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Coping with Declining Tourism, Examples from Communities in Kenya

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PPT Working Paper Series

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Acronyms

AT&H	African Tours and Hotels
ESK	Ecotourism Society of Kenya
JICA	Japanese International Cooperation Agency
KA	Kenya Airways
KATA	Kenya Association of Travel Agents
KATO	Kenya Association of Tour Operators
KSW	Kenya Wildlife Service
KTB	Kenya Tourism Board
KTDB	Kenya Tourist Development Board
KTDC	Kenya Tourist Development Corporation

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1. Introduction

This paper examines the effects of the tourism decline in Kenya in the late 1990s and particularly Narok District which hosts the Masaai Mara Game Reserve and where a large proportion of poor people's livelihoods are largely tourism based. The paper explores the consequences of the decline at individual, household and enterprise levels as well as broader effects on the wider local economy. The paper looks at the specific coping mechanisms adopted by different stakeholder groups. This is followed by an analysis of the factors that affect the feasibility of coping mechanisms by different stakeholders. In conclusion, the paper offers some policy recommendations for supporting coping strategies during such a decline.

2. Tourism Development in Kenya

2.1 Characteristics and structure of the Kenyan tourism industry

Kenya is one of the most popular tourism destinations in Africa and tourism is a key foreign exchange earner for the country. Kenya's tourism was founded on the country's rich wildlife resources (Sindiga, 1999), although beach tourism along the Indian Ocean coast is now equally important. Indeed, the coastal areas generate the highest number of bed occupancies, particularly from Germany and the United Kingdom. Sindiga (1999) notes a number of other assets and attractions that could be further developed to diversify the industry as indicated in Table 1 below.

Table 1 Tourist attractions in Kenya

Developed	Underdeveloped
Wildlife safaris	Camping
Beaches	Hiking mountain climbing
Marine life	Forests
Urban tours	Horse riding safaris
Balloon trips	Polo
Animal orphanage	Cruise ship and water sports
Plantation agriculture (there are farm camping holidays in large plantations with vast plain lands). Also popular are the Rift Valley commercial ranches that form natural campsites and have rare birds and wildlife.	Golf
Nature trails	Camel safaris and mountain and forest walks
Bird watching	Cultural pluralism to include other areas other than mainstream Maasai culture. Kenya has more than 40 distinct cultural groups.
Angling	Sculptures and craftwork
Race course	Fish farms
Archaeological sites (historical ruins, museums)	Hunting (but only allowed via a licence)
Cultural and traditional arts, crafts, dances along the Maasai safari circuit	Wilderness holidays, that include wild bush expeditions and bush tracking

Adapted from Sindiga, (1999)

Various government ministries have had responsibility for tourism since Kenya's independence. They include the Ministry of Tourism and Wildlife; Ministry of Wildlife and Natural Resources; Ministry of Tourism, Trade and Industry, and currently Ministry of Tourism. Sindiga (1999) notes that this regular ministerial restructuring has led to difficulties in coordinating tourism with other related sectors such as forestry, agriculture, transport and communications, departments of natural resources and cultural heritage.

A number of parastatal bodies also have a significant influence over the industry including: Kenya Wildlife Service (KWS) which is responsible for wildlife management and conservation; Kenya Tourist Development Board (KTDB) which promotes local investment in tourism enterprises; African Tours and Hotels (AT&H), responsible for hotel management and tours but currently undergoing privatisation; Bomas of Kenya, which promotes African culture and is also being privatised; Utalli College (tourism and hospitality training); and Kenya Tourism Board (KTB) which, like other national tourist offices, is a marketing and promotions organisation. The number of institutions indicates the importance the government places on wildlife conservation, tourism promotion and marketing, personnel training; and cultural and enterprise development. However, it

is interesting to note that tourism has not emerged as a key for the recently established Poverty Alleviation Commission.

Among the private sector players in tourism, a number of representative organisations have emerged to support tourism development, each representing the interests of particular groups of players. They include Kenya Airways (KA), Kenya Association of Tour Operators (KATO); Kenya Association of Travel Agents (KATA); Kenya Association of Hotel Keepers and Caterers; Kenya Budget Hotels; Ecotourism Society of Kenya (ESK); and Mombasa and Coast Hotel Keepers Association.

Although increased participation of Kenyans in tourism has been a long stated goal of the government (Government of Kenya, 1989), the country has maintained an open policy to foreign investment and control, to the disadvantage of local Kenyans (Jommo, 1987; Sinclair, 1990). Foreign investment is particularly strong in the development of accommodation facilities, tour operators and travel businesses. Although there have been attempts to assist local investors to increase investments in tourism enterprises, together with tax incentives for local investments (Government of Kenya, 1989), such efforts have been crippled by political interests and state interferences. For example, a proposal for the Kenya Tourist Development Corporation (KTDC) to provide credit to small and medium entrepreneurs for domestic tourism met resistance from KTDC, which prefers to minimise risk by dealing with larger, well established businesses, rather than inexperienced entrepreneurs (JICA and Kenya, 1995). Because of these various constraints, apart from Kenyans of Asian origins, there is little participation of local people in tourism industry in Kenya.

