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Rural Tourism as a Development Strategy

Case Studies from Chile

A thesis presented in partial fulfilment of the requirements for the degree of
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ABSTRACT

In the last ten years Chilean governments have implemented various policies aimed at rural poverty alleviation, focusing initially only on agricultural development and more recently also on non-agricultural development, promoting activities such as rural tourism. While rural tourism has been developed in Chile to some extent, there is still a lack of empirical research on its development and impacts. The aim in doing this study was to overcome this lack of research and guide strategies for rural tourism development initiatives in Chile. To achieve this, a multiple case study involving two communities was undertaken to identify ways in which smallholder farming households can be assisted in diversifying their livelihoods into rural tourism. Data were collected using semi-structured interviews and participatory methods. These data were then analysed using qualitative methods.

Households which have diversified into rural tourism are very positive about it. In economic terms rural tourism has allowed them to improve their housing conditions and increase spending on their children's education, and has provided work for women and young people. Rural tourism has also increased women's self-esteem and, importantly, has led people to place a higher value on their cultural traditions. It has also increased environmental awareness and fostered native tree planting at the household level. Rural tourism has also had some negative consequences, such as loss of family privacy, increased noise and increased solid waste problems.

The main findings of this research suggest that there are key factors for successful rural tourism development. Therefore, for rural tourism to become a viable strategy for smallholder farming households assistance needs to take into account such things as provision of credit, technical assistance in setting up a rural tourism product to meet tourists' expectations, building stakeholders' capacity in rural tourism and business management, as well as assistance in establishing and managing an association of rural tourism providers. Changes to regulatory frameworks are also required to enable the setting up of rural tourism ventures. Effective cooperation and coordination between tourism operators and rural tourism providers, as well as cultural impact management and solid waste management, are also needed for successful rural tourism development.

Key words: *rural tourism, rural development, livelihood diversification, Chile.*

RESÚMEN

El Turismo Rural se ha desarrollado en Chile desde hace algunos años, sin embargo aún existe escasa investigación disponible en este tema. Este estudio tiene como objetivo propiciar iniciativas para el desarrollo del Turismo Rural en Chile. Por esto, el objetivo principal de esta investigación es identificar el cómo familias campesinas pueden ser ayudadas en el proceso de diversificación del rubro agrícola en Turismo Rural.

Este estudio muestra que el Turismo Rural ha hecho aportes al ingreso familiar permitiéndoles mejorar sus condiciones de vivienda e invertir en la educación de sus hijos. También ha generado empleo, principalmente para mujeres y jóvenes del hogar. Además, ha permitido cambios socioculturales de importancia: ha aumentado la autoestima de las mujeres que participan en la actividad, así como también la valoración de las culturas tanto campesina como indígena de las zonas visitadas. Además, el Turismo Rural ha fomentado la conciencia ambiental y la plantación de árboles nativos. Sin embargo, también ha tenido impactos negativos, como la pérdida de espacios familiares, aumento de la basura y ruido durante los meses de verano en aquellas zonas donde se llevó a efecto la investigación.

Los resultados de esta investigación apuntan a que el Turismo Rural tiene el potencial de convertirse en una viable estrategia de desarrollo para familias campesinas de Chile. Para que esto ocurra, las familias deben ser asistidas a través de: provisión de crédito; asistencia técnica para la creación de un producto turístico de calidad; mejora de las habilidades de los involucrados en aspectos relativos al turismo rural y administración de pequeñas y medianas empresas y asistencia en la formación de asociaciones de turismo rural que funcionen adecuadamente. También deben existir cambios a la legislación existente referente a permisos y licencias y la creación de redes de contactos entre operadores turísticos y familias que ofrecen turismo rural. Finalmente, es importante incorporar aspectos como manejo adecuado de la basura e impacto cultural y social, ya que son también condiciones claves para que el desarrollo del Turismo Rural se realice de una manera sostenible.

Palabras claves: Desarrollo Rural, Turismo Rural, Diversificación agrícola y Chile.

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ABBREVIATIONS

AMCT: National Association of Tourism Councils (*Asociación Nacional de Municipalidades Turísticas de Chile*)

CONAF: National Corporation of Forestry (*Corporación Nacional Forestal*)

CORFO: Productivity Promotion Corporation (*Corporación de Fomento a la Producción*)

FAO: Food and Agriculture Organisation

FIA: Foundation for Agrarian Innovation (*Fundación para la Innovación Agraria*)

FAT: Technical Assistance Fund (*Fondo de Asistencia Técnica*)

INDAP: National Institute of Agricultural Development (*Instituto Nacional de Desarrollo Agropecuario*)

INE: National Institute of Statistics (*Instituto Nacional de Estadísticas*)

MIDEPLAN: Ministry of planning and development (*Ministerio de Planificación y Desarrollo*)

PLADECO: District development Plan (*Plan de Desarrollo Comunal*)

PROFO: Association projects for promoting productivity (*Proyecto Asociativo de Fomento*)

PTR: National Rural Tourism programme (*Programa Nacional de Turismo Rural*)

SERCOTEC: Technical Assistance Service (*Servicio de Asistencia Técnica*)

SERNATUR: National Service of Tourism (*Servicio Nacional de Turismo*)

WTO: World Tourism Organisation

WTTC: World Travel and Tourism Council

TABLE OF CONTENTS

| | |
|---|-------------|
| ABSTRACT | I |
| RESÚMEN | II |
| ACKNOWLEDGEMENTS..... | III |
| ABBREVIATIONS..... | IV |
| TABLE OF CONTENTS | V |
| LIST OF TABLES | VIII |
| LIST OF FIGURES..... | IX |
| CHAPTER 1 : INTRODUCTION | 1 |
| 1.1 BACKGROUND TO THE PROBLEM..... | 1 |
| 1.2 STATEMENT OF THE PROBLEM | 5 |
| 1.3 RESEARCH QUESTIONS AND OBJECTIVES..... | 6 |
| 1.4 THESIS ORGANISATION..... | 6 |
| CHAPTER 2 : LITERATURE REVIEW..... | 9 |
| 2.1 RURAL DEVELOPMENT: RETHINKING THE DISCIPLINE | 10 |
| 2.1.1 Sustainable livelihoods and diversification | 12 |
| 2.2 TOURISM AND DEVELOPMENT: EVOLUTION AND NEW APPROACHES | 16 |
| 2.3 RURAL TOURISM: DEFINITION AND ITS ROLE IN RURAL DEVELOPMENT | 18 |
| 2.3.1 Clarifying the concept of rural tourism..... | 18 |
| 2.3.2 The role of rural tourism in rural development..... | 23 |
| 2.4 FACTORS INFLUENCING RURAL TOURISM DEVELOPMENT | 25 |
| 2.4.1 Entrepreneurs' ability to operate a rural tourism venture..... | 26 |
| 2.4.2 Entrepreneurs' ability to provide a complete rural tourism product | 27 |
| 2.4.3 Existence of a successful and coordinated association of rural tourism providers..... | 28 |
| 2.4.4 Funding for rural tourism development | 29 |
| 2.4.5 The appeal of the destination locality for rural tourism..... | 30 |
| 2.4.6 Host community support for rural tourism development..... | 31 |
| 2.4.7 Effective marketing | 31 |
| 2.4.8 Local government support and participation..... | 32 |
| 2.5 SUSTAINABLE RURAL TOURISM | 34 |
| 2.6 IMPACTS OF RURAL TOURISM | 36 |
| 2.6.1 Economic impacts | 37 |
| 2.6.2 Sociocultural impacts..... | 40 |
| 2.6.3 Environmental impacts..... | 43 |
| 2.7 SUMMARY..... | 44 |
| CHAPTER 3 : METHODOLOGY | 49 |

| | |
|--|------------|
| 3.1 RESEARCH STRATEGY | 49 |
| 3.2 THE CASE STUDY APPROACH | 51 |
| 3.2.1 Phase 1: Research definition and design | 52 |
| 3.2.2 Phase 2: Data collection and analysis | 54 |
| 3.2.3 Data collection | 54 |
| 3.2.4 Phase 3: Conclude | 67 |
| 3.3 SUMMARY | 67 |
| CHAPTER 4 : DESCRIPTION OF THE CASE STUDIES | 69 |
| 4.1 CHARACTERISTICS OF THE CASE STUDIES | 69 |
| 4.1.1 Case community from Pucón district | 71 |
| 4.1.2 Case community from Curarrehue district | 81 |
| 4.2 SUMMARY | 89 |
| CHAPTER 5 : FACTORS INFLUENCING RURAL TOURISM DEVELOPMENT | 91 |
| 5.1 HOUSEHOLD'S MOTIVATION FOR SUPPLYING RURAL TOURISM | 93 |
| 5.2 HOUSEHOLD'S ABILITY TO PROVIDE A COMPLETE RURAL TOURISM PRODUCT | 97 |
| 5.2.1 Household's ability to meet tourists' requirements | 98 |
| 5.2.2 Existence of a successful coordinated rural tourism network | 111 |
| 5.2.3 Area's capacity to provide a complete product meeting rural tourists' expectations | 114 |
| 5.3 LOCAL COUNCIL SUPPORT FOR DEVELOPING RURAL TOURISM IN THE DISTRICT | 117 |
| 5.4 HOUSEHOLD'S ABILITY TO ADMINISTER A RURAL TOURISM VENTURE | 120 |
| 5.5 HOUSEHOLD'S ABILITY TO COMPLY WITH LEGAL REQUIREMENTS | 121 |
| 5.6 DEMAND FOR RURAL TOURISM | 125 |
| 5.6.1 Tourists' awareness of households offering rural tourism | 125 |
| 5.6.2 Tourists' ability to make contact with households offering rural tourism | 130 |
| 5.7 CROSS-CASE ANALYSIS | 131 |
| 5.8 SUMMARY | 133 |
| CHAPTER 6 : IMPACTS OF RURAL TOURISM | 135 |
| 6.1 ECONOMIC IMPACTS OF RURAL TOURISM | 135 |
| 6.1.1 Increased job opportunities for women and young people | 135 |
| 6.1.2 Increased household income | 136 |
| 6.2 SOCIOCULTURAL IMPACTS OF RURAL TOURISM | 137 |
| 6.2.1 Positive sociocultural impacts of rural tourism | 138 |
| 6.2.2 Negative sociocultural impacts of rural tourism | 140 |
| 6.3 ENVIRONMENTAL IMPACTS OF RURAL TOURISM | 142 |
| 6.3.1 Positive environmental impacts of rural tourism | 142 |
| 6.3.2 Negative environmental impacts of rural tourism | 143 |
| 6.4 SUMMARY | 144 |
| CHAPTER 7 : DISCUSSION | 147 |
| 7.1 FACTORS INFLUENCING RURAL TOURISM DEVELOPMENT | 147 |
| 7.1.1 Household motivation for supplying rural tourism | 148 |
| 7.1.2 Household ability to provide a complete rural tourism product | 150 |

| | |
|---|------------|
| 7.1.3 Local council support for developing rural tourism..... | 155 |
| 7.1.4 Household ability to administer a rural tourism venture..... | 156 |
| 7.1.5 Household ability to comply with legal requirements..... | 156 |
| 7.1.6 Demand for rural tourism | 158 |
| 7.1.7 Other factors | 159 |
| 7.2 IMPACTS OF RURAL TOURISM | 160 |
| 7.2.1 Economic impacts of rural tourism..... | 160 |
| 7.2.2 Sociocultural impacts of rural tourism | 162 |
| 7.2.3 Environmental impacts of rural tourism..... | 164 |
| CHAPTER 8 : CONCLUSIONS | 167 |
| 8.1 RESEARCH CONCLUSIONS | 167 |
| 8.2 ASSESSMENT OF RESEARCH METHODS | 170 |
| 8.3 SUGGESTIONS FOR FUTURE RESEARCH | 171 |
| REFERENCES..... | 173 |
| APPENDICES..... | 183 |
| APPENDIX 1: DESCRIPTION OF RURAL TOURISM GOVERNMENT INITIATIVES | 184 |
| APPENDIX 2: SEMI-STRUCTURED INTERVIEWS CHECKLISTS..... | 188 |
| APPENDIX 3: WRITTEN CONSENT AND ETHICAL APPROVAL | 191 |
| APPENDIX 4: FORCE FIELD ANALYSIS RESULTS | 195 |
| APPENDIX 5: IMPACT LADDER RESULTS..... | 198 |
| APPENDIX 6: VENN DIAGRAM RESULTS | 201 |
| APPENDIX 7: TIME LINE RESULTS | 204 |
| APPENDIX 8: H-FORM EXERCISE RESULTS | 205 |
| APPENDIX 9: SOCIAL AND RESOURCE MAP RESULTS..... | 206 |
| APPENDIX 10: PICTURES OF ROADS FLOODS | 208 |
| APPENDIX 11: COMPLETE LOGICAL HIERARCHY | 209 |

LIST OF TABLES

| | |
|---|-----------|
| Table 2.1. Range of activities in the countryside..... | 22 |
| Table 2.2. Economic impacts of rural tourism | 38 |
| Table 2.3. Sociocultural impacts of rural tourism..... | 41 |
| Table 3.1. Relevant situations for different research strategies | 50 |
| Table 3.2. Criteria for selecting case studies | 53 |
| Table 3.3. Example of a checklist used during the interviews | 56 |
| Table 3.4. Research participants and number of interviews | 57 |
| Table 3.5. Group interviews and number of participants..... | 58 |
| Table 3.6. Example of coding notes approach..... | 66 |

