts of soil are necessary to develop golf estates properly. To keep these golf courses in excellent form large quantities of water is also necessary, water that the Western Cape is running short of. Whether these developments could take place in a sustainable way in the long term is questionable, but should it be done successfully all could benefit from it.

It is the contention of this study that although development is considered a good economic spin off it is not necessarily always just positive. If over-development takes

place with little or no regard for other sectors and people, it can have disastrous effects. Sustainable development may have far-reaching effects. Development taking place or the implementation of sustainable development can be done in such a way that at least the three groups of role players can benefit. Sustainable development is key to the recommendations and should developers take this phrase into consideration and into action, it could possibly restore the balance of the effects of developments. This should be done with an eye on the future, since several major sporting events are lined up during the next few years, including the Soccer World Cup 2010, and if South Africa is to reap full benefits of such large scale events while avoiding the hazards, it is imperative that smaller scale events are scrutinized objectively for any shortcomings and recommendations. This study has aimed to assist in this enterprise, in order to maximise the benefits of sport and tourism to especially the poor, who need to be included in such a profitable partnership. Thus it has been shown sport events are one of the ways in which South Africa can reach its goal, to become a society where all individuals can reach their potential without compromising on the needs of future generations



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**Appendix 1**  
**List of interviewees**

<b>Interviews conducted in George</b>		
<b>Interviewee</b>	<b>Organisation and position</b>	<b>Date</b>
David Statham	Bed and Breakfast Owners	July 2004
Colleen Till	Manager: George <i>Business Chamber</i>	27 August 2004
Marius Swart	Previous Mayor of George.	2 September 2004
Nadia Abrahams	Fancourt Employer	2 September 2004
Bill and Marion Ashmole	Bed and Breakfast Owners	7 September 2004
Jenny Becker	George Airport Manager.	8 September 2004
Victor De Kada	Part-time councillor and	9 September 2004
Luwdrig	Wilderness Tourism Bureau Manager	9 September 2004
Debbie Bruce	BEE owner in tourism	9 September 2004
John Pfaff owner	Developer, Estate Agent and Self-catering lodge	10 September 2004
Social Community members		7-10September 2004

**Appendix 2**  
**Questionnaire**  
**University of Stellenbosch**  
**Political Science Department**

QUESTIONNAIRE

**The Impact of International Sporting Events on Tourism and Development with specific reference to the Presidents Cup 2003.**

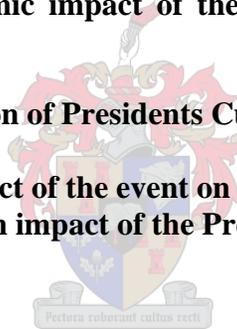
*Objective of Questionnaire:*

**To determine -       The economic impact of the Presidents Cup on tourism and development**

**Contribution of Presidents Cup to tourism**

**Social impact of the event on development of community**

**The tourism impact of the Presidents Cup in George**



**PERSONAL INFORMATION**

**SURNAME AND INITIALS:**

**ORGANISATION:**

**POSITION IN ORGANISATION:**

**TELEPHONE NUMBER:**

**PART A: Economic Impact of Presidents Cup on tourism and development**

Since the Presidents Cup, did it in your opinion have an effect on the growth and development of George? Please motivate?

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Did the event have any effect on job creation or job growth?

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Do the statistics of job employment prior and after the Presidents Cup show a significant difference?

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Since the event, would you say that business expanded / grew or was it the same as before? Please motivate

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In looking at the Presidents Cup, are there any visible effects of the impact of the Presidents Cup? Did any businesses arise due to the influence of the Presidents Cup?

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In your opinion, were the effects of the Presidents' Cup more positive or more negative?

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Did any infrastructural development like the construction of roads or improvements to the communications system or any other similar facilities occur due to the direct effect of the Presidents Cup?

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**PART B: Contribution of Presidents Cup (sport) to tourism**

Are you familiar with the term sport tourism?

YES

NO

How would you define the term sport tourism?

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Has your company had any contact with a tourist organisation in the past or present?

Yes

No

Please indicate which company or organisation did you interact with

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Describe the nature of the interaction

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Please indicate whether there is any form of co-operation between your organisation and other organisations for example:

	YES	NO
Sport organisations		
Transport companies		
Hotels		
Historical Organisations		
Cultural organisations		
Entertainments companies		

Since the event, have you drawn more tourists that are international? If yes, please state ho many.

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During the event what were the extent of your businesses economic gains if any?

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After the international sporting event, has the tourism industry shown any growth?

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Did the Presidents Cup influence the accommodation sector in any way? For example, did it expand?

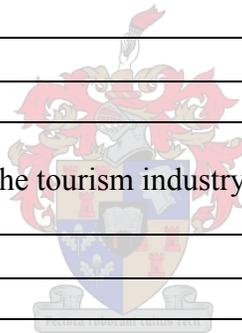
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What if anything did this mean to the tourism industry?

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Has the tourism industry contributed to the employment growth in the town? In what way would you say?

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What did the tourism sector in George experience since the Presidents Cup?

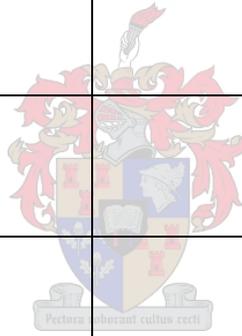
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Please indicate to what extent you agree or disagree with each of the following statements:

	Strongly Agree	Agree	Neutral	Strongly Agree	Disagree
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The golf sport industry is making an important contribution to tourism in George?					
The Presidents Cup had a positive impact on the economic environment in the George region?					
Your organisation benefited financially from the Presidents Cup?					
Your organisation benefited financially from the Presidents Cup?					
The golf sporting facilities in George is adequate for major international events					
There is a general lack of tourism culture in George					
There is a lack of adequate public transport in the George region					
Accommodation for tourists in the Western Cape is inadequate					
Sufficient, proper provision is made for the needs of the sport tourist.					



**PART C: Social impact of the event on development of community:**

In your opinion, what contribution did the event make towards the community of George?

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What direct benefits if any did you experience as result of the Presidents Cup?

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What direct disadvantages did you experience as result of the Presidents Cup?

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Were your immediate circumstances in any way influenced by the event?

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What developments did you experience due to the event?

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There is a lack of cooperation between the tourism industry and sporting bodies regarding the organisation of major events. Motivate your answer.

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Did any development prior to the event occur in terms of upgrading the town? For example were roads built etc.?

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**Tourism Impact:**

Please state how many bed nights you sold since the Presidents Cup last year?

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Prior to the event how many bed nights have you sold?

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Since the event, did you experience any difference (increase/ decrease) in the amount of visitors, tourists your business attracted?  
Please specify using statistics etc.

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Since the event, have you received any advance bookings? Please state how many months, weeks or days in advance.

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Prior to the event have you had any advance bookings? How long in advance were bookings made?

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How would you describe the average visitor/tourist that you cater and advertise to?

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Since, the Presidents Cup, have you made any developments to your business premises?  
For example, have you made it bigger?

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What kind of marketing strategies do you use? Example: Internet, TV, radio etc?

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Did you employ any extra people, before, during, and after the Presidents Cup? How many extra people did you employ? In addition, were they South African?

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Were these people employed as temporary workers and if so for how long were they employed?

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The people you employed, did they form part of the local community in George or the wider Western Cape region?

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What type of work did they do?

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Did any of the temporary employees become permanent workers and if yes, how many?

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What percentage of the people you employed was South African?

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How many people are employed by your business at present?

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**Thank you, very much for your assistance and cooperation.**