Indigenous African Kenyans tend to have small companies that obtain subcontracts from the big tour operators at generally low contractual fees (Jommo, 1987). However, local ownership, even of low technology and low capital outlay enterprises such as curio and souvenir businesses once dominated by indigenous Kenyans, has declined due to rising overhead costs and the increasing significance of Asian operators with access to finance through family connections (Zarwan, 1975). The few Africans still operating these small businesses suffer from frequent harassment by local authorities for lack of trade licences and for encroaching into restricted central business district areas in search of markets. Most of their structures and merchandise are destroyed without compensation. Sindiga (1999) argues that it is unlikely that the structure of ownership will change much without policy interventions, including instituting a limit to the maximum share ratios accessible for foreigners.

In conclusion, the Kenyan tourism development strategy does not recognise poverty reduction as a key objective, rather it is geared towards wildlife conservation, personnel training, marketing and promotion. Where efforts to increase indigenous ownership of tourism enterprises have been made, they have not been successful, and foreign companies predominantly own the industry. Even small-scale enterprises that require minimal capital outlay and little technical expertise have encountered several problems in their attempts to expand and compete.

2.2 Development and decline of tourism in Kenya

Kenya's socio-economic and political stability during the 1970s combined with its policy of incentives for foreign investment through tax concessions and profit repatriation for foreign firms, resulted in a flourishing tourist sector during the 1970s and 1980s. Tourism arrivals increased from 51,000 in 1960 to almost 1 million in 1990 while the country's total revenue from tourism

increased tremendously from K£27 million to over K£1 billion in the early 1990s, surpassing the combined earnings from tea and coffee, previously the country's leading export earners as indicated in Table 2.

Table 2: Foreign exchange Earnings from Tea, Coffee and Tourism, 1987–1991 (K£)¹

	1987	1988	1989	1990	1991
Coffee	3.84	5.56	4.88	4.07	4.05
Tea	3.9	4.07	4.91	6.94	7.8
Tourism	5.84	6.98	8.64	10.66	11.88

Source: Government of Kenya, 1993 (1USD=KSh.35 at the time)

In the 1990s, Kenya emerged as a key destination in Africa, receiving over 6 per cent of total tourist arrivals in the continent. The tourism facilities and infrastructures were relatively developed and air transport links, lodges and accommodation facilities that aimed at attracting local middle class, particularly along the main tourist circuits and cities, developed rapidly. The tourism sector recorded over 1 per cent contribution to national gross domestic product (GDP), generating an estimated 140,000 direct jobs and a further 350,000 indirect ones (Government of Kenya, 1993).

Although tourism arrivals decreased slightly in 1991 to 1992 (when Kenya undertook the first multi-party elections) to 699,000, numbers rose sharply again in subsequent years to over 1 million arrivals in 1997 (Government of Kenya, 1998). However, the industry experienced an unforeseen and abrupt decline between 1997 and 1998. In 1999–2000, tourism arrivals and revenues started to rise once again and government officials in Narok attribute this to increased political stability, aggressive marketing and positive media coverage in Europe.

The most affected areas included the coast region (which experienced a 50 per cent decline during the 1997 peak season) and the Maasailand circuit that includes Maasai Mara and Amboseli safari routes.

Table 3. Hotel bed-nights occupied by zones, Kenya, 1993 - 2000 (000')

ZONE	1993	1994	1995	1996	1997	1998	1999	2000
Coastal-Beach	3762.0	3071.5	3059.6	3144.9	3074.4	1505.3	1625.2	2065.2
Other Coast	196.2	185.2	166.7	70.9	71.5	09.1	73.9	85.8
Masailand(mainly Narok)	372.7	247.8	245.3	253.4	215.0	85.2	84.3	141.5
Total Occupied	4330.9	3504.5	3471.6	3469.2	3166.9	1699.6	1783.4	2292.3

Source: Central Bureau of Statistics Economic Surveys for 1993–2000

From the above table, it is notable that total beds occupancy halved in 1998 after the civil unrest in 1997. Similarly, there was drop in occupancy in 1994 attributed to a slow response to the election violence and tribal clashes experienced in late 1992 and early 1993.

2.3 Causes of the Tourism Decline

Analysts have so far been unable to pinpoint any single factor as cause of the decline of Kenya's once vibrant tourism industry. Kenya adopted multiparty democracy from a single party dictatorship in late 1992 amid political violence in the clamour for political reforms. The political and economic environment that preceded the emergence of multiparty democracy in the early 1990s destabilised the tourism industry significantly in 1993 and even more in 1994 as a negative image of national security spread through international media and national stability is a major prerequisite for a stable

¹ 1K£=20 KSh fixed over time

tourism sector. However the industry recovered well in 1994/5, to 1997, the year of the second multi-party general election.

In the same period financial support to Kenya from international development agencies decreased due to the country being unable to meet donor demands for good governance. As a result the government found itself unable to maintain previous levels of expenditure on tourism and security, and as a result infrastructure and security suffered.