LIST OF FIGURES

| | |
|--|-----|
| Figure 1.1. Chile: regions and main zones | 2 |
| Figure.2.1. The components of a tourism product | 20 |
| Figure 3.1. Case study method..... | 51 |
| Figure 3.2. Interviewing a family that has diversified into rural tourism | 56 |
| Figure 3.3. Force Field Analysis: balloons and stones method..... | 59 |
| Figure 3.4. Adaptation of balloons and stones method | 59 |
| Figure 3.5. Example of the Impact Ladder method | 60 |
| Figure 3.6. Example of a Venn diagram | 61 |
| Figure 3.7. Timeline method..... | 62 |
| Figure 3.8. Example of an H-form exercise | 63 |
| Figure 3.9. Mapping exercise | 64 |
| Figure 3.10. The qualitative data analysis procedure..... | 65 |
| Figure 4.1. Map of Region IX of Chile. Circles indicate the two case studies | 69 |
| Figure 4.2. Pucón and other districts in Chile's Region IX..... | 72 |
| Figure 4.3 Pucón district's capacity to receive tourists in terms of infrastructure | 74 |
| Figure 4.4. Suitability of the Pucón area for tourism because of the existence of natural attractions | 75 |
| Figure 4.5. Pucón district, main town and natural attractions | 76 |
| Figure 4.6. Time Line completed by community members | 79 |
| Figure 4.7. Camping ground facilities..... | 81 |
| Figure 4.8. Traditional Mapuche ruca and room in a homestay | 81 |
| Figure 4.9. Curarrehue and other districts of Region IX | 82 |
| Figure 4.10 Curarrehue's capacity to receive tourists in terms of infrastructure | 84 |
| Figure 4.11 Suitability of the Curarrehue area for tourism according to the existence of natural attractions | 85 |
| Figure 4.12. Curarrehue district, main township and natural attractions..... | 86 |
| Figure 4.13. Intercultural Village Museum in Curarrehue | 87 |
| Figure 4.14. Community mountain hut in Curarrehue district..... | 88 |
| Figure 5.1. Example of logical hierarchy | 92 |
| Figure 5.2. Factors influencing rural tourism development at the household level | 93 |
| Figure 5.3. Factors affecting a household's motivation for supplying rural tourism | 94 |
| Figure 5.4. Factors influencing a household's ability to provide a complete rural tourism product | 98 |
| Figure 5.5. Factors influencing a household's ability to meet tourists' requirements..... | 98 |
| Figure 5.6. Factors influencing a household's ability to meet tourists' facility requirements | 99 |
| Figure 5.7. Factors influencing a household's access to capital for building facilities | 100 |
| Figure 5.8. Factors influencing a household's ability to provide facilities consistent with local culture | 104 |
| Figure 5.9. Fogón (traditional Mapuche cooking facility) | 104 |

| | |
|--|-----|
| Figure 5.10. Factors influencing a household's ability to meet tourist requirements for a rural tourism experience | 105 |
| Figure 5.11. Factors influencing a household's ability to meet tourists' requirements for hospitality | 107 |
| Figure 5.12. Factors influencing a household's ability to provide tourists with a cultural experience | 109 |
| Figure 5.13. Factors influencing a household's ability to meet tourists' location requirements ... | 110 |
| Figure 5.14. Factors influencing the existence of a successful coordinated rural tourism network | 112 |
| Figure 5.15. Factors influencing the area's capacity to provide a complete rural tourism product meeting tourist expectations | 115 |
| Figure 5.16. Factors influencing local government support for developing rural tourism in the district | 119 |
| Figure 5.17. Factors influencing household's ability to administer a rural tourism venture | 121 |
| Figure 5.18. Factors influencing a household's ability to comply with legal requirements for developing and operating a rural tourism venture | 122 |
| Figure 5.19. Factors influencing demand for rural tourism | 125 |
| Figure 5.20 Factors influencing tourists' awareness of households offering rural tourism..... | 126 |
| Figure 5.21. Factors influencing a household's ability to develop good quality promotional material | 127 |
| Figure 5.22. Factors influencing a household's ability to make promotional material accessible to tourists..... | 128 |
| Figure 5.23. Factors influencing tourists' ability to make contact with households that supply rural tourism..... | 130 |

CHAPTER 1: INTRODUCTION

In this chapter the purpose and significance of this research are outlined. It provides background on rural tourism development in Chile and sets out the problem statement and the research questions and objectives. It ends with an outline of the structure and organisation of this thesis.

1.1 BACKGROUND TO THE PROBLEM

Chile is situated in southern South America, bordering the South Pacific Ocean, between Argentina, Bolivia and Peru and reaching from 17° 30' and 90° south (*Britannica*, 2004). Politically, Chile is divided into thirteen regions from north to south, which are grouped geographically into three main zones according to topographic and climatic characteristics. These are the northern, central and southern zones (Figure 1.1) (Icarito, 2004). The northern zone comprises Regions I, II, III and IV, which are principally the dry regions of the country. The main economic activities in this zone are fishing, mining and dryland agriculture (FAO, 1998). The central zone is composed of Regions V, VI, VII, VIII and the metropolitan region, where the capital, Santiago, is located. The main economic activities are fruit production - principally for export - and fishing (FAO, 1998). The southern zone comprises Regions IX, X, XI and XII, with the main economic activity being traditional agriculture (FAO, 1998).¹

¹ Traditional agriculture for the Chilean context is the production of traditional crops such as wheat, cereals, maize and potato. It also includes livestock and dairy production. In the case of small farming households, traditional agriculture is usually carried out with low technology input and, depending on the farm size and location of the farm relative to the market place, it may also be subsistence traditional agriculture, which aims at feeding the family more than earning an income from the farm.

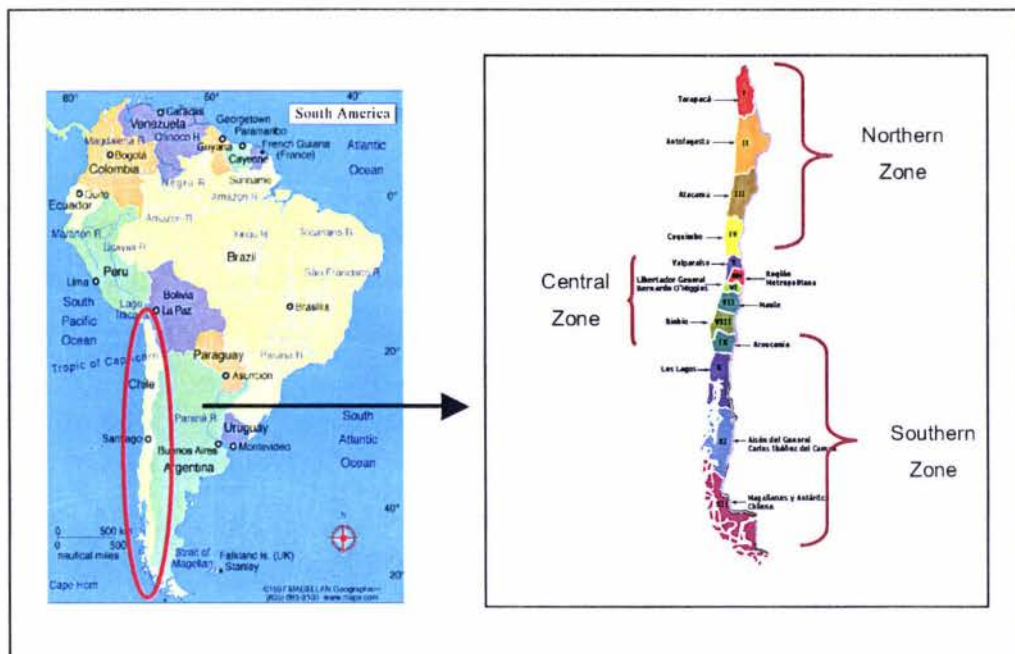


Figure 1.1. Chile: regions and main zones

Source: adapted from Icarito (2004).

In 2000, Chile had a total population of 15 million of whom 14.1% live in rural areas and are mostly engaged in agriculture as their main activity (FAO, 1998; MIDEPLAN, 2002b). In 2000, 20.6% of the total population were identified as poor.² However, the incidence of poverty is higher in rural areas: 23.8% of the population as opposed to 20.1% in urban areas (MIDEPLAN, 2002b). The incidence of poverty also varies between the different regions. In 2000, the *Región del Bio-Bio* (Region VIII) and the *Región de la Araucanía* (Region IX), were the poorest in the country. These two regions represent 30.25% of the country's rural population and the main economic activity is traditional agriculture (MIDEPLAN, 2002b).

Beginning in 1973, Chile undertook various adjustments in the political, economic and social arena that have severely affected rural areas (FAO, 1998; David, Dirven, & Vogelgesang, 2000). The main policies in the agricultural sector were

² The incidence of poverty in Chile is defined by the proportion of the population living below the poverty line. This is defined by the income required to purchase a basic basket of goods composed of the food and non-food elements required to satisfy basic needs. Therefore, poor people are those who have insufficient income to purchase a basic basket of goods. The income per month required to purchase a basic basket of goods in urban areas is US\$64.89/month and in rural areas is US\$43.72/month (US\$1=Ch\$625 as at May 2004) (MIDEPLAN, 2002c).

the liberalisation of agricultural markets, which led to the elimination of internal and export price controls, and also a reduction in the role of the state (FAO, 1998; David et al., 2000). Other agricultural policies were oriented towards promoting production for export, such as fruit-tree plantation and forestry (FAO, 1998).

The economic and political adjustments undertaken from 1973 onwards resulted in a downturn in traditional agricultural industries, severely affecting areas that rely mainly on these economic activities, principally the southern zone. This led to economic and social problems in rural areas such as high levels of unemployment and an increase in rural to urban migration, leaving rural communities facing considerable poverty and struggling to find alternative livelihood options (Perez, 1997; FAO, 1998; David et al., 2000).

Among the most affected were the agricultural smallholders. According to the Chilean government, these are households which have less than 12 basic irrigated hectares, whose total assets are no more than US\$94,572,³ and whose main source of income is agricultural production (Faiguenbaum, 2001). According to the 1997 census, the smallholder sector is the main agricultural sector in Chile, comprising about 280,000 out of 300,000 farms (Armijo & Caviedes, 1997; Faiguenbaum, 2001).

From 1990 onwards democratic governments have undertaken various policies aimed at alleviating rural poverty. These policies have been mainly focused on agricultural development for smallholder farming households. Unfortunately, these policies have had little impact on the incomes of rural households (Berdegue, Ramirez, & Reardon, 2001). In response to this lack of progress, policies for development of rural areas in Chile started to focus not only on agricultural development, but also on the promotion of activities that could potentially generate additional sources of income and employment in the non-agricultural sector, such as rural tourism (Faiguenbaum, 2001).

Rural tourism has been developing in Chile since the late 1980s and early 1990s. In the late 1980s, 23 families of German descent near Lake Llanquihue, a very

³ US\$1 = CH\$625 (May, 2004)

well-known lake in Region X of the country, started to develop rural tourism. These families owned medium-sized farms with large houses known in Spanish as *casonas* (Szmulewicz, 1996). The rural tourism product these families offered was chiefly homestay in double rooms with private bathrooms and German-style catering (Szmulewicz, 1996).

In 1995, rural tourism also started to be developed by smallholder farming households, who were motivated to do this because the government had begun to develop several rural tourism initiatives aimed at creating employment opportunities and diversification options for disadvantaged families (Szmulewicz, 1997; Faiguenbaum, 2001). These initiatives were shaped by various government organisations. For a detailed description of these initiatives refer to Appendix 1.

Szmulewicz (1997) sets out an optimistic vision of what rural tourism can offer to rural communities in Chile. However, as pointed out by Patri (1999), there is still "little knowledge about rural tourism and its importance in rural development" in Chile (Patri, 1999, p.71).

In recent years, debate has emerged in the literature over the extent to which rural tourism can be described as a 'panacea' for rural areas (Bramwell, 1994; Gannon, 1994; Verbole, 1997; Sharpley, 2002). It is argued that rural tourism can have positive impacts on rural communities, for example by increasing incomes, creating job opportunities, reinvigorating local culture and fostering the conservation of natural resources (Bramwell, 1994; Gannon, 1994; Verbole, 1997; Sharpley, 2002). However, it can also have undesirable economic, social and environmental consequences for local communities (Bramwell, 1994; Gannon, 1994; Verbole, 1997; Sharpley, 2002). Little research has been undertaken in Chile addressing the impacts rural tourism has had so far. In particular, information on the contribution of rural tourism to job creation and income generation is scarce (Faiguenbaum, 2001). Also there is inadequate research into possible local environmental impacts and sociocultural impacts of rural tourism at the household level.

Studies in a number of countries further suggest that communities face a number of challenges and constraints when diversifying into rural tourism, which prevent

them from enjoying its benefits (Verbole, 1997; Campanhola & Da Silva, 1999; Fleischer & Felsenstein, 2000; Sharpley, 2002; Briedenhann & Wickens, 2004). Little study has been undertaken in Chile to identify the factors that influence rural tourism development and the difficulties communities and families face when diversifying their livelihoods into rural tourism (Patri, 1999; Faiguenbaum, 2001). In particular, it is argued that most of the information available about rural tourism relates to a European context, which differs from the context of rural areas in Chile (Patri, 1999). Using the European model makes it difficult to implement rural tourism in Chile (Patri, 1999).

Since the consequences of rural tourism vary from situation to situation, to identify the factors that affect rural tourism development and understand the complete picture of the benefits and consequences of rural tourism on smallholder farming households in Chile, requires further analysis. Therefore, the aim in conducting this study is to overcome this lack of empirical data, and so provide policy makers with useful information for devising strategies and initiatives that can guide the development of sustainable rural tourism in rural communities in Chile, allowing them to diversify their livelihoods and improve their circumstances.

1.2 STATEMENT OF THE PROBLEM

The Chilean government has undertaken various policies aiming at alleviating rural poverty. In recent years these policies have promoted diversification of agriculture into non-agricultural activities to increase income and employment in rural areas. Since 1995, rural tourism has been one of these activities and has thus become a potential diversification option for smallholder farming households in Chile. Although some development of rural tourism has taken place, it is still at a relatively early stage. At present there is limited information available on the impacts of rural tourism for households who have diversified. Further, there is limited information on how to assist rural tourism development and rural tourism diversification so that it can become a successful strategy providing a viable livelihood option for smallholder farming households in rural areas of Chile.

1.3 RESEARCH QUESTIONS AND OBJECTIVES

This study was undertaken in order to answer the following research question:

- ◆ How can smallholder farming households be assisted in their diversification into rural tourism?

Based on this question, the specific objectives of the research were:

- *Objective one:* To identify factors that have influenced the development of rural tourism by smallholder farming households in Chile.
- *Objective two:* To identify the economic, environmental and sociocultural impacts of rural tourism on smallholder farming households in Chile.

