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## 16. THE ECONOMICS OF WILDLIFE TOURISM: THEORY AND REALITY FOR LANDHOLDERS IN AFRICA

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**Key Words:** Wildlife tourism, economics, land use options, community participation, community benefits, conservation, economic distortions, agricultural subsidies, restriction on private use of wildlife, Masai Mara

### **SUMMARY**

This paper examines the economics of wildlife tourism in Africa. It demonstrates that as well as generating large revenues for governments, wildlife tourism makes significant contributions to other national economic goals such as foreign exchange earnings and employment creation. It supports a range of private entrepreneurs, both in the tourism sector and in secondary and support industries. For private and communal landholders, substantial profits can potentially be gained from wildlife tourism. In recent years, the participation of the private sector in wildlife tourism and its use on private and communal lands in Africa has increased rapidly. This chapter assesses the conditions necessary for this participation to increase still further.

The profitability of wildlife for landholders is of particular concern for wildlife conservation. Because much of the wildlife in East and southern Africa lies on private and communal lands, its conservation depends on the activities of these landholders and to what extent they are compatible with wildlife. It is widely assumed that because wildlife tourism generates high profits, it will be an attractive land use option for landholders and wildlife will be conserved. It is argued that looking just at overall profitability presents an overly simplistic view of the economics of wildlife tourism for landholders. The deciding factors in whether landholders take up wildlife

tourism and conserve the wildlife on their lands are the extent to which they themselves reap the benefits of tourism, and how far these profits are competitive with alternative land use options, most importantly crops and livestock. By looking at a range of examples in East and southern Africa, the chapter demonstrates that wider economic and policy factors have, by limiting the wildlife tourism income available to landholders and inadequately compensating them for other productive land uses foregone, discriminated against wildlife-based land uses. It concludes that unless more effort is made to increase the share of wildlife tourism profits accruing to landholders through better revenue-sharing arrangements, business partnerships, increased training and credit, and the discontinuing of policy distortions in the agricultural and wildlife sectors, in particular subsidies to agricultural inputs and research, and restrictions on private wildlife use and management, the returns to tourism for landholders will never be enough to convince them to maintain wildlife on their lands.

**THE VALUE OF WILDLIFE TO TOURISTS**

The desire by overseas visitors to see wildlife in its natural habitat is an important reason for tourism in many African countries. Wildlife tourism accounts for a high proportion of the total arrivals to the wildlife-rich countries outlined in Table 1. In recent decades tourism in Africa has increased, as has global interest in eco-tourism.

Overseas visitors are willing to pay substantial sums of money to view wildlife in Africa and they place a high premium on visiting unspoiled natural habitats. Key wildlife species and ecosystems are especially highly valued. For example, in Kenya, the net global returns to the 1.5 million wildebeest of the Maasai Mara National Reserve have been estimated at between \$125 and \$150 per animal per year (Norton-Griffiths, 1995), the viewing value of a lion in Amboseli National Park has been calculated to be in excess of \$0.5 million (Thresher, 1981) and the annual tourist value of Lake Nakuru National Park has been estimated to be between \$8 million and \$15 million, of which over a third is accounted for by flamingos (Navrud and Mungatana, 1994).

Tourists' expenditure on wildlife-viewing holidays typically underestimates the total value they place on wildlife and protected areas. In Kenya the consumer surplus accruing to tourists, that is the total value tourists perceive that they obtain from

**Table 1.** Tourist arrivals in selected African countries in 1995

Country	Tourist arrivals ('000)
Kenya	691
Namibia	300
South Africa	4,676
Zimbabwe	1,297

(From: WTO, 1996; Ashley and Barnes, 1996).