The rapid expansion of tourism between the 1970s and 1990s was characterised by poor planning and haphazard development. Over time, this has resulted in congestion in key areas particularly in certain National Parks in the south of the country. At the same time other African countries including Tanzania, Zimbabwe and Botswana opened up their tourism industries significantly, offering competitive, unspoilt products. In response, many tourists that had traditionally visited Kenya moved on to these alternative destinations.

Kenya's increasingly negative image affected not just tourists, but also investors, resulting in a further decline in both the quality of services and maintenance of tourism facilities. Furthermore, to exacerbate the infrastructural problems arising from the Government's budget deficit, the El-Nino rains of 1996/7 damaged and destroyed many roads, particularly less robust feeder roads that supply tourists to remote areas, and to lodges within game parks and reserves.

It is clear that the factors contributing to Kenya's tourism decline are various but inter-related. Poor governance and political tensions are related to the economic downturn that ultimately affected foreign investments, infrastructural expenditure and maintenance. The downturn therefore could be viewed as a combination of political, exogenous and policy failure effects that operated individually or concurrently over a period of time.

Having looked at the possible causes of the decline, this paper will now address the effects of the decline in Narok. The paper thereafter explores the consequences of the decline on individuals, households and enterprises as well as the broader effects on the wider local economy. Finally the paper looks at the specific coping mechanisms adopted and analyses the factors that influence their feasibility. In conclusion, the paper outlines policy recommendations and suggestions in supporting feasible coping strategies during such a decline.

3. Methodology

This study was undertaken between January and October 2001, as part of a larger study of the role of tourism development in poverty reduction in Kenya. During the study, it was clear from many respondents that the decline in tourism created a very difficult period for most people, and their activities were, and still are, to a large extent influenced by this. The author therefore investigated the decline issues in more detail, with the broader aim of understanding the role of tourism in poverty reduction in Narok, especially as many poor people associated their current livelihood dilemmas with the effects of the decline.

Narok district had been selected purposefully for the larger study, due to its particular characteristics of having abundant tourism resources and a developed tourism sector in the midst of some of the poorest people in Kenya.

A total of 38 interviews were conducted, 30 of which involved local people whose main livelihood depends on tourism. Another four interviewees were tour guides and two senior Narok County Council officials (Narok County Council collects all the park fees from Masai Mara Reserve and allocates them to its annual expenditure). Finally, two lodge managers were interviewed to give an account of how the hotel sector coped with declining tourism arrivals. Due to constraints of time, it was not possible to include all stakeholders in investigating coping strategies. Another shortcoming of the study was that it involved two different visits of five weeks each. Unfortunately, both visits occurred during the low seasons of January to February, and September to October. It would be of research interest to explore the issues in this study during a peak season particularly because some people only work in tourism during the peak seasons, and therefore were not reachable during this study.

Semi structured interviews were used particularly in identifying who the poor are and their primary concerns about poverty. These semi structured interviews were backed up with direct observation to:

- assess livestock stocking levels as an indicator of assets and wealth levels;
- count daily tourist numbers for small kiosks;
- understand the routes used by tour guides;
- identify the diversity of tourism activities that local people are involved in.

Some issues that local people related largely to tourism decline such as infrastructure deterioration and kiosk closures were also observed.

There were no baseline data available to indicate how many people were engaged in each activity prior to the tourism decline, which posed difficulties in assessing how many people were affected in each category. However, interviews with people in each activity gave valuable insights regarding qualitative changes observed in these activities during the decline.

4. Tourism in Narok District

4.1 Profile of Narok district

Narok is one of 17 districts in Kenya's largest provincial region, the Rift Valley. Narok lies in the plains of southern Kenya along the border with Tanzania, covering approximately 17,000 square kilometres. Narok boasts an extremely diverse ecological base, supporting a wide range of wildlife species in its well-known Maasai Mara Game Reserve. The district is suitable for subsistence and commercial agriculture of wheat, barley, tobacco and dairy and livestock farming.

Narok has a population estimated at over 400,000 most of which lives in two divisions, Mulot and Mau, that are rich in agricultural production. The majority of the population has migrated to the area either as a result of significant population pressure on agricultural land (particularly so in the Central province) or the low cost of arable land in Narok, due to pastoral livelihood base of the indigenous Masai people.

According to the 1997 Kenya Poverty Report (Government of Kenya, 1997), Narok is the second poorest district in the country with 64 per cent of the population living below the national poverty line, of which 70 per cent are women (Ministry of Planning 2001). Livestock rearing is the main livelihood of the Maasai, the most predominant community in Narok, accounting for 60 per cent of local people's incomes. However, most local people indicated that livestock owners are not considered poor in local terms as they have opportunities for accumulating assets in form of stock, which they can use to meet household needs in times of difficulty.