In line with these objectives, this thesis describes the factors that influence the development of rural tourism; it identifies the environmental, social and economic impacts of rural tourism on selected farming households, and it identifies factors to be considered in future rural tourism interventions or strategies for assisting relatively disadvantaged rural communities.

1.4 THESIS ORGANISATION

The first chapter of this thesis provides an overview of Chile and the situation with respect to rural tourism as a local development strategy, particularly for regions in the southern part of the country that rely on traditional agriculture as their main economic activity. It also outlines the research questions and objectives, and the importance and limitations of this study.

Chapter 2 presents a review of the literature, focusing mainly on studies of rural tourism as a development strategy for rural areas. The factors that influence the development of rural tourism, the role of rural tourism in rural development and the impacts rural tourism can have at the community and household level are presented.

In Chapter 3 the methodology used in this study, describing the research design, data collection methods and data analysis process is outlined.

Chapter 4 gives a detailed description of the case studies. Chapter 5 and 6 present the findings of the qualitative data analysis on the factors that influence rural tourism development and the impacts of rural tourism at the household level, respectively.

In Chapter 7 these results are discussed in light of the literature reviewed in Chapter 2. And Chapter 8 presents the conclusions that were drawn from this research.

CHAPTER 2: LITERATURE REVIEW

In this chapter a review of the literature relating to rural development, tourism in general and rural tourism is provided. It is divided into seven sections. The first section reviews the literature on the emergence of new approaches to rural development such as the sustainable livelihoods approach. It first outlines the approach to rural development based on agricultural growth and its limitations for rural development, and then sets out the importance of livelihoods diversification and the factors determining diversification.

The second section contains a review of the tourism development literature. In this section the different approaches to tourism development over the years and the current approach, particularly the emergence of 'alternative forms of tourism', are outlined. In the third section the concept of rural tourism and the role it can play in rural development are discussed.

The fourth section reviews the literature on factors affecting the development of rural tourism. Here it is argued that rural tourism is affected by a number of factors that directly influence the establishment and development of rural tourism ventures. Each of these factors is described in turn. The fifth section sets out the importance of developing rural tourism in a sustainable way by reviewing the literature on sustainable rural tourism.

Section six discusses the economic, sociocultural and environmental impacts of rural tourism on communities, while section seven provides a summary of key findings from the literature.

2.1 RURAL DEVELOPMENT: Rethinking the discipline

Rural development has been based on different ideas over the past half century. Some authors comment that any attempt to summarise these ideas risks oversimplification, because of the great number of theories that have influenced rural development thinking since the 1950s (De Janvry & Sadoulet, 2004).

The major viewpoint that has dominated rural development is that agricultural growth is the best way to reduce poverty and achieve development (Ashley & Maxwell, 2001; Ellis & Biggs, 2001; Scoones & Wolmer, 2003). From the 1960s to the mid-1980s the main approach to rural development was agricultural growth based on the efficiency of the small-farm (known as the 'small-farm first' approach), where small-farm agriculture was considered the main driver of growth and development (Ashley & Maxwell, 2001; Ellis & Biggs, 2001). In this approach, agriculture was seen as playing a key role in overall economic growth by providing labour, capital, food, foreign exchange and markets for consumer goods (Ellis & Biggs, 2001).

During the late 1980s and early 1990s questions were raised as to the extent to which agriculture should be the main driver of rural development (Ashley & Maxwell, 2001; Ellis & Biggs, 2001; Scoones & Wolmer, 2003). These questions were raised principally because rural poverty and inequality had increased (Sing & Laurence, 1998 cited in Sing & Gilman, 1999). De Janvry and Soudoulet (2004) provide an example of this in the Latin American context. They comment that "in Latin America as a whole, the incidence of extreme poverty has remained at 28 per cent over the last 30 years" (De Janvry & Soudoulet, 2004, p.1). They also comment that the number of rural poor has increased.

Limitations of this approach in reducing poverty and achieving rural development have been explained mainly as a result of the fall in traditional agricultural commodity prices that has occurred since the 1970s (Ashley & Maxwell, 2001; Ellis & Biggs, 2001; Scoones & Wolmer, 2003). During the 1970s and 1980s a new development approach, where the market and the private sector played the main roles, was being adopted (David et al., 2000). The liberalisation of agriculture and the promotion of exportable products during this time resulted in a

severe global fall in agricultural commodity prices, undermining the profitability of agriculture as a business (Ashley & Maxwell, 2001). As a consequence, the economic decline of the agricultural sector led to severe socioeconomic problems for small farmers, who found it very difficult to adapt to producing higher value products such as horticultural and other non-traditional exports, resulting in an increase in poverty in less developed countries (David et al., 2000; Ashley & Maxwell, 2001).

During the late 1980s and early 1990s, it is argued that rural households built their livelihoods in a diverse way, not only based on agriculture (Chambers, 1997; Ashley & Maxwell, 2001; Ellis & Biggs, 2001; Scoones & Wolmer, 2003). A number of studies undertaken in different parts of the world demonstrated that most rural families have multiple sources of income (Reardon, 1997; Reardon, Berdegue, & Escobar, 2001). For example, a study in sub-Saharan Africa countries shows that between 30 and 50 per cent of rural household income is derived from activities other than farming (Reardon, 1997). This is also the case in a study undertaken in eleven countries in Latin America, which shows that on average 40 per cent of rural income comes from non-agricultural sources (Reardon et al., 2001). In Chile, non-farm wages and self-employment constitute 41 per cent of the total income of rural households (Berdegue et al., 2001). Therefore, it is recognised that agriculture takes place in the rural area alongside a number of non-agricultural activities (Chambers, 1997; Ellis & Biggs, 2001).

During the 1980s and 1990s new approaches, in terms of development interventions, were starting to appear, changing from the so-called "top-down" approach to rural development, characterised by external technologies and national-level policies, to the "bottom-up" or process approach which saw rural development as a participatory process empowering rural people to take control over their own priorities for change (Rondinelli, 1983; Chambers, 1997).

The shift of ideas to a more "bottom-up" approach and the recognition that rural livelihoods are complex and diverse led to a shift in thinking about rural development (Chambers, 1997; Ellis & Biggs, 2001). It was acknowledged that rural development should be wider in scope than dealing only with issues relating to agriculture and food production (Keane, 1992). It was also recognised that while agriculture is important, the idea of full-time farming on small plots was no

longer applicable (Chambers, 1997; Ashley & Maxwell, 2001; Ellis & Biggs, 2001; Scoones & Wolmer, 2003). Rural development should therefore be flexible enough to accommodate new initiatives in both the agricultural and non-agricultural sectors to help in the construction of viable rural livelihoods (Keane, 1992; Chambers, 1997; Ashley & Maxwell, 2001; Ellis & Biggs, 2001; Scoones & Wolmer, 2003). This shift in thinking gave shape to new approaches to rural development. One such approach that has received significant recognition by various development agencies in the last few years is the "Sustainable Livelihoods Approach", (Chambers, 1997; Ashley & Maxwell, 2001; Ellis & Biggs, 2001; Scoones & Wolmer, 2003). In the following section the literature on the Sustainable Livelihoods Approach and diversification is reviewed.

2.1.1 Sustainable livelihoods and diversification

The Sustainable Livelihoods Approach aims to place people at the centre of development, increasing the effectiveness of development assistance (Cahn, 2002). It takes a holistic view of poverty alleviation, understanding rural poverty not just as an income problem but as a livelihood problem which involves people and their complex social and economic reality (Ellis, 2000b; Cahn, 2002).

The two main concepts that come together under the rubric of the sustainable livelihoods approach are *livelihoods* and *diversification* (Ellis, 2000b; Ellis & Biggs, 2001). The concept of livelihood seems to offer a more complete picture of the complexities of the reality in less developed countries than 'income' or 'employment' (Cahn, 2002). While the literature suggests that livelihood is different from income, these two concepts are interrelated because the level of an individual household's income is the most direct and measurable outcome of the livelihood process (Ellis, 2000b).

Different definitions of livelihood have been outlined in the literature. According to Chambers and Conway (1991), a livelihood involves the capabilities, assets and activities required for a means of living. Ellis and Biggs (2001) place emphasis on access to assets and activities that are influenced by social relations, avoiding the terminology of capabilities. "The livelihood concept takes an open ended view

of the combination of assets and activities that turn out to constitute a viable livelihood strategy for the rural family" (Ellis & Biggs, 2001 p.445).

In another view, "rural household diversification is defined as the process by which rural households construct an increasingly diverse portfolio of activities and assets in order to survive and to improve their standards of living" (Ellis, 2000, p. 15). For many households in rural areas of developing countries, farming does not provide sufficient means for survival. Therefore, they necessarily engage in multiple occupations to earn a living (Ellis, 2000b; Ellis & Biggs, 2001). They possess different income sources which can be classified as farm income, off-farm income and non-farm income (Ellis, 1998, 2000b). The first refers to income generated from own-account farming such as livestock and crop income and comprises both consumption in kind of own farm outputs as well as the cash income obtained from production retail. Off-farm income refers to wage or exchange labour on other farms, while non-farm income is that from non-agricultural sources such as non-farm rural self-employment, property income rents and remittances (Ellis, 1998, 2000b).

The causes and consequences of livelihood diversification are specific to context and circumstance (Ellis, 1998; Hussein & Nelson, 1998; Ellis, 2000b; Ellis & Biggs, 2001). The literature usually divides the causes of diversification into two main groups, necessity and choice (Ellis, 2000a). Diversification driven by necessity refers to involuntary reasons for diversification such as environmental deterioration, floods, wars and the like (Ellis, 2000a). Usually these strategies are undertaken by households as a last resort and result in more vulnerable livelihood systems than they had previously (Ghosh & Bharadwaj, 1992; Davies, 1996 cited in Ellis, 2000a). Diversification driven by choice refers to voluntary and proactive reasons for diversification (Ellis, 2000a). Some examples are non-agricultural diversification into non-farm business such as trading (Ellis, 1998) or tourism (Berdegue et al., 2001). These strategies serve to increase rather than lower incomes, allowing households to maintain and improve their standard of living (Dercon & Krashinsky, 1996; Ellis, 2000a).

A household's capacity to engage in more favourable activities which allows them to maintain or improve their living standards is influenced by their social and economic circumstances such as their skills, access to credit, location and

income level (Dercon & Krinshnan, 1996; Ellis, 1998; Barret, Bezunen, & Aboud, 2001). Studies in Tanzania and Ethiopia (Dercon & Krinshnan, 1996) and in Côte d'Ivoire and Kenya (Barret et al., 2001) show that a household's ability to diversify into more favourable activities is dependent upon its having the means to engage in that activity, such as skills or access to capital (Dercon & Krinshnan, 1996; Barret et al., 2001). Dercon and Krinshnan (1996) argue that high-return activities such as weaving, pottery or carpentry require particular skills and some investment, preventing those with fewer means and less education from taking them up. Similarly, a case study from Peru shows that education and credit are important determinants for income diversification into non-agricultural activities (Escobal, 2001).

A household's income level and assets are also important factors for diversifying into more favourable activities (Abdulai & CroleRees, 2001; Barret et al., 2001). A case study in Mali shows that poorer households have fewer opportunities for diversifying into non-cropping and non-farm activities than do those less poor families (Abdulai & CroleRees, 2001). This is further demonstrated by case studies in Côte d'Ivoire and Kenya which show that those households with poor assets such as land, education and livestock are less able to diversify to take advantage of emerging on-farm and non-farm opportunities (Barret et al., 2001).

Location also affects livelihood diversification into more favourable activities (Abdulai & CroleRees, 2001; Barret et al., 2001). In Mali, those households located in remote areas are less able to participate in non-cropping sectors than are those located near local markets (Abdulai & CroleRees, 2001). This is also the case in Côte d'Ivoire and Kenya, where participation in the non-farm sector depends on market access because people must be able to sell their products (Barret et al., 2001). A case study undertaken in Peru shows that the existence of roads to access markets is a key factor allowing farmers to engage in diversification strategies in the non-farm sector (Escobal, 2001).

Gender is also a determinant for diversification of livelihood into more favourable activities (Ellis, 2000b). Gender is an inseparable part of rural livelihoods

because gender relations⁴ are usually unequal in terms of power, decision-making and ownership of resources, influencing the diversification strategies that are undertaken by men and women (Ellis, 2000b, p.139). According to Ellis (2000b), gender issues have not been well addressed in the livelihoods literature, because the unit of analysis of livelihoods studies is usually the whole household; very few studies have treated females and males separately.

Another aspect of gender issues and the livelihoods literature is that women can have an important role in the consumption patterns of the family, since they are more likely to spend their cash earnings on basic household needs such as food, education and health (Mencher, 1988; Thomas, 1990; Kennedy & Peters, 1992). Therefore, there is a need to find diversification options specifically for women, since these will have a positive effect on households' circumstances (Ellis, 2000b).

It is claimed that those with more assets have better options for diversification. In this respect, Ellis (2000b) comments that women usually have fewer assets such as land or education, which results in their engaging in low-wage activities with low job security. A case study undertaken in two communities in Chile had different results, suggesting that women depend more on non-farm employment than do men and that, compared to men, a greater proportion of their earnings comes from wage employment, which is explained because these two communities have employment opportunities available in areas such as services or manufacture (Berdegue et al., 2001). It is further suggested in the study that women who have access to wage employment earn more than do men as compared to farm labour or self-employment. Therefore, the authors argue that rural development programmes for women in Chile should be focused on preparing them for this type of employment rather than promoting self-employment through micro enterprise, as has been the case previously (Berdegue et al., 2001).

Based on the literature reviewed above, it can be said that rural development and rural development strategies should be focused on providing an enabling environment for rural people to successfully combine agriculture with other, non-

⁴ Gender relations can be defined as roles and relationships between men and women (Baden & Goetz, 1998 cited in Ellis 2000b).

agricultural activities, allowing them to achieve sustainable livelihoods (Ellis, 2000b; Ellis & Biggs, 2001). One such livelihood diversification strategy that has been gaining recognition in recent years is tourism, especially rural tourism. In the following section tourism and its role in development and in particular the role of rural tourism in rural development is presented.