4.2 Importance of tourism to local livelihoods in Narok before tourism decline

Out of a total population of over 400,000 in the district, it is estimated that over 40 per cent rely on tourism as their main source of livelihoods; they are engaged in curio making (woodcarving, beadwork, basketry and souvenirs) and others engage in curio hawking for those who do not have skills to make them. Apart from these informal enterprises, formal employment as watchmen in lodges and posing for cultural photographs at curio shops are also common activities. Lodges and tour companies also employ significant numbers although local people note that many employees are brought in from elsewhere in Kenya and are not necessarily recruited in Narok. Most of the managers were said to employ friends and relatives from their home areas rather than local people. Hotel and lodge managers denied that they only recruited friends and relatives but it was not possible to investigate this further within the scope of this study.

Prior to the decline in tourism arrivals, monthly incomes for individuals, households and enterprises just from tourism ranged between a high KSh. 200,000 (USD 2,600) to as low as KSh. 2,000 (USD 26). Women earned significantly lower incomes than men, ranging from KSh. 2,000 to KSh. 60,000 (USD 26 to USD770) compared to men who earn between KSh. 6,000 (USD77) to KSh. 200,000 (USD 2,600). The average monthly income for women was KSh. 20,485 (USD 263) much lower than the average monthly income of KSh. 42, 221 (USD 541) that men earned.

The study sample of 30, earned a total monthly income of KSh. 940,600 (USD 12,600) indicating an average monthly income of KSh. 31, 353 (USD 401 per month, approximately USD 4,812 per annum) from tourism only. This constituted over 90 per cent of their total household incomes, making tourism their most important livelihood by far. Comparing this income with Kenya's per capita income of USD 360, this implies a relatively high income in local terms. However, the income was unequally distributed with a third of the respondents (9) earning 81 per cent of the total monthly income (KSh. 770,000 or USD 9,872). This was mainly due to their ability, though bribes,

political connections or other means, to influence where tour drivers and guides chose to stop for a break, and thereby have access tourists and market their products (Box 1).

Box 1: The importance of commissions to local safari guides

Peter Kiilu and Mathew Munyasia work as driver and guide respectively for a major tour company that operates on the Narok safari circuit. They earn KSh. 9,000 and KSh. 14,000 respectively. Considering that their jobs require them to be away from home and any other potential income generating activity to supplement their incomes, they admit giving into requests for commissions in exchange for stopping their visitors at some curio shops. They do not see this as unfair competition, since anyone with a commission can gain a 'stop over' from them. They believe that their tour companies are aware of this practice but do not seem concerned as they know that tour drivers will not be desperate for pay rises since they have other 'informal income' sources that do not cost the company anything. Commissions received include free lunch and drinks; 10% of total sales to the tourists per van; and free accommodation to save driver's living expenses. For Peter and Mathew, average commissions in a good month could amount to as much as USD 1,000 each. During the decline, the commissions were smaller as sales dropped, forcing them to increase their number of stops in order to maintain their previous incomes.

The Narok County Council also experienced a revenue boom from tourism prior to the decline in tourism arrivals with annual income reaching KSh. 300 million (USD 3.85 million) in 1996. Of this income, 19 per cent was remitted to the Masai Group Ranches as compensation for loss of pasture due to wild animals grazing on the communal lands bordering the Masai Mara reserve. The remaining revenue was earmarked for development projects such as schools and health services within the district.

5. The Impact of the Tourism Decline in Narok

5.1 Financial impacts

During the tourism decline, households and enterprises in the sample indicated a drop of over 70 per cent in total monthly income from KSh. 940,600 (USD 12,059) to KSh. 270,700 (USD 3,470). Average monthly incomes fell from KSh. 31,353 to KSh. 9,023 (USD 402 to USD 116) during the decline with individual losses ranging from KSh. 3,000 to KSh. 180,000 (USD 38 to USD 2,308).

Not all households experienced negative financial impacts as a result of the tourism decline. Table 4 summarises the types of households that were negatively affected and those not affected by the decline– or even benefited from it.

Table 4: Income changes and associated household characteristics

Those that experienced	Some general characteristics
Improved incomes	<ul style="list-style-type: none"> households that engaged in tourism activities in and outside Narok; were able to migrate to other tourist destinations 'chasing' tourists availability; people that export curios; do not rely on in-country tourists alone; small enterprises that managed to utilise the increasingly redundant labour during the decline to accumulate large stocks of merchandise and economies of scale; 'politically connected' individuals who managed to secure small tenders that came through during the period.
No changes in income	<ul style="list-style-type: none"> households whose income base is reasonably diversified, particularly those that engage in some agriculture and livestock rearing besides tourism; household that own the land individually as opposed to communal land; individuals that receive allowances from group ranches, for instance, those in the management committees receive allowances upon attending meetings. Most group ranch members received dismal incomes in the decline period.
Decline in income	<ul style="list-style-type: none"> households and individuals who provide casual, piece by piece labour for the small craft industries and shops; individuals who produce merchandise for sale directly to tourists without selling through craft shops; commercial sex workers who operate between Narok town and the safari lodges; small road side enterprise that do not have links or resources to hawk their stock in various regions; small non tourism traders due to overall income squeeze in the local area; individuals and enterprises that supply materials to local tourist facilities: for instance charcoal for camping grills and water (normally drawn on carts for sale); households that have a mono livelihood source, tourism based; individuals and households that could not access resources to be able to migrate, especially to the coastal beaches where tourism was relatively higher those that had a narrow asset base, that is, little room for disposing of some significant assets in order to re-invest strategically for household survival. Those who had assets such as small commercial plots sold them and started new tourism businesses altogether. households that rely largely on Narok County Council's remittances for conservation. This is a proportion of income that the council remits to the people that live next to Maasai Mara Game Reserve as compensation for loss of grassland by grazing wildlife.

5.2 Other livelihood impacts

Non-financial addition to the direct financial impacts of the tourism decline, a number of knock-on effects were also felt locally:

- 1 Most local people cited cases of social strains within family and amongst social networks. In a number of cases there were increasingly noticeable family feuds due to debts amongst family members, kin, and close social networks. Such debts were mainly accumulated as small businesses continued to experience low sales turnover rates, and increasingly high dead stock levels. The failure to pay piece workers on time due to low cash flow compounded the debt problems for the poor in Narok (see Box 2). Family and other social structures also suffered as members moved away to find jobs in urban areas or with livestock owners.
- 2 The reduction in central government income from taxes, visa fees and so on contributed to the problems of maintaining infrastructure across the country including roads, national park driveway and feeder roads. In Narok, many households indicated that they were unable to reach markets for their produce, particularly dairy products, due to deplorable state of roads in Narok.
- 3 As a result of the lack of cash, many households had to turn to other assets and either consumed part of their livestock for food, or sold their animals to close the financial gaps left by loss of income from declined or abandoned tourism activities. Other assets' squeezes involved sale of capital assets such as radios and farming equipment to meet household's immediate financial needs.

Box 2: Livelihood impacts for a tourism worker in Narok

Mama Mary is a beadworker near the Agip Refuelling Station in Narok. She has been doing this job for 18 years having been trained as a child. When the decline set in, she shifted from targeting tourists who were very rare and whose market was so competitive, to making artefacts for local people. Middlemen started buying her products and they hawked them for a profit outside Narok town and near the park. As tourists became fewer, more and more people did not have incomes to buy her products on a cash basis. Trouble started when family members who were buying on credit could no longer collect the debts from those they had sold to, as most people were migrating for long periods of time looking for alternative incomes. Even when they returned to Narok, most clients had not earned enough incomes to pay their debts as they often had dead stock with them together with overhead costs of transport looking for customers. This led to severe conflicts as she had to pay back her suppliers for raw materials, and could not access reorder supplies due to non payments. During the study, she was contemplating selling her only commercial plot in Narok in order to pay off debts, and recall her goods from her creditors as they had failed to sell.

6. Coping with Tourism Decline

6.1 Coping strategies employed

Poor people in Narok employed diverse strategies in response to the negative livelihood impacts that resulted from tourism decline.

Working for others

Many local people work both for themselves and for other people during the course of a normal year. For example, a number of people interviewed sell curios and so on during the high seasons, but work for other curio sellers, especially those that export goods, during the low seasons. They are employed as wood carvers and beadworkers at an agreed piece rate. During the decline, individual workers indicated that they tilted more towards piecework, as they could not access tourists to market individually produced goods.

Temporary migration

The bigger curio sellers can afford to remain self employed throughout the year, moving temporarily to Mombasa – where beach tourists and cruise ships arrive all year – or Nairobi when it is low season in Narok, or else concentrating on exports. Table 5 shows the areas that 8 large curio retailers in Narok temporarily migrate to, and the average number of months spent in the areas per person per year between 1995 and 2000. Although migration has been adopted as a strategy for coping with tourism seasonality even prior to the decline period, entrepreneurs indicated that they spent more months outside Narok during the decline than they normally did before, indicating increased migration during decline years.

Table 5: Curio entrepreneurs' temporary migration from Narok, 1995–2000

Retailer	Areas of temporary migration	Total number of months spent in region per person per year (1995-97)	Total number of months spent in region per person per year (1998/9)
1	Mombasa	2 (with a temporary staff worker)	4 (with a temporary staff worker)
	Nairobi Open Curio Market	2	2
2	United Kingdom and Germany trade fairs	1	1
	Nairobi Open Curio Market	1-2	2-3
3	Mombasa	2	3
4	Mombasa	2	2
5	Mombasa	1	1
	Nairobi Open Curio Market	2	2
	Serengeti Tanzania border	2	3
6	Nairobi Open Curio Market	6	6
	Mombasa		2
7	Amboseli National Park	1	2
	Export Trade Fairs	1	3
8	Mombasa	1	1
	Tanzania	2	3

It is notable that temporary migration forms an important strategy in ensuring continuous access to the tourist market, which is subject to high seasonal variations. The tourism decline was thus treated as any other low season – albeit extended.

However, it is only the larger retailers who, thanks to their capacity to purchase and hold large amounts of stock, have the resources and flexibility to follow tourist markets around circuits other than Narok during different seasons. For poor retailers, temporary migration is not a viable option since they lack the resources to accumulate sufficient stock to maintain sales. Most poor retailers and hawkers stock between 5 and 10 necklaces and bangles, stock that cannot generate economies of scale to cover migration costs. The poorer retailers switch to working for larger retailers earning piecework rates. They cannot afford to migrate to sell a handful of goods.