2.2 TOURISM AND DEVELOPMENT: Evolution and new approaches

Tourism as a development strategy has evolved according to different development approaches in vogue since the 1950s (Sharpley, 2000; Scheyvens, 2002). From the 1950s to the 1980s, tourism was seen as an important tool for economic development, promoting foreign investment and economic growth as ways to achieve modern societies (Holder, 1996). However, this approach to tourism development has been widely criticised. It is argued that tourism development during this time was not concerned with improving the well-being of local populations; on the contrary, it reinforced global inequalities (De Kadt, 1979). Other criticisms were that the development that tourism produced during this time was unbalanced, distributing benefits in an unequal way. In addition, most of the benefits flowed out of local communities, going to foreign investors and multinational corporations. Government investment in infrastructure was also focused on providing infrastructure for tourism instead of improving basic infrastructure for citizens. Furthermore, it is argued that tourism development led to several negative social impacts such as increased drug use, crime and prostitution (Harrison, 1992).

In response to these criticisms, new approaches to tourism development have emerged (Brohman, 1996; Sharpley, 2000; Scheyvens, 2002). A number of terms can be found in the literature regarding new approaches to tourism development, such as 'participation', 'empowerment', 'sustainable tourism development', 'community participation in tourism planning', 'pro-poor tourism' and 'alternative tourism strategies'. Without focusing on the terms themselves, since as Scheyvens (2002) notes they can have different meanings to different people, new approaches to tourism development are aimed at finding appropriate

ways in which tourism can facilitate development, particularly for poorer countries (Binns & Nel, 2002; Scheyvens, 2002).

Alternative forms of tourism, which have gained enormous recognition in the literature in recent years, are described as one way in which tourism can facilitate development (Brohman, 1996; Scheyvens, 2002). Alternative forms of tourism, also known as 'special interest tourism' aim to be distinct from mass or conventional forms of tourism (Derrett, 2001). They comprise small-scale, locally-owned tourism activities that emphasise contact and understanding between residents and tourists, and also between tourists and the environment, allowing both hosts and guests to enjoy positive and valuable interaction and to share experiences (Butler, 1990; Derrett, 2001; Scheyvens, 2002). Further, these forms of tourism minimise negative environmental and cultural impacts and prioritise community involvement and interests (Butler, 1990; Scheyvens, 2002).

Some of the alternative forms of tourism that are becoming popular in different countries and that have gained recognition in the literature are ecotourism, ethnic tourism, cultural tourism, and green tourism (Scheyvens, 2002). Notable examples of the establishment of alternative forms of tourism can be found in Latin America (Brohman, 1996). Ecuador, Peru, Costa Rica and Brazil are becoming well-known destinations because of the establishment of ecotourism ventures (Getino, 1990 cited in Brohman, 1996; Place, 1991). Guatemala, Mexico, Ecuador and Peru also have interesting examples of tourism based on ethno-historical and cultural attractions, drawing on a mixture of archaeological sites, contemporary handicraft industries and markets in indigenous areas (Pearce, 1989).

Many of these forms of tourism, such as ecotourism and ethnic tourism, form part of what is known as 'rural tourism' (this will be discussed in detail in Section 2.3.1). Rural tourism is thus one form of alternative tourism that is gaining recognition in the literature and deserves particular attention as a rural development strategy (Gannon, 1994; Lane, 1994b; Verbole, 1997). Rural tourism has been accepted as having the potential to act as a catalyst for improving rural socioeconomic conditions, becoming an important rural development strategy in various parts of the world (Verbole, 1997; Patri, 1999;

Roberts & Hall, 2001). In the following section the concept of rural tourism and its role in rural development is described.

2.3 RURAL TOURISM: Definition and its role in rural development

This section sets out a review of the literature on several aspects of rural tourism, in particular the definition of *rural tourism* and its role in rural development. It is divided into two subsections. The first subsection offers a definition of rural tourism and describes its demand and supply side. This subsection principally considers the literature on rural tourism management and on general tourism management.

In the second subsection the role of rural tourism in relation to different approaches to rural development is discussed. This subsection is based on a review of the literature concerning rural tourism development, where possible, but on general tourism development literature otherwise.

2.3.1 Clarifying the concept of rural tourism

Rural environments have a long history of being managed for recreational purposes. In remote times, before society created the concept of recreation and leisure, it was common for families who lived in urban areas to travel into the countryside in summer. During their stay, they undertook different activities in the rural setting in order to make their stay more pleasant and interesting (Patri, 1999; Roberts & Hall, 2001).

The idea of rural tourism as an economic activity emerged during the 1950s, principally in European countries. According to Patri (1999), the first farm stay was established in 1951 in the French Alps. Today, rural tourism is an important economic activity in many countries throughout the world. It has particular characteristics and tends to satisfy specific segments of the tourism industry (Patri, 1999; Roberts & Hall, 2001).

Rural tourism can be described simply as *tourism that takes place in non-urban areas*. However, the idea of rural areas or 'rurality' is linked with particular characteristics that make rural tourism more than just a type of tourism carried out in the countryside (Bramwell, 1994; Lane, 1994b; Page & Getz, 1997). 'rurality' as a general concept tends to be linked with low population densities and open space, small-scale settlements and land use dominated by farming, forestry and natural areas (Lane, 1994b). Further, it is also linked with the human and cultural capital of local communities, which are different and distinctive from those of urban areas: rural societies tend towards traditionalism and the influence of the past is often very strong (Bramwell, 1994; Lane, 1994b; Verbole, 1997). These characteristics form the basis for defining *rural tourism as small-scale tourism, located in non-urban areas and built upon the natural and cultural resources of the area* (Bramwell, 1994; Lane, 1994b; Verbole, 1997; Cabrini, 2002). Further, rural tourism allows tourists to participate in the activities, traditions and lifestyle of local people and provides them with an opportunity to have a personalised contact with the human and physical environment of the countryside (Bramwell, 1994; Lane, 1994b; Verbole, 1997; Cabrini, 2002)

Rural tourism, as with any other economic activity, has both a demand and a supply side (Page & Getz, 1997; Roberts & Hall, 2001). The demand side of rural tourism is the tourists who have particular consumption patterns and motivations for being rural tourists (Lane, 1994b; Page & Getz, 1997; Roberts & Hall, 2001). There are few studies that describe the profile of rural tourists, their motivations and consumption patterns (Page & Getz, 1997). In general, it has been said that rural tourists are usually people who live in urban areas who are seeking to escape from fast city life. They want to travel to unspoiled environments and are looking for peace and intimate contact with local people and their culture (Lane, 1994a, 1994b). They also seek the personal attention that small-scale enterprises can offer to their guests (Bramwell, 1994). They want to enjoy typical outdoor activities such as sports, agriculture-related activities, viewing scenery, excursions with inexpensive accommodation, and the peace and quiet of the countryside (Fuentes, 1995; Opperman, 1996; Fleisher & Pizam, 1997).

No studies were found describing rural tourists in Chile or in other developing countries. Studies in Europe suggest that rural tourists in different parts of Europe have similar characteristics (Fleisher & Pizam, 1997). Studies in both

Israel and Spain show that rural tourists had high sociocultural status and medium-high purchasing power and included families with young children (Fuentes, 1995; Fleisher & Pizam, 1997). In a study in southern Germany, rural tourists were found to be similar to those in other studies, but also included older couples (Opperman, 1996).

The supply side of rural tourism is the activities, goods and services that are provided to meet the demand; generally the supply side of rural tourism is known as the *rural tourism product* (Roberts & Hall, 2001). The tourism management literature describes a *tourism product* as a combination of a number of components, such as attractions, hospitality, facilities and infrastructure, that allow tourists to have an 'experience' (Murphy, 1985; Gunn & Var, 2002). Figure 2.1 shows how these components interact to create a tourism product.

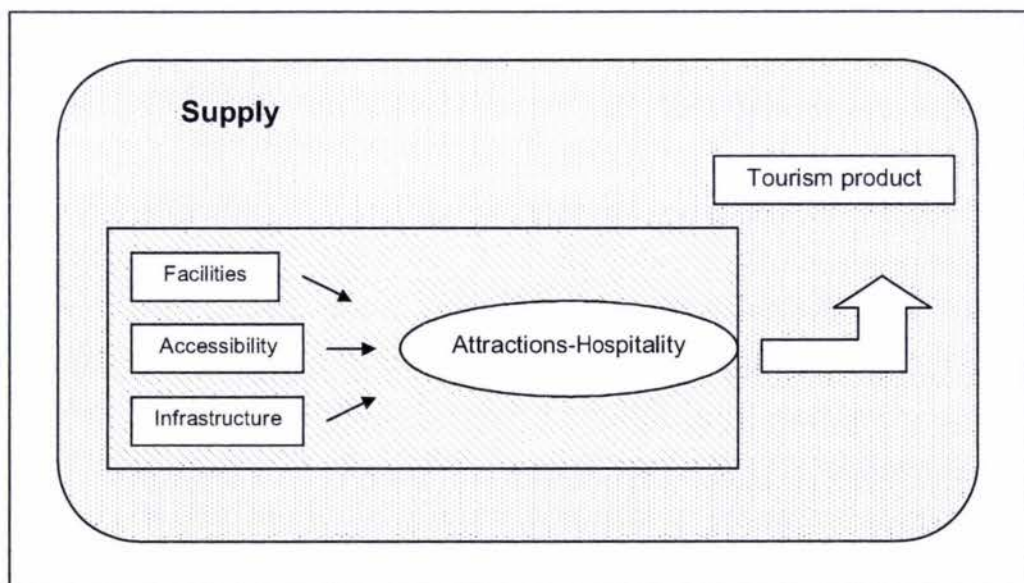


Figure.2.1. The components of a tourism product

Source: After Murphy (1995)

The tourism management literature sees the two main components of the supply side of tourism as **attractions** and **hospitality**. Tourism is a resource industry which depends on natural and cultural resources (Murphy, 1985; Gunn & Var, 2002). In this respect Roberts and Hall (2001), referring to rural tourism, argue that the main component of the rural tourism product is the countryside itself. However, as is argued in the tourism management literature, of equal importance with natural and cultural resources is community goodwill to welcome visitors: "If

the community is antagonistic to visitors, no amount of attractions will compensate rudeness or hostility" (Murphy, 1985, p.13).

In the tourism management literature is argued that even though attractions and hospitality constitute a major part of the travel experience, these need to be supported by other components such as facilities, accessibility and infrastructure (Murphy, 1985; Lane, 1994b; Gunn & Var, 2002). This holds similarly for rural tourism, with Roberts and Hall (2001) noting that facilities and services are very important for allowing visitors to enjoy their contact with the countryside.

Facilities are all the travel services, such as accommodation, food services, transportation and travel agencies, which make a destination area more appealing for the tourism market, supplementing the resources of the area by providing complementary entertainment (Murphy, 1985; Gunn & Var, 2002). The objective of facilities is to create a more enjoyable and comfortable visit and induce tourists to stay longer, because as Murphy (1985, p.13) stated "the longer they stay the more they spend" (Murphy, 1985, p.13).

Infrastructure is the provision of water supplies, public utilities, sewage systems and accessibility infrastructure. Accessibility infrastructure is the type of infrastructure provided so that tourists can access their destination, such as roads and airports. This type of infrastructure is very important for the tourism industry because it provides a critical linkage between the tourists and the destination (Murphy, 1985; Gunn & Var, 2002).

Rural tourism supply is one of the most polymorphous forms of tourism because there are a number of rural tourism products that depend on the goods, activities and services offered. Some examples of activities considered to be part of the concept of rural tourism are touring, water-related activities, cultural activities, passive activities, events and sporting activities (Table 2.1). Some examples of 'rural tourism products' are farm tourism, agri-tourism, cultural tourism, adventure tourism and eco-tourism (Killion, 2001; Roberts & Hall, 2001).

Table 2.1. Range of activities in the countryside

| <i>Activity</i> | <i>Examples</i> |
|--------------------------|--|
| Touring | Hiking, horse-riding, small town/village touring, cycling, donkey riding. |
| Water-related activities | Fishing, swimming, river canal tourism. |
| Cultural activities | Archaeology, restoration sites, rural heritage studies, local industries (agricultural or craft enterprises), museums, artistic expression workshops, folk groups, cultural and gastronomic routes, traditional festivals. |
| 'Passive' activities | Relaxation holidays, nature study in outdoor setting (bird watching, photography), landscape appreciation. |
| Events | Agricultural festivals, cultural festivals. |
| Sporting activities | Rock climbing, orienteering. |

Source: Adapted from Roberts and Hall (2001, p.2)

The most clearly defined 'rural tourism product' is agri-tourism (Cabrini, 2002). Agri-tourism is tourism directly connected with the agrarian environment and goods. It is carried out by farmers, enabling them to diversify their agricultural activities (Patri, 1999; Cabrini, 2002). However, as pointed out by Verbole (1997), the boundaries of the various forms of tourism are fuzzy, with interaction between them. A farmer who carries out agri-tourism can also offer 'rural tourism products' related to eco-tourism, village tourism, or ethnic tourism (Verbole, 1997).

In recent years rural tourism, apart from being an economic activity, has also been accepted as a viable development option for rural communities, particularly where traditional smallholder agriculture is increasingly becoming less viable (Gannon, 1994; Lane, 1994b; Verbole, 1997; Patri, 1999; Sharpley, 2002). This is because rural tourism has been found to be a cost-effective rural development strategy in terms of public funds (Fleischer & Felsenstein, 2000). In Israel, support for rural tourism enterprises was found to be more cost-effective than support provided to other types of small businesses. In addition, rural tourism had a more pronounced impact on income distribution than did the other enterprises supported. It was also suggested in that study that even minimal support for rural tourism can yield substantial social and economic returns (Fleischer & Felsenstein, 2000). Rural tourism offers potential solutions to some of the problems rural areas are currently facing, therefore, rural tourism development

programmes have become increasingly evident in different parts of the world, and both in developed countries and in less developed ones (Lane, 1994b; Hjlager, 1996; Verbole, 1997; Fleischer & Felsenstein, 2000; Sharpley, 2002).

The following section describes in detail the role of rural tourism in rural development.