Moving out of tourism

Some households switched their livelihoods altogether from tourism-based ones to livestock rearing and agriculture especially on communal and leased land. Part of the reason for this is the low barriers to entry since most land is common property and so significant investment is not required. Table 6 summarises the variety of coping strategies adopted at the individual, household and enterprise level.

Table 6: Coping strategies

Individuals	<ul style="list-style-type: none"> • Seek formal employment – especially in semi and low skilled jobs e.g. watchmen, cleaners etc. which guarantee a more stable income flow; • Utilise other skills e.g. those in wood carving mainly have other carpentry skills which they use to make household furniture; • Relocate to other areas that are thought to have higher tourist flows, especially Nairobi and Coast; • Change livelihoods altogether to livestock and agriculture for subsistence farming as a survival strategy; • Begging from the few tourist available; • Remittances from kin working in urban areas; • Foregoing consumption; • Shift from hawking own items to employment by exporters and middlemen.
Household	<ul style="list-style-type: none"> • Forego some household expenditure especially on non basic needs items • Switch to other assets such as livestock to cushion themselves from various risks • Engage in subsistence agriculture to compliment reduced incomes • Utilise child labour more to relieve the adults to do more long distant jobs • Remittances from working extended family • Begging • Foregoing consumption
Informal SMEs	<ul style="list-style-type: none"> • Diversifying business activities to reduce dependency on a declining sector. May include changing the nature of goods and services to more profitable ones, renting out the premises for other business etc.; • Larger SMEs sought export opportunities due to decline in local product demand; • Increasing the commissions to tour drivers and guides in order to access a larger market and extending the networks with tour guides; • Market retargeting to focus on local nationals as tourists, e.g. making artefacts that are consumed by locals; • Those engaged in actual production pursue stock accumulation for next season and exports; • Giving commissions to tour guides as an incentive to stop tourists at their stalls.

While working for others, migrating and switching to an alternative business were the most common strategies, it was evident that individuals and households 'criss-crossed' a wide range of coping strategies, combining them as necessary to meet their needs at various times. The use of multiple

strategies indicates that in reality, coping mechanisms present a continuum rather than distinct categories of strategies, and the poor strive to achieve a 'fit' of strategies along the continuum.

6.2 Effectiveness of different strategies

From the above, three categories of coping strategies for tourism decline in Narok are identified:

- Shifts within tourism
- Shift from tourism to other work
- Strategies to cope with losses: support from extended families and household survival such as begging and foregoing consumption.

Shifts within tourism

30 per cent of the enterprises interviewed managed to shift business to other areas, particularly to Nairobi's 'Maasai Curio Market', which benefits from expatriate and business custom as well as tourists, or to Mombasa where beach tourism continued to attract relatively large numbers of visitors compared to the safari circuits. Others started to export their products instead of waiting for tourists to come to the destination. This strategy was effective because entrepreneurs were able to keep their businesses operational and profitable by accessing markets outside Narok. They were also able to utilise cheap and desperate labour in Narok as many poor producers switched to making curios for others, as they could not access any tourists locally, creating a large pool of cheap labour.

At individual and household levels, shifts within tourism consisted of labour supply adjustments, with most operators switching from selling their own products directly to tourists to being employed by larger operators for a wage, generally based on piece work. Such employment usually took the form of making curios and crafts or hawking them to tourists when they stop for a break. Similarly, this was effective for small and poorer retailers as it provided an alternative source of income, though lower than when were self-employed. This strategy was also seen as beneficial as it provided most poor people affected by the decline an opportunity to keep their craft skills in use while awaiting an upturn in arrivals.

Political and social connections greatly influenced the degree of effectiveness of some strategies that involved shifts within tourism. Individuals and enterprises with strong political networks within tourism could get council licences to operate in Nairobi and Mombasa, or secure the small tenders that came through during the period of decline. Likewise, there were significant increase in the cost of securing access to tourists through commission payments and bribes to the tour drivers and guides in order to influence their decision on where they take tourists for a journey break. Poor producers who could not afford to pay the hefty bribes and commissions were largely excluded from accessing the tourist market in Narok.

It is notable from the qualitative interviews that the larger operators who used a migration strategy indicated an increase in their incomes during the decline while those of poorer households and individuals employed in craft making and hawking suffered income drops.

Shifts from tourism to other work

The most notable strategy here involved shifts by individuals from tourism-based activities such as craft making and hawking to other sources of livelihoods such as carpentry, cultivation and livestock keeping. Although the low barriers to entry for livestock farming are noted above, for other occupations capital is required to purchase equipment and so on. In addition a time lag was experienced between setting up in a new business and developing a client base to market goods to. Over 60 per cent of the respondents who attempted these strategies abandoned them later due to

frustrations in making a profit. For those who switched to cultivation, only those that owned land were able to turn a profit – those that had to lease land found they had no capital left for inputs and marketing.