2.3.2 The role of rural tourism in rural development

In less developed countries, rural tourism can be a strategy that supports the sustainable livelihoods approach to rural development. Literature relating to rural tourism and rural development in less developed countries is scarce and there appears to be no available writing about the role of rural tourism in achieving sustainable livelihoods. However, in the tourism development literature it is argued that tourism can be a potential input to the development process of poor countries, leading to economic uplift, community development and poverty alleviation (Binns & Nel, 2002; Scheyvens, 2002; WTO, 2002). Diversification of livelihoods into tourism can reduce the vulnerability of the poor by increasing the range of economic opportunities available to individuals and households, thus contributing to poverty reduction by creating employment opportunities and additional income (Scheyvens, 2002; WTO, 2002). Rural tourism is also touted as a strategy that allows rural economies to diversify in a way that is compatible with existing agricultural activities and as a helpful tool for creating jobs and increasing incomes (Gannon, 1994; Lane, 1994a; Hjlager, 1996; Verbole, 1997; Patri, 1999; Fleischer & Felsenstein, 2000; Roberts & Hall, 2001; Sharpley, 2002). Therefore, rural tourism can be seen as a strategy that can support sustainable livelihoods.

In Europe, rural tourism is said to be an activity that supports the entrepreneurial approach to rural development. This approach involves stimulating small-scale enterprises, aiming to channel communities into a progressive self-help process (Gannon, 1994). It is argued that small-enterprises can provide farmers with a tool for improving their incomes and in particular can provide women with employment possibilities near their homes, offering them autonomy and greater

independence (Petrin, 1997). Small-scale enterprises such as rural tourism can contribute to economic growth and stimulate rural development (Gannon, 1994). Rural tourism may not be a suitable development strategy for all rural areas (Lane, 1994a; Fleisher & Pizam, 1997). Even though rural tourism can offer a number of benefits for rural communities and is said to be a cost-effective public support activity, not all rural areas in need of employment and income are candidates for rural tourism development (Lane, 1994a; Fleisher & Pizam, 1997). This is viewed differently in the literature depending on the approach taken to rural development. For example, the entrepreneurial approach to rural development contends that successful diversification into non-agricultural enterprises such as rural tourism depends on the entrepreneurial ability of those who undertake them (Petrin, 1997). Also, two main components are said to be important for successfully diversifying into these types of activities: the predisposition to start an entrepreneurial enterprise and the necessary skills to successfully carry out the venture. Therefore, some social groups, particularly the better educated, are more successful in diversifying into business than are the less well educated (Petrin, 1997). The tourism development literature points out that even though tourism sounds as if it has significant possibilities as an approach to development, there are a number of difficulties in its implementation (Scheyvens, 2002). In particular it is argued that communities usually lack the information, resources and relationships with other stakeholders involved in the tourism industry that they need to succeed (McLaren, 2003). Also, communities lack experience in the tourism business sector, legal and financial knowledge and skills and resources to engage in a positive way in tourism (Scheyvens, 2002).

For rural tourism to become a successful rural development strategy, a number of factors must be considered (Gannon, 1994; Fleisher & Pizam, 1997; Wilson, Fesenmaier, Fesenmaier, & Van Es, 2001; Sharpley, 2002). Like any other development strategy, rural tourism requires several components to be successful, such as attractions, promotion, tourism infrastructure, services and hospitality (Lane, 1994b; Wilson et al., 2001). However, rural tourism entrepreneurs are usually not included in this list, yet they play an important role in the successful development of this activity (Wilson et al., 2001). Successful diversification into rural tourism is dependent on a number of factors, and for it to become a successful rural development strategy it is essential that policymakers

devise rural tourism development strategies which take all these factors into account (Gannon, 1994; Wilson et al., 2001). Therefore, there is a need for research into the factors that promote successful diversification into rural tourism (Jamal & Getz, 1995). In the following section the factors that influence rural tourism development are reviewed.

2.4 FACTORS INFLUENCING RURAL TOURISM DEVELOPMENT

Recent writing on rural tourism from various parts of the world has addressed the factors that influence rural tourism development (Gannon, 1994; Page & Getz, 1997; Campanhola & Da Silva, 1999; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). Different authors focus on different factors; while some address 'success factors' (Braithwaite, Greiner, & Walker, 1998; Wilson et al., 2001), others focus on constraints and challenges (Campanhola & Da Silva, 1999; Sharpley, 2002; Briedenhann & Wickens, 2004).

The literature on success factors, those which have helped rural communities successfully diversify into rural tourism, is based on research carried out in developed countries such as the United States and Australia (Braithwaite et al., 1998; Wilson et al., 2001). By contrast, the literature relating to constraints and challenges is based on research carried out in less developed communities in various countries such as Brazil, Cyprus and South Africa (Campanhola & Da Silva, 1999; Sharpley, 2002; Briedenhann & Wickens, 2004).

Factors that affect rural tourism development can be classified into two groups. In the first group are those factors directly associated with entrepreneurs, such as the capacity of the entrepreneur to operate a rural tourism venture (Campanhola & Da Silva, 1999; Sharpley, 2002; Briedenhann & Wickens, 2004), the existence of a successful and coordinated rural tourism association (Gannon, 1994; Campanhola & Da Silva, 1999; Wilson et al., 2001) and the capacity of the entrepreneur to provide a complete rural tourism product (Campanhola & Da Silva, 1999; Briedenhann & Wickens, 2004). The second group of factors also affect rural tourism development but are not related to the entrepreneurs themselves. These include the funding available for rural tourism development,

the appeal of the destination locality for rural tourism, the host community's support for rural tourism development, an effective marketing strategy and local government support for rural tourism (Campanhola & Da Silva, 1999; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). The following subsections each of these factors is discussed in detail.

2.4.1 Entrepreneurs' ability to operate a rural tourism venture

Case studies from Cyprus, Brazil, South Africa and Germany highlight the importance of entrepreneurs capable of operating a rural tourism business as a prerequisite for rural tourism development (Campanhola & Da Silva, 1999; Busby & Rendle, 2000; Sharpley, 2002; Briedenhann & Wickens, 2004). Providing a quality service in rural tourism requires particular skills. Some skills are tourist management (Campanhola & Da Silva, 1999; Busby & Rendle, 2000; Briedenhann & Wickens, 2004) and group management (Gannon, 1994). Tourist management includes the skills required for receiving, booking, hosting and guiding tourists (Campanhola & Da Silva, 1999; Busby & Rendle, 2000; Briedenhann & Wickens, 2004). Group management includes skills in leadership, group dynamics, and problem solving (Gannon, 1994). These latter types of skills are particularly important when rural tourism entrepreneurs create rural tourism associations, as these skills are helpful in running the association as well as in preventing rivalries that can destroy it (Gannon, 1994).

As many farmers in rural areas are isolated and lack knowledge and expertise in the rural tourism field, building their capacity in relevant skills is essential for successful rural tourism (Hjilager, 1996; Page & Getz, 1997; Campanhola & Da Silva, 1999; Busby & Rendle, 2000; Sharpley, 2002). Training opportunities should be appropriate for rural communities (Page & Getz, 1997; Briedenhann & Wickens, 2004). Different authors have addressed the 'appropriateness' of training in different ways. Briedenhann and Wickens (2004) note that many of the people who carry out rural tourism in South Africa have poor literacy and numeracy skills, so that training opportunities should be suited to their understanding and ability. Page and Getz (1997) suggest that it is also important to consider when and how training is provided. As the people who carry out rural tourism activities have less flexibility of time, they suggest that training programmes should be flexible enough to facilitate people's participation (Page &

Getz, 1997). Off-season programmes and distance education are good examples of flexible training programmes (Page & Getz, 1997). Training should be available over the long term (Sharpley, 2002). In Cyprus, it was found that training needed to be provided on a long-term basis to allow a continuous cycle of training and thereby allow new rural tourism entrepreneurs to obtain the necessary skills (Sharpley, 2002).

2.4.2 Entrepreneurs' ability to provide a complete rural tourism product

Research undertaken in Australia, the United States and Brazil identifies providing a complete rural tourism product, with a variety of quality activities that satisfy rural tourists' demands, as an important factor in rural tourism development (Braithwaite et al., 1998; Campanhola & Da Silva, 1999; Wilson et al., 2001). Some authors suggest that too often rural tourism providers concentrate their effort on accommodation and food, failing to develop a complete rural tourism product (Gannon, 1994). However, having a complete rural tourism product is also dependent upon the ability to provide a variety of activities that match tourists' expectations in terms of attractiveness, quality and price (Gannon, 1994; Braithwaite et al., 1998).

One small farmer alone may not have the capacity to offer all the activities and services to satisfy tourists' demands (Campanhola & Da Silva, 1999). However, the creation of cooperatives or associations of rural tourism entrepreneurs can overcome this capacity constraint, enabling rural tourism providers to address the collective needs of the tourists (Gannon, 1994; Campanhola & Da Silva, 1999). Another way to overcome this capacity constraint is to cluster activities and attractions along rural tourism routes, packaging together individual tourism attractions that complement each other (Wilson et al., 2001; Briedenhann & Wickens, 2004). The potential of tourism routes has been widely recognised in developed countries, for example, the 'European Cultural Routes'⁵ such as the 'Santiago de Compostela Pilgrim Ways' in Spain (Council of Europe cited in Briedenhann & Wickens, 2004 p. 72). Rural tourism routes are also noted as a decisive factor in successful rural tourism in less developed rural areas of South Africa (Briedenhann & Wickens, 2004). The clustering of activities stimulates

⁵ The term 'cultural route' was defined as "a route crossing one, two or more countries or regions, organised around themes whose historical, artistic or social interest is patently European...the route must be based on a number of highlights, with places particularly rich in historical associations (Council of Europe, 2002, p. 2, quoted in Briedenhann & Wickens, 2004, p. 72).

entrepreneurial opportunities and provides a range of activities that act as incentives for tourists to stay longer and repeat their visits (Kinsley, 2000 cited in Briedenhann & Wickens, 2004).

Information and technical assistance are required for setting up the product (Wilson et al., 2001; Briedenhann & Wickens, 2004). In South Africa, respondents in a case study commented that they found it difficult to set up a tourism product, indicating that they had received no useful advice for doing this (Briedenhann & Wickens, 2004, p. 75). In the United States, communities that had successfully diversified into rural tourism said that they had received technical assistance for rural tourism development (Wilson et al., 2001). This is considered particularly important when the participants are unable to hire tourism experts to help them (Wilson et al., 2001).

2.4.3 Existence of a successful and coordinated association of rural tourism providers

Coordination and cooperation between rural tourism entrepreneurs are important factors for successful rural tourism development (Gannon, 1994; Campanhola & Da Silva, 1999; Wilson et al., 2001). Rural tourism associations offer a number of benefits (Gannon, 1994; Campanhola & Da Silva, 1999). A case study from the United States showed that in communities that were successful in rural tourism development, groups of entrepreneurs had invested money, time and energy to make rural tourism work (Wilson et al., 2001). Associations can also help in providing a complete rural tourism product to satisfy tourists' needs (Gannon, 1994; Campanhola & Da Silva, 1999), and can undertake various activities such as promoting and organising rural tourism events, helping to make the town visually attractive to tourists, for example by painting buildings, and giving money for collective promotion of rural tourism (Wilson et al., 2001).

Associations also help to empower rural communities (Gannon, 1994; Campanhola & Da Silva, 1999). Tourism associations in Brazil have assisted in creating better communication networks between rural tourism entrepreneurs and local government, strengthening their power of negotiation for obtaining such things as improved local infrastructure (Campanhola & Da Silva, 1999). Power is

greater when people are united in a collective unit than when they are separate (Gannon, 1994).

Keeping associations functioning is not an easy task (Gannon, 1994; Wilson et al., 2001). In the United States, less successful associations indicate that they lack a core group of people willing to work in an associative and cooperative way for rural tourism development (Wilson et al., 2001). An association should have a clear vision of its goals and task. For this it is important that members have skills in human development, leadership, group dynamics and problem solving (Gannon, 1994).

2.4.4 Funding for rural tourism development

Studies from the United States, Brazil, Cyprus and South Africa all identify funding as an important factor for rural tourism development (Fleischer & Felsenstein, 2000; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). The cost of developing and organising rural tourism often requires significant investment, usually beyond the means of the business owner (Fleischer & Felsenstein, 2000). Obtaining funding in rural areas is often difficult, because rural tourism ventures are usually located in remote areas lacking wealthy residents or lending institutions, and local authorities are short on resources (Page & Getz, 1997; Fleischer & Felsenstein, 2000). In developing countries obtaining funding is particularly difficult because poorer people usually have very limited access to financial institutions and have limited avenues for obtaining credit or funding because they lack collateral (Maning, 1990). Therefore, financial support for rural tourism development is particularly important in poor rural areas (Page & Getz, 1997; Fleischer & Felsenstein, 2000; Wilson et al., 2001).

Information and technical assistance for applying for funding for rural tourism development are also required (Wilson et al., 2001). In the United States, providing communities with information and technical assistance about tourism funding and how to apply for it was seen to be very important, particularly for those who lacked the means to hire professionals to write funding applications (Wilson et al., 2001).

2.4.5 The appeal of the destination locality for rural tourism

Having an appealing destination locality has been identified as an important factor in rural tourism development (Braithwaite et al., 1998; Campanhola & Da Silva, 1999; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). An appealing locality for rural tourism is one with the attractions, infrastructure and facilities to satisfy tourists' needs (Campanhola & Da Silva, 1999; Wilson, et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). Having a locality that appeals to rural tourists helps in creating a destination rather than just a place to stop, which allows tourists to stay longer and repeat their visit and thus spend more money in the area (Wilson et al., 2001).

Local infrastructure is identified as a significant factor in rural tourism development (Braithwaite et al., 1998; Campanhola & Da Silva, 1999; Sharpley, 2002). Campanhola & Da Silva (1999), referring to a case study in Brazil, note that the lack of infrastructure such as roading, water reticulation and telecommunications networks has been one of the most critical factors in rural tourism development. Furthermore, it was suggested in a case study from Australia that even though the study area did not lack infrastructure, people interviewed in the study identified infrastructure as an important factor in rural tourism (Braithwaite et al., 1998). In this case, roads that enabled tourists to gain access to the area was identified as particularly important (Braithwaite et al., 1998).

The existence of good quality facilities is also important for rural tourism development (Unwin, 1996; Braithwaite et al., 1998; Sharpley, 2002). Accommodation, shops, restaurants, and related services are important for enabling tourists to enjoy their visit (Braithwaite et al., 1998). In Cyprus, the lack of facilities in a village, such as restaurants, was identified as influencing the development of rural tourism (Sharpley, 2002). Likewise in Estonia, since the facilities available in rural areas were below the standard expected by tourists, this reduced the area's attractiveness to them, with a negative impact on rural tourism development (Unwin, 1996).

2.4.6 Host community support for rural tourism development

Successful rural tourism development is achieved only if communities are willing and active parties in the development of rural tourism (Briedenhann & Wickens, 2004). A community's attitudes and hospitality towards tourists influence the success of rural tourism; it is unrealistic to believe that rural tourism can take place if a community disapproves of it (Wilson et al., 2001; Briedenhann & Wickens, 2004).

Awareness of the potential value of community resources for tourism influences a community's willingness to participate in rural tourism (Briedenhann & Wickens, 2004). Briedenhann and Wickens (2004) note that in South Africa, as in many less developed countries, there is limited understanding of tourism, so that people do not realise the potential value of their resources or the potential benefits tourism can offer their communities. As a result, communities do not feel the 'excitement' of tourism and do not want to take part in it (Briedenhann & Wickens, 2004).

Fear and reluctance to change are also factors that affect community support for rural tourism (Wilson et al., 2001). In a United States case study it was found that elderly people were less supportive of rural tourism because they felt it was a threat to their lifestyle (Wilson et al., 2001).

2.4.7 Effective marketing

Effective marketing is a necessary condition for successful rural tourism. Effective marketing involves providing comprehensive, reliable and up-to-date information to tourists and achieving effective commercialisation of rural tourism products (Campanhola & Da Silva, 1999; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004).

Providing information to tourists is an important factor for achieving effective marketing. Small operators in less developed countries such as Cyprus and South Africa usually struggle to promote their products and services on their own (Campanhola & Da Silva, 1999; Sharpley, 2002; Briedenhann & Wickens, 2004). Local government can help by establishing local tourism agencies that work

hand-in-hand with the community, understand their products and inform tourists about the advantages of supporting community ventures (Campanhola & Da Silva, 1999; Sharpley, 2002; Briedenhann & Wickens, 2004). Another way of providing information to tourists is through the Internet (Sharpley, 2002; Briedenhann & Wickens, 2004). In Cyprus and South Africa Internet web pages were found to be an efficient and reliable connection to the marketplace (Sharpley, 2002; Briedenhann & Wickens, 2004).

Cooperation and coordination between tourism agencies and rural tourism providers can help in effectively commercialising rural tourism products (Bramwell, 1994; Campanhola & Da Silva, 1999; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). In both developed and less developed countries failure to commercialise rural tourism products can be an important constraint to the development of rural tourism (Campanhola & Da Silva, 1999; Wilson et al., 2001; Briedenhann & Wickens, 2004). This is exacerbated in developing countries because community members often lack the contacts with the agencies that commercialise rural tourism products (Campanhola & Da Silva, 1999; Sharpley, 2002; Briedenhann & Wickens, 2004). Therefore, enhancing cooperation and coordination with the various stakeholders involved in rural tourism is very important (Wilson et al., 2001).

2.4.8 Local government support and participation

Local government plays an important role in rural tourism development (Braithwaite et al., 1998; Campanhola & Da Silva, 1999; Wilson, et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). In Australia, the United States, Cyprus and Estonia it is argued that local government has an important role to play in enabling a community to develop appeal for rural tourism (Unwin, 1996; Braithwaite et al., 1998; Wilson et al., 2001; Sharpley, 2002). The role of local government here is to build and maintain tourism infrastructure and facilities (Unwin, 1996; Braithwaite et al., 1998; Wilson et al., 2001; Sharpley, 2002), to maintain the natural and cultural attractions of the area by providing facilities such as trails and boardwalks (Braithwaite et al., 1998) and to keep the area visually attractive and clean (Wilson et al., 2001).

Local government support also influences the support host communities give to rural tourism, which is an important factor in its development. In the United States and South Africa it is argued that local government can play an important role in motivating community members to become involved and support rural tourism (Wilson et al., 2001; Briedenhann & Wickens, 2004). Communities can be assisted to develop rural tourism by providing them with information about the importance of tourism and by creating an awareness of what it is and what it can mean to the community (in both positive and negative terms) (Wilson et al., 2001), as well as by informing and encouraging community members to recognise their own locality's potential (Briedenhann & Wickens, 2004). Further, local government also plays a mayor role in achieving effective marketing, which is also crucial for successful rural tourism development (Campanhola & Da Silva, 1999; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004).

In addition to all this, local government also plays a significant role in organising and guiding the various sectors involved in rural tourism, encouraging them to work together in a cooperative and coordinated manner (Wilson et al., 2001; Briedenhann & Wickens, 2004). In the United States and South Africa studies found that rural tourism requires various sectors to work together for a common goal; for that to occur there needs to be a good relationship between local government and these sectors throughout the development of rural tourism (Wilson et al., 2001; Briedenhann & Wickens, 2004). However, as pointed out by Briedenhann and Wichens (2004) in South Africa, local government does not always have the capacity to guide and coordinate these sectors, so that the private sector is left to its own devices. To successfully guide and coordinate the various sectors, those in local government must understand the value of rural tourism to their community (Briedenhann & Wichens, 2004).

Local government (or governments, depending on the political structure of the country) is also involved in setting up an appropriate regulatory framework for local enterprises (Scheyvens, 2002; WTO, 2002). For communities to successfully diversify into rural tourism, regulatory frameworks - such as licensing for hotel development, guides and food sellers - must be appropriate to the needs of local enterprises (Scheyvens, 2002; WTO, 2002). Some examples of an appropriate regulatory framework are an accommodation grading system that allows for 'simple' accommodation, adapting health and safety standards for

family tourism enterprises, simplifying regulation procedures such as application forms, providing easy access for applying for licensing (which does not require travel to the capital city) and lowering the cost of regulatory compliance (Scheyvens, 2002).

Local government can also ensure that local communities are heard and considered when deciding on issues related to the tourism industry, thereby achieving genuine community participation (Briedenhann & Wickens, 2004).

This section has highlighted the factors that influence rural tourism development. These include the capacity of entrepreneurs to operate a rural tourism venture, the existence of well-functioning rural tourism associations, entrepreneurs' capacity to provide a complete rural tourism product, funding for rural tourism development, the appeal of the destination locality for rural tourism, host community support for rural tourism development, an integrated marketing plan and local government support for rural tourism. Another factor, increasingly noted in the tourism and rural tourism literature, is incorporating sustainability considerations into the planning and development of rural tourism. Since rural tourism can impact adversely on the environment and local communities, there is a need to monitor its development through impact research, identifying its advantages and disadvantages in order to diminish the negative consequences and enhance its benefits to rural communities.

In the next two sections these sustainability issues are examined. An overview of sustainable rural tourism is provided in Section 2.5 and the impacts of rural tourism in economic, environmental and sociocultural terms are presented in Section 2.6.

2.5 SUSTAINABLE RURAL TOURISM

Sustainability has become highly significant in rural tourism development over the last few years and sustainable development has emerged as the dominant development approach in recent years (Sharpley, 2003). In 1992 the United Nations Conference on the Environment and Development was held in Rio de

Janeiro and from this time onward the concept of sustainable development has gained real meaning (Aronsoon, 2000). After this conference an important plan of action for the future was developed, called Agenda 21. This plan focused on economic growth, taking into account environmental and social issues. The Agenda 21 plan brings about significant transformation in a number of sectors, including tourism (WTO/WTTC, 1996 cited in Sharpley, 2003). As a result, the focus has increasingly shifted towards developing tourism in a way that ensures economic development within social, cultural and environmental limits (Adam & Alexander, 1998; Aronsoon, 2000).

Some of the sustainable rural tourism literature is not research-based but comprises authors' ideas about why it is important and how it can be achieved. These writers argue that it is important to develop rural tourism in a way that satisfies the needs of tourists and enhances the benefits to rural communities without compromising the environment (Bramwell, 1994; Lane, 1994a; Verbole, 1997; Sharpley, 2003). This is also argued to be important because maintaining the unique character of local communities and their environment will help guarantee that communities benefit from tourism, promoting sociocultural and economic development (Bramwell, 1994; Lane, 1994a; Verbole, 1997).

The *main goal* of sustainable rural tourism is to sustain the culture and character of host communities, the landscape and habitats, the rural economy and a tourism industry that is viable in the long term (Gannon, 1994; Lane, 1994a). It also aims to develop understanding, leadership and vision among decision makers in order to work towards a balanced and diversified rural economy (Gannon, 1994; Lane, 1994a).

Rural tourism and sustainability have sometimes been viewed as synonymous; however, rural tourism should not be seen as an inherently sustainable form of tourism. The idea that rural tourism and sustainability are synonymous is based on literature relating to alternative forms of tourism, usually seen as 'positive forms of tourism' that are socially and environmentally driven and seek to minimise harm to people and natural areas (Medlik, 1993). However, this idea is contested by other authors, who suggest that rural tourism is not inherently sustainable (Butler, 1990; Gannon, 1994; Lane, 1994a; Verbole, 1997). Butler (1990, p.41) argues that "alternative forms of tourism penetrate further into the

personal space of residents, involve them to a much greater degree, and expose often fragile resources to greater visitation". Other authors argue that rural tourism can easily distress the rural environments, including natural, cultural and human dimensions, which are important aspects of rural tourism (Greenwood, 1972; Lane, 1994a; Perez, 1997; Verbole, 1997).

Achieving sustainable rural tourism is not easy (Gannon, 1994; Lane, 1994a). One way forward is to develop plans and strategies with the aim of achieving the main goal of sustainable rural tourism (Gannon, 1994; Lane, 1994a). According to Lane (1994a) these strategies or plans should be based on a holistic regional analysis of the area's social, economic, ecological and cultural needs, of its tourism assets and of constraints to future tourism development. For this reason the sustainable rural tourism literature has focused on understanding the impacts of rural tourism, identifying the advantages and disadvantages of rural tourism development in order to diminish negative consequences and enhance benefits for rural communities (Bramwell, 1994; Gannon, 1994; Lane, 1994a; Page & Getz, 1997; Verbole, 1997). The impacts of rural tourism are considered in the following section.

2.6 IMPACTS OF RURAL TOURISM

This section draws on the literature relating to the impacts of tourism in general; it is only recently that a body of theory on the impacts of rural tourism in particular has emerged. The literature concerning the impacts of tourism is diverse and has focused on different issues at different times (Boyne, 2003). Research during the 1960s focused on the positive economic effects of tourism (Ap & Crompton, 1998). In this research, tourism was seen as contributing to regional development, creating wealth through growth in GDP and in foreign exchange (Boyne, 2003). During the 1970s tourism was approached in a more cautious manner (Boyne, 2003). Research during this time focused on understanding how and why communities responded to tourism and how tourism changed people's way of life, using an anthropological and sociological viewpoint (Boyne, 2003). Two studies are often cited in relation to tourism impact research. The first was undertaken by Doxley (1975), who proposed an irritation index or 'Irridex', which

would register the reactions of local residents to an increase in the number of tourists. In the second study Butler (1980) suggested that tourism has a number of stages throughout the life cycle of the tourist destination and that when a peak number of visitors is reached, the environment, culture and economy will be affected. During the 1980s and 1990s impact research maintained the cautionary element but recognised that tourism could also have positive impacts (Ap & Crompton, 1998). Now, tourism impact research draws upon host community perceptions of tourism rather than attempting to measure impacts directly, and it is suggested that the impacts of tourism should be considered in its planning and development (Boyne, 2003). It is argued that the perceptions of host community residents are the key to identifying, measuring and analysing the impacts of tourism to assist in determining an area's capacity for added tourism growth and in taking action to mitigate or ameliorate the situation (Boyne, 2003; Dowling, 2003).

The impacts of rural tourism have been grouped into three main categories, economic, sociocultural and environmental. These can be either positive or negative (Gannon, 1994; Verbole, 1997; Dowling, 2003). In reality, the boundaries of these categories are fuzzy, with overlap between them (Mathieson & Wall, 1982; Gannon, 1994; Roberts & Hall, 2001; Boyne, 2003). For example, while an increase in family income is usually classified as an economic impact, changes in the economic situation can lead to social changes for family members, so that this can also be classified as a social impact (Mathieson & Wall, 1982; Verbole, 1997). Mathieson and Wall (1982) refer to the impacts resulting from interactions between economic, environmental and social phenomena as 'cross impacts'. In the following subsections the economic, social and environmental impacts of rural tourism are described.

2.6.1 Economic impacts

The economic impacts of rural tourism can be both positive and negative (Gannon, 1994; Roberts & Hall, 2001). In the literature about the tourism industry in general, the economic impacts of tourism have mainly been regarded as positive, noting the positive effect it has in stimulating local economies (Mathieson & Wall, 1982; Scheyvens, 2002). Positive economic impacts of rural

tourism include providing an alternative or supplementary source of income and employment (Gannon, 1994; Roberts & Hall, 2001), creating jobs and increasing family and community income (Gannon, 1994), helping to diversify and stabilise the rural economy (Gannon, 1994) and helping to develop new economic activities such as local craft (Gannon, 1994). Its negative impacts are that it provides only part-time employment and that it may increase the cost of living for community residents because of inflation of property values and costs of goods and services (Gannon, 1994). Table 2.2 provides a summary of these impacts.

Table.2.2. Economic impacts of rural tourism

| <i>Economic benefits</i> | <i>Economic costs</i> |
|---|--|
| Provides alternative or supplementary source of income and employment | Provides only part-time employment |
| Helps to diversify and stabilise the rural economy | May increase cost of living for community residents because of inflation of property values and cost of goods and services |
| Helps to develop new economic activities such as local craft | |

Source: Adapted from Gannon (1994) and Roberts and Hall (2001)

Research into the economic impacts of rural tourism focuses particularly on employment creation and income generation, mainly classed as positive impacts (Gannon, 1994; Hjalager, 1996; Verbole, 1997; Fleisher & Felsenstein, 2000a; Faiguenbaum, 2001; Sharpley, 2002). In the following subsections these impacts are discussed.