Box 3 Attempts to diversify

Halif Hussein, 50, is a hawker at Narok Agip Station where tourists stop for refuelling. When the tourism decline became severe he decided to try marketing to local Kenyans especially local Maasai people who require bracelets, bangles and belts made from beadwork. Since he could not make such products himself, he had to buy from beadworkers and sell them at a higher price. He soon closed the business because all beadworkers were selling to the locals at lower prices as tourists became more scarce. Halif could not enter the beadmarket and had to continue looking for irregular hawking work from curio operators. He now hawks charcoal to travellers on the highway to Nairobi.

Access to diversification strategies

Households and individuals employed a combination of strategies in order to cope with losses. In general all tourism operators interviewed indicated diversifying their income sources almost as a reflex action when tourism decline occurred. Diversification took different forms, including:

- combining farming and curio hawking;
- buying livestock to rear;
- combining making own curios and making for others poorer operators,
- opening up new business ventures; and
- increasing the number of tour drivers on commission by larger operators.

All respondents indicated that diversification was very effective in the initial stages of the decline in prolonging their survival as they awaited a possible upturn in arrivals, as people could get extra or supplementary incomes to sustain them despite the decline. As more and more people started diversifying however, it became difficult for most small operators and hawkers to compete. Entry requirements to most diversification avenues such as carpentry, renting general shop premises, or land purchase or leasing limited the success of this strategy, leaving only very low return activities as the available options to poorer people.

Diversification into the export market proved difficult for most operators. There are 300 registered hawkers in Narok town, with many more operating from home to bring ready-made wares to retailers and other hawkers in town. During the study, it was noted that only 3 (10 per cent) had the financial resources and trade know-how to engage in export business indicating that this was not a favourable strategy for most small operators.

6.3 Factors affecting the success of coping strategies

As noted by most poverty studies, the poor exhibit a wide range of characteristics and dynamics. The range of coping mechanisms employed by the poor during tourism decline varies largely depicting the complicated perspectives and circumstances of the poor. Evidently, the more a livelihood is dependent on tourism, the greater the need for strong coping mechanisms in the event of a decline. Livelihoods that maintain a diversity of economic activities can more easily channel their time and assets into other activities as their investments are also likely to be the ones that can be readily turned into cash as opposed to ones with long term fixed assets.

Women responded differently from men to the decline. Most women seemed to have withdrawn from tourism activities as early as the first month of experiencing a mild decline, and switched to other activities that would generate a more regular source of income for their families. Women interviewed indicated that they favoured switching to activities that pay less as long as the income

was regular. On the other hand, men indicated that they stayed on their activities longer awaiting a possibility for a turn around, or even tried different strategies before deciding to switch to other activities.

Access to markets and social networks

Higher income earning households and enterprises protected themselves more from decline through diversifying, the divestiture of assets and a greater access to the small and fast shrinking tourist market. Additionally, those with developed social networks with wholesalers, hoteliers, tour operators and employers, were able to draw upon them to protect themselves in times of tourism decline.

Access to land and group ranches

For the poor and communal ranch operators, land tenure security would greatly enhance their abilities to cope, as well as diversifying their livelihood activities flexibly and in a short run context. Land forms a basis for security, collateral, and subsistence as well as a basis for establishing land dependent assets such as forestry, livestock and crops. Land tenure increases casual and unskilled employment opportunities as it enhances landowners' confidence to invest on their land, or leasing it out to other investors. The overall result is a diversified base for livelihood means, both for landowners and those who may supply land labour.

Extent of skill diversity

Many poor people engaged in tourism in Narok exhibit a lack of skills and understanding of tourism especially on market conditions and information about tourists, small business management skills including marketing and quality control, and risk assessment. A diversity of these skills strengthens an individual's coping strategies as the skills give flexibility and room for manoeuvre in managing risks during decline. A clear example in Narok is migration, where small entrepreneurs with knowledge of tourist flows in the country were able to temporarily move to coastal beaches to tap the available market based on a combination of their marketing skills, market information and risk assessment. The opposite was evident for those who do not have such skills, and their businesses closed down, or went into debt.

Building skills would require a multi dimensional approach to include mentoring from the formal private sector, vocational institutions, small business development sector organisations, and microfinance organisations. Key skill development efforts could also target quality improvements and standardisation to ensure products are competitive both to tourists and the international export market.

Infrastructural networks

Transport and other communication services are important in sustaining the livelihoods of the poor. Most transport links in Narok are maintained by Narok County Council though funds collected from the Maasai Mara Reserve. During the tourism decline period in Narok, the council revenues reduced dramatically, necessitating budgetary reductions in recurrent expenditure items. Roads and bridges were neglected leading to extensive deterioration.

Infrastructural decay caused several small business closures due to lack of supplies of wood carving materials from the forests. In terms of coping strategies, this undermined their opportunities to cope with the decline as they could not undertake piecework due to lack of materials. Similarly, hawkers who worked from home and traded in Narok were also severely affected, as they could no longer get their goods to Narok.