Rural tourism and employment creation

The tourism industry has been praised by some authors as a source of employment. It is perceived as a highly labour-intensive industry that can offer employment to the skilled and semiskilled (McLaren, 2003). Employment generated by rural tourism may be categorised as direct, indirect and induced (Mathieson & Wall, 1982; Lickorish & Jenkins, 1997; Slee, Farr, & Snowdown, 1997; Cukier, 2002):

- ◆ **Direct employment:** jobs specifically created by the need to supply and serve tourists.

- ♦ **Indirect employment:** jobs not directly part of tourism itself (construction, transportation, among others).
- ♦ **Induced employment:** additional employment that results from the 'tourism multiplier' since local residents spend the extra money they have received.

In recent years, several studies have investigated the extent to which rural tourism contributes to job creation. Studies undertaken in Chile, Denmark, Israel and Cyprus suggest that rural tourism may not provide employment opportunities for the whole community. This is because rural tourism businesses are usually managed by family members, usually a wife and young children (Hjalager, 1996; Fleischer & Felsenstein, 2000; Faiguenbaum, 2001; Sharpley, 2002). Only some businesses in these studies employed non-family members as staff for part-time jobs such as cleaning and cooking (Hjalager, 1996; Faiguenbaum, 2001). In some studies it has been further argued that even though rural tourism has not provided employment for the whole community it has had a tremendous effect in terms of employment redistribution and has diminished migration at the household level (Hjalager, 1996; Faiguenbaum, 2001). Studies in Chile and Denmark addressed this. Faiguenbaum (2001), referring to a case study in Chile, notes that while rural tourism did not cause significant change in employment creation at the community level, it did lead to significant change at the household level. It reorganised labour within the household, which had an important impact on women and young people. This also had a positive effect on reducing outmigration of young people from the community. Similarly, Hjalager (1996, p.106) argued from a case study in Denmark that "rural tourism creates hardly any extra jobs in the primary sector, but reallocates family work". Thus, while rural tourism may not provide employment opportunities for the whole community, it can have a significant effect through creating job opportunities and redistributing labour at the household level. This can also have social consequences such as reducing outmigration.

Rural tourism and income generation

Another economic impact of rural tourism is that it can lead to increased income at the community and household level. Rural tourism provides supplementary income for villagers through revitalising local businesses such as local arts and

crafts and winemaking, which is positive in that it provides extra income for villagers (Sharpley, 2002). However, in some studies it has been questioned that the impact of rural tourism in increasing income is not always as beneficial as is sometimes suggested (Hjilager, 1996; Unwin, 1996; Faiguenbaum, 2001). Faiguenbaum (2001) considers this to be the case in Chile, because the type and quality of the products offered and the seasonal climate influence the number of tourists and thus the income received through rural tourism. These findings are similar to those from a case study in Estonia, where it was noted that low revenue was the result of a low number of tourists, owing to the lack of quality facilities and the short tourist season. Hjilager (1996), referring to a case study in Denmark, comments that in terms of income generation rural tourism rarely meets the expectations of those who diversified into it. She suggests that this is because starting up a rural tourism business is difficult, and expects that this would change after a period of time (Hjilager, 1996).

Even though the supplementary income rural tourism provides is not large, it can have positive outcomes for a household (Garcia-Ramon, Canoves, & Valdovinos, 1995; Faiguenbaum, 2001). Faiguenbaum (2001), referring to a case study in Chile, argues that while rural tourism may not generate a significant increase in family income, the additional income earned can have a significant affect on improving a household's living conditions (Faiguenbaum, 2001). Similar findings from Spain showed that the supplementary income earned through rural tourism was reinvested in refurbishment of houses, resulting in a rise in living standards for those involved in rural tourism (Garcia-Ramon et al., 1995).

2.6.2 Sociocultural impacts

It has long been claimed that tourism can lead to sociocultural changes which are generally not considered positive (Cater, 1987; Dogan, 1989; Hashimoto, 2002). Even though the impact of tourism on society and culture has been studied for a long time, there is still no clear understanding of the impacts of tourism development on the social order, and research on the social arena is still needed (Hashimoto, 2002). Sociocultural impacts of tourism include changes in value systems, individual behaviour, family relationships, collective lifestyle, moral conduct, and the like (Mathieson & Wall, 1982; Dogan, 1989).

Rural tourism can have both negative and positive consequences for local communities. The positive impacts of rural tourism include instilling a sense of local pride, self-esteem and identity; providing opportunities for cultural exchange; promoting a community spirit through the development of cultural and entertainment activities; and reinvigorating local culture (Gannon, 1994; Roberts & Hall, 2001). Its negative impacts include introducing conflicting ideas and styles into the community; increasing crime; infringement on household privacy; sharing of important community resources with outsiders; institutional, community and family jealousies, as all may not share the benefits equally (Gannon, 1994); and destruction of indigenous culture because the commoditisation of culture can distort it (Roberts & Hall, 2001). Table 2.3 provides a summary of the positive and negative impacts of rural tourism.

Table 2.3. Sociocultural impacts of rural tourism.

| <i>Sociocultural benefits</i> | <i>Sociocultural costs</i> |
|---|---|
| Instills a sense of local pride, self-esteem and identity | Introduction of conflicting ideas and styles into the community |
| Provides opportunities for cultural exchange | Increase of crime |
| Promotes a team community spirit through the development of cultural and entertainment activities | Infringement on privacy in household and in the sharing of important community resources with outsiders |
| Reinvigorates local culture | Institutional, community and family envy, as all may not share the benefits equally |
| | Destroys indigenous culture as a result of changes for its commoditisation |

Source: Adapted from Gannon (1994) and Roberts and Hall (2001).

Research undertaken in various countries suggests that rural tourism can have positive sociocultural impacts (Fleisher & Pizam, 1997; Sharpley, 2002). Rural tourism in Israel has allowed farmers to maintain their traditional agricultural practices (Fleisher & Pizam, 1997). In Cyprus, rural tourism has increased awareness among villagers of the importance of their cultural heritage and has also increased young people's interest in their village life (Sharpley, 2002).

One sociocultural aspect of rural tourism that has recently gained recognition is its impact on women (Garcia-Ramon et al., 1995; Verbole, 1997; Faiguenbaum,

2001; Oyarzun & Szmulewicz, 2003). Studies in Chile and Spain suggest that women have a major role in the development of rural tourism (Garcia-Ramon et al., 1995; Faiguenbaum, 2001; Oyarzun & Szmulewicz, 2003). Therefore, rural tourism can have differing impacts on men and women (Garcia-Ramon et al., 1995). This is discussed further below.

Rural tourism and women

Rural tourism can bring about major changes for women that can be both positive and negative (Garcia-Ramon et al., 1995; Verbole, 1997; Oyarzun & Szmulewicz, 2003). The positive impacts are highlighted by research undertaken in Spain and Chile (Garcia-Ramon et al., 1995; Faiguenbaum, 2001; Oyarzun & Szmulewicz, 2003). These studies indicate that rural tourism has allowed women to gain economic independence and establish a more egalitarian relationship with men (Garcia-Ramon et al., 1995; Faiguenbaum, 2001; Oyarzun & Szmulewicz, 2003). Traditionally women in rural areas of Chile and Spain have had an 'invisible' role, carrying out most of the domestic activities with scarce contact with the world outside their farms (Garcia-Ramon et al., 1995; Oyarzun & Szmulewicz, 2003). However, women have a major role in rural tourism, since in many cases it is women who deal directly with the tourist and who initiate the diversification of their households into rural tourism (Garcia-Ramon et al., 1995; Verbole, 1997; Faiguenbaum, 2001; Oyarzun & Szmulewicz, 2003). Work undertaken by women in rural tourism can be seen as an extension of their domestic duties, such as being in charge of cooking, housework and washing clothes, which has traditionally been non-wage labour (Garcia-Ramon et al., 1995; Faiguenbaum, 2001). Rural tourism has allowed women to receive monetary compensation for carrying out these domestic activities, allowing them to gain economic independence and establish a more equal relationship with men (Garcia-Ramon et al., 1995; Oyarzun & Smulewicz, 2003).

There is some debate in the literature over the negative consequences of rural tourism for women. A case study in Slovenia indicated that with the development of rural tourism women do more work than they used to, placing them under excessive pressure. Women in this study commented that catering for tourists has significantly increased their working hours (Verbole, 1997). However, another study from Spain noted that even though rural tourism increased the

number of hours women worked daily, the work was less physically demanding than agricultural work and the women were pleased with their 'new' job and felt more integrated into the outside world (Garcia-Ramon et al., 1995).

It is claimed that when tourism opens new roles to women, particularly when these roles allow them to contribute significantly to the income of the family, this can result in stress at the household level and can also change the traditional family structure (Kinnaird, Kothari, & Hall, 1994; Scheyvens, 2002). While this is important, it has not been specifically addressed in the rural tourism literature.

2.6.3 Environmental impacts

The relationship between tourism and the environment is a very close one, and it has been the focus of research during the last two decades. The environmental impacts of tourism are associated with changes in the natural environment (Mathieson & Wall, 1982). Literature relating to the environmental impacts of rural tourism has evolved in parallel with the concept of sustainable development, and is based on the literature concerning environmental impacts of tourism in general (Bramwell, 1994; Lane, 1994a). It is argued that reducing the environmental impacts of rural tourism is very important because rural areas are the repositories of natural heritage (Lane, 1994a). Also, because natural features and unspoiled environments are two of the main attractions of rural tourism (Butler, 1990; Lane, 1994a; Garcia-Ramon et al., 1995).

Most studies on the environmental impacts of tourism have focused on its negative impacts, particularly those associated with the volume of tourists and the environmental consequences of tourism (Page & Getz, 1997). Studies have focused particularly on establishing ecological limits for the sustainable use of natural resources and establishing optimum carrying capacities for the development of tourism destinations (Mathieson & Wall, 1982; Lickorish & Jenkins, 1997). Some of the negative impacts identified in the literature are the following:

- ♦ **Decrease in water quality:** contamination of water can be caused by increased sewage disposal into rivers, lakes or oceans. This type of

pollution can also cause health problems because of contamination of food such as vegetables and seafood by polluted water (Mathieson & Wall, 1982; Lickorish & Jenkins, 1997).

- ♦ **Loss of vegetation:** vegetation is an important attraction in many destination areas. There is concern about the relationship between tourist behaviour and the magnitude of physical damage to vegetation. Vegetation can be damaged by collection of flowers, careless use of fire and increased pedestrian and vehicular traffic (Mathieson & Wall, 1982; Lickorish & Jenkins, 1997).
- ♦ **Noise pollution:** noise can be generated by a concentration of tourists and their vehicles. This may reach uncomfortable and irritating levels for local people and wildlife (Gannon, 1994; Lickorish & Jenkins, 1997).
- ♦ **Improper waste disposal:** an increased number of people can increase disposal of solid waste. This can cause visual pollution as well as health problems for the local population (Mathieson & Wall, 1982; Gannon, 1994; Lickorish & Jenkins, 1997). One farmer commented: "I do not like those 'city' tourists. Last summer there was a group camping on my meadow and all they left behind was garbage" Verbole (1997, p. 209).

Rural tourism can have also positive environmental impacts. It can increase community awareness of the importance of maintaining clean and unpolluted environments, it can foster the conservation and preservation of worthwhile resources and it can promote and encourage villagers to restore and maintain a cleaner countryside (Gannon, 1994; Garcia-Ramon et al., 1995). Research from Spain highlights that these positive impacts come about when communities and families understand that the deterioration of the environment can signify the end of rural tourism itself (Garcia-Ramon et al., 1995).

2.7 SUMMARY

Rural development has been based on different ideas at different times. The main viewpoint to rural development from the 1950s to the 1990s was that agricultural growth was the main driver of development. However, in a number of countries - particularly in poor ones - it did not succeed in reducing poverty and

achieving development. Therefore, new approaches to rural development have been emerging.

One approach that has gained greater recognition over recent years is the sustainable livelihoods approach. In this approach diversification plays an important role. Diversification has usually been addressed in the literature as the last option that households adopt, usually leading to their becoming more vulnerable. However, recently it has been argued that some diversification strategies can improve households' conditions. These are usually diversification into non-farm and off-farm activities. However, there are a number of factors that influence the capacity of the household to diversify into these activities, including their skills, access to credit, location and income levels.

In the sustainable livelihoods approach it is acknowledged that rural development should be flexible and accommodate activities in both the agricultural and non-agricultural sectors to help in the construction of viable rural livelihoods. One such activity is rural tourism, which has been praised by some authors as a viable rural development strategy which can help in addressing some of the problems currently faced by rural areas. Rural tourism allows livelihood diversification that is compatible with agricultural activities, offering a tool to help create employment and provide additional income for those who diversify.

Rural tourism is tourism that takes place in non-urban areas and for which rural culture is a key component of the product that is offered. Further, there is a desire to offer visitors personalised contact with the human and physical environment of the countryside, allowing them to participate in the activities, traditions and lifestyle of local people.

In recent years, however, the extent to which rural tourism can be seen as the universal remedy for the problems of rural areas has become a matter of debate. This is because successful diversification into rural tourism is not always achieved. There are a number of factors that influence rural tourism development.

Some factors are directly related to entrepreneurs. For instance, their capability, in terms of skills, to carry out a rural tourism venture is an evident factor in rural

tourism development, so that providing adequate training opportunities is essential. The ability of entrepreneurs to provide a complete tourism product, offering a range of quality activities to satisfy tourists' needs, is also an important factor. The existence of a well-functioning rural tourism association is also important, since this allows entrepreneurs to offer a complete rural tourism product and also helps to empower rural communities.

Another factors affecting rural tourism development is funding for diversification into rural tourism, which is important because of the significant initial investment required; this is difficult to obtain, especially in poor areas. Also significant are the appeal of the locality for rural tourism; whether it has the necessary infrastructure and facilities to satisfy rural tourists' requirements; the support of the host community for rural tourism development; an effective marketing strategy that informs tourists and effectively commercialises rural tourism products; and local government support for rural tourism.