7. Conclusions and Recommendations

7.1 Conclusions

The decline in tourism in Kenya in the late 1990s generated a range of impacts on people's livelihoods in Narok, the greatest impact being loss of incomes and jobs. It is clear that the major negative impacts were, as would be expected, on the poorest producers. For those 9 interviewees who accounted for 81% of the total monthly income the impact of the decline in tourism arrivals on their livelihoods was not serious, they coped well with the increasing competition and used their superior market access to purchase at lower prices from those producing craft at piecework rates. The most vulnerable are the poorest producers those who make and sell directly to the tourists. The most vulnerable are those who are solely reliant on this form of income and who have no other livelihood strategies or assets (particularly agricultural land) to fall back on.

Local people in Narok adopted multiple strategies in order to cope with the decline. Diversification was one of the most commonly used strategies which, while working well in the initial stages of the decline, became less effective as more individuals and households engaged in the limited diversification opportunities, increasing competition and making it difficult to generate incomes. Other strategies adopted include switching to other activities such as farming and wage employment; and switching back and forth between craft making, hawking their own crafts and working for larger wholesale and retail curio enterprises on a piece wage basis. This use of multiple strategies indicates that in reality, coping mechanisms present a continuum rather than distinct categories of strategies, and the poor strive to achieve a 'fit' of strategies along such continuum.

The importance of social capital in explaining both access to the tourist market and in accounting for the relative success and impact of different coping strategies is clear from the interviews. As demand slackens the issues of market access become more significant. The larger producers and merchants are able to migrate in pursuit if the market – the poorer producers sell craft to the larger merchants for piecework rates which are themselves declining. The decline in the availability of the tourism market has a very negative impact on social relationships within and beyond the family as the web of debt engulfed the poorest. It is significant that women were in general more able to diversify their livelihood strategies quickly.

A range of factors influences the effectiveness of coping strategies. The extent of skills diversity is important in tourism especially small business management skills such as marketing, quality control and risk assessment. Access to credit or personal savings enhances opportunities for manoeuvre during decline. Other factors include access to land as a resource upon which people can base alternative and supplementary livelihoods during decline; access to markets through social networks and ability to bribe tour operators to access their tourists. The absence of these factors in Narok could undermine the effectiveness of coping strategies.

On the other hand, the level of Kenya's tourism development in general assisted greatly in making migration an effective strategy for some operators. Kenya has a diversified tourism sector offering inland safaris and clean beaches at the coast, which supplements the safari market. The coast receives its highest arrivals during the European winter months, making migration a viable strategy as entrepreneurs could tap into the few arrivals in Narok during summer and migrate to the coast to tap into winter visitors.

7.2 Policy recommendations

Tourism provides a viable additional livelihood opportunity for many poor people, particularly in areas where there are significant numbers of tourists. Tourism has the considerable advantage of not being vulnerable to tariff barriers, but as with other export opportunities it is vulnerable to economic down turn in the markets. However, tourism is uniquely vulnerable to insecurity in the destination and the significant down turn in Kenya was in large part a consequence of civil disorder and increasing concerns about the crime situation. These are areas of governance, which are under the direct control of the government in the destination.

Various policy components are necessary to help people cope with tourism decline. For Narok, a starting point could be establishing a level playing field for all operators to remove cartels that hinder people from accessing tourists. This could be coupled with an affirmative action to educate private sector operators such as tour firms and lodges on the issues of poverty, and how their contribution in opening up opportunities for poor people to participate more in tourism would make a difference on people's lives. Work in The Gambia (Bah & Goodwin 2003) on removing the barriers to market access for poor producers has demonstrated that this can make a significant difference to the earnings of the poor from tourism.

Secondly, policies aimed at income smoothing could assist in achieving income portfolio adjustments. In practice, poorer households are more disadvantaged in achieving income smoothing because of their marginalisation and lack of business skills, in particular market knowledge, marketing, quality control and product development skills. Policies for income smoothing should target making diversification more effective in risk reduction, and in particular should assist poor households overcome entry constraints into profitable, and effective income smoothing activities. This confirms the importance of using a livelihoods approach in developing pro-poor tourism strategies and of avoiding mono-crop commitment to tourism at the household level. Where tourism is a livelihood diversification for the poor they are significantly less vulnerable when there is a down turn in the tourism market. Only the relatively wealthy producers and merchants can afford to migrate in pursuit of a changing market.

In the absence of effective income smoothing in the very short term, credit services are necessary to support productivity in alternative livelihoods during tourism decline; as well as supporting income diversification efforts. Policy should be directed at developing a market-based financial system for rural finance, but because of market failures to support disadvantaged groups, special priority programmes may be needed to get credit to women, smallholders, and the rural non-farm sector (small-scale non-farm activities such as livestock, forestry, and rangelands). Savings avenues such as microfinance programmes and co-operatives help poor people to save to counter economic shocks. These are absent in Narok. Although several co-operatives exist, they are inefficient, and have been 'politicised' by the local political elite in ensuring patronage.

In addition, policies that influence protection and or accumulation of assets could be beneficial to households experiencing shocks. Policies could include provision of more attractive and diversified asset purchasing or insurance schemes such as asset loans. Small rural cooperatives could be useful in both of these aspects.

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