It is also important that rural tourism should be sustainable, that is, it should be economically viable within social and environmental limits, allowing the unique character of rural communities and their environments to be maintained. For this to happen, it is important to develop strategies and plans to achieve these goals. People designing these strategies should understand the impacts of rural tourism at the local level. In gaining such an understanding, residents' perceptions of the impacts of rural tourism on their communities are crucial in identifying, measuring and analysing the impacts of tourism, thus determining an area's capacity for tourism growth, and in taking action to mitigate or ameliorate the current situation.

The impacts of rural tourism have been categorised as economic, sociocultural and environmental, but these categories are not mutually exclusive. In economic terms rural tourism can increase incomes and create employment opportunities. The increase in incomes has not always been large, but it has allowed families to raise their living standards by improving their housing conditions. The employment effect rural tourism has is not in providing employment to the whole community but in creating employment opportunities for women and young people, which also can lead to a reduction in outmigration.

Rural tourism can have both positive and negative sociocultural impacts. it can have differing impacts on men and women. Women play a major role in rural tourism development, leading to changes in income for women and in their working hours. The positive or negative effect this has for women is context-sensitive because in some cases women have viewed these changes as positive and in others as negative. These changes can also have important impacts at the household level; however, these have not been addressed by the rural tourism literature.

The environmental impacts of rural tourism are very important both because rural areas are the repositories of natural heritage and because natural attractions are an important part of the rural tourism product. This latter aspect has created awareness among rural people of the importance of maintaining their environments because failure to do this could mean the end of rural tourism itself.

CHAPTER 3: METHODOLOGY

This chapter describes the methodology used for this research in three main sections. The first section describes the research strategy for this research. The second section describes the case study approach which involves three phases: the design, the data collection and analysis procedure, and the concluding phase. The third section of this chapter outlines a summary of the main points of this chapter.

3.1 RESEARCH STRATEGY

According to Yin (2003), there are three important conditions in selecting a research strategy: the form of the research question, the degree of control required over behavioural events and whether the focus is on historical or contemporary events (refer to Table 3.1).

The first criterion considered in selecting a research strategy is the type of research question to be answered by the study. The basic questions are as follows: 'who?', 'what?', 'where?', 'how?', and 'why?' (Yin, 2003). The research question for this study is: 'How can smallholder farming households be assisted in their diversification into rural tourism?' Therefore, the form of the research question for this study can be classified as a 'how?' question. As shown in Table 3.1, the strategies that can be used to answer a 'how?' question involve the experiment, history and case study. Surveys and archival analysis are strategies used to answer questions such as 'who?', 'what?', 'where?', 'how many?', and 'how much?'.

Table 3.1. Relevant situations for different research strategies

| <i>Strategy</i> | <i>Form of research question</i> | <i>Requires control of behavioural events?</i> | <i>Focuses on contemporary events?</i> |
|-------------------|---------------------------------------|--|--|
| Experiment | How, why? | Yes | Yes |
| Survey | Who, what, where, how many, how much? | No | Yes |
| Archival analysis | Who, what, where, how many, how much? | No | Yes/No |
| History | How, why? | No | No |
| Case study | How, why? | No | Yes |

Source: Yin (2003, p.5)

The second criterion to consider is the degree of control the researcher requires over behavioural events. In the present study control over behavioural events was not possible because the phenomenon, rural tourism, was investigated in its natural setting. According to Yin (2003) when the researcher needs to study the phenomenon in its natural setting, without control over behavioural events, the survey, archival analysis, history and case study are useful research strategies. However, according to the first criterion the experiment, history and case study are suitable research strategies according to the type of question of this research. Therefore, using the first and second criteria the history and the case study are research strategies to be considered as potential approaches.

The third and last criterion to consider is whether the focus is on contemporary or historical events. This study examines contemporary events, thus, the history - which is a useful strategy when studying historical events - is not suitable for this research. Yin (2003) maintains that when a 'how' or 'why' question is being asked of a contemporary set of events over which the investigator has no control, the case study is the most suitable strategy for the research. Therefore, a case study was considered the most suitable approach for this research.

Case studies allow researchers to explore actual real-life experiences and examine cases in as much detail as possible (Bouma, 2000; Yin, 2002). Case studies take one or more selected examples of a social entity such as a community, social group, organisation or family and use a variety of data collection techniques (Hakim, 1987).

Case study research can be single or multiple (Yin, 2003). A single case study can be used to compare a case with theory in order to determine whether a

theory is correct or whether an alternative set of explanations may be more relevant (Yin, 2003). Multiple-case studies allow comparison with theory but also allow for comparison between cases, and are therefore considered to be more compelling and robust than a single-case study (Hakim, 1987; Yin, 2002). Multiple-case studies may require extensive resources and time which can sometimes be beyond the means of the researcher (Yin, 2003). For this reason, because of the resources and time available for this research, two case studies were considered sufficient, allowing the researcher to compare the case studies with theory, but also to make a comparison between the case studies. This also gives more confidence in the results than a single case.

3.2 THE CASE STUDY APPROACH

This research was based on the theoretical replication approach suggested by Yin (2003) for multiple-case studies. In this approach, each individual case study is a complete study in its own right and follows three stages: (1) define and design, (2) prepare, collect, and analyse and (3) analyse and conclude (Figure 3.1). The following sections describe each phase in detail.

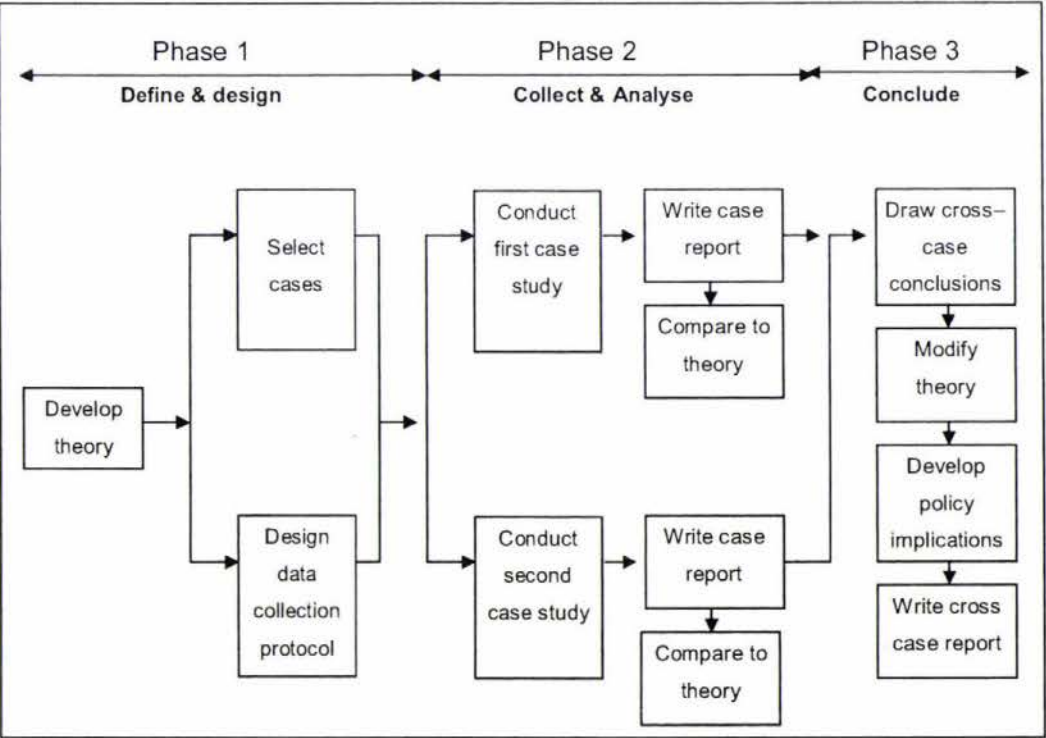


Figure 3.1. Case study method

Source: Yin (2003, p.50)

3.2.1 Phase 1: Research definition and design

The 'define and design' phase involves the development of theory, case selection and design of a data collection protocol (Yin, 2003). The first phase of this study, consisted of a review of relevant literature to identify concepts related to rural tourism as a development strategy, particularly focusing on the factors that influence rural tourism development, as well as the impacts that rural tourism can have on the household and community. A conceptual framework was developed from the literature (Chapter 2) which was then used to design the data collection protocol and analyse the research results.

Cases were selected based on literature and on personal communication with people with experience in rural tourism in Chile. Rural tourism initiatives in Chile are mainly located in the *Región de la Araucanía* (Region IX) and in the *Región de los Lagos* (Region X) (Patri, 1999; Faiguenbaum, 2001). These regions are both situated in southern Chile and rely principally on traditional agriculture. These regions also have important features in terms of landscape diversity and cultural richness which have contributed to the development of rural tourism (Patri, 1999; Faiguenbaum, 2001).

According to the socioeconomic characterisation survey (CASEN), in 2000, Region IX had the highest incidence of poverty⁶ in the country, with 32.7% of the region's total population below the poverty line. In Region X it was 24.7% of the region's total population (MIDEPLAN, 2000). In terms of indigenous population Region IX has the highest number of indigenous people accounting for 32.6% of the region's population, while indigenous people in Region X account for 17.0% (MIDEPLAN, 2002a). Constraints such as weather conditions and time availability made it difficult to travel from one region to another; therefore, only one of these regions could be selected. Region IX was selected particularly because of its characteristics in terms of the highest incidence of poverty and the larger indigenous population. Therefore, cases within this region were selected.

The aim of this research was to answer 'how can smallholder farming households be assisted in their diversification into rural tourism'; therefore, a number of rural

⁶ For a definition of poverty incidence in Chile refer to footnote 2 (Chapter 1, p. 2)

tourism communities, those for whom agriculture is their main livelihood strategy and who had diversified into rural tourism, were selected. This research is based on the theoretical approach which aims at producing contrasting results between the cases studied (Yin, 2003). Therefore, selection of the cases was based on theory that suggests some differences may be found (Yin, 2003). Theory on livelihood diversification suggests that the causes and consequences of livelihood diversification are specific to the social and economic circumstances of the community (Dercon & Krashnan, 1996; Ellis, 1998; Barret et al., 2001). Therefore, regional statistics were used to identify districts that differ in their incidence of poverty and ethnicity. Proximity between the cases and ease of access with respect to contacts and the existence of roads and transport were also driving factors for selection between the potential cases. Finally, the following question was posed: 'Are the cases close enough together to allow the researcher to obtain the required information with the resources, money and time available?' For this reason, one rural tourism community located in Pucón, (Pucón community) and one in Curarrehue district (Curarrehue community) were selected as suitable case studies. Table 3.2 shows the guidelines for selecting the cases. Case studies are described in detail in Chapter 4.

Table 3.2. Criteria for selecting case studies

| <i>Criteria</i> | <i>Pucón community</i> | <i>Curarrehue community</i> |
|---|------------------------|-----------------------------|
| Located in Region IX | Yes | Yes |
| Community that relies on traditional agriculture, but for which rural tourism is also identified as a livelihood strategy | Yes | Yes |
| Incidence of poverty (district) | 33.3 % | 43.1% |
| Indigenous population (district) | 15.7% | 56.7% |
| Able to access the community (existence of roads and contacts with people in the area) | Yes | Yes |
| Are cases close enough to allow the researcher to visit them with the resources available? | Yes | Yes |

Rural tourism in Curarrehue is in a very early stage of development. For this reason, householders were unable to comment on the impacts of rural tourism.

This aspect was only identified by the researcher in the field. Therefore, in achieving objective two of this study, to identify the economic, socio- cultural and environmental impacts of rural tourism at the household level, data were collected from the community located in Pucón only.

The data collection protocol was developed from the research questions and the literature reviewed. A set of questions for each interview was developed based on important concepts of rural tourism as a development strategy as well as impacts of rural tourism at the household and community level. As additional concepts were identified through time, the data collection protocol was refined.

In the next section, the second phase of the study: data collection and analysis is described.

3.2.2 Phase 2: Data collection and analysis

The second phase involves conducting the first case study and writing an individual report, then repeating this for the second case study. The two case study reports are then compared and contrasted to theory, identifying differences and similarities (Yin, 2003). As described above (Section 3.2.1), two case studies were conducted for achieving only objective one of this study; in achieving objective two only one case study was conducted. The following sections outline the data collection protocol, data collection methods and the data analysis procedure for this research.

3.2.3 Data collection

Data were collected during June and July 2004 in Chile. Special care was taken to obtain information from a broad cross-section of people involved in rural tourism in the selected area. To achieve this, the researcher interviewed people who differed in terms of location, ethnicity, type of product they provided and length of time for which they have been involved in rural tourism.

The snowball sampling method was used to identify the participants. This is a non-probability method in which individuals are selected on the basis of

information obtained from other individuals (Tashakkori & Teddlie, 1998). "The process for locating information-rich informants begins by asking well-situated people: who knows about _____? To whom should I talk to?" (Patton, 1990, p. 176). By asking a number of people for further contacts, the snowball effect increased as new information-rich contacts were accumulated (Patton, 1990; Tashakkori & Teddlie, 1998). Once people began mentioning the same contacts, the interviews ceased (Patton, 1990; Tashakkori & Teddlie, 1998).

Data were collected from a range of stakeholders including community leaders, government agencies, families working in rural tourism and local tourism operators. This allowed the researcher to present a more complete account of issues and processes and also allowed validation and triangulation of the information collected (Hakim, 1987; Yin, 2002). Data were collected using semi-structured interviews and participatory methods.

Semi-structured interviews

Semi-structured interviews were selected because they allowed the researcher to have focused, conversational and two-way communication with the research participants, in order to obtain in-depth understanding of the factors that influence rural tourism development and its impacts at the household level (FAO, 1990). Semi-structured interviews were also utilised because they are considered a less intrusive method compared to structured interviews and questionnaires, allowing participants to discuss some issues in greater depth, in this case such as impacts of rural tourism at the household level and constraints on their diversification into rural tourism (FAO, 1990).

An interview guide was used as a check list during the interview to ensure that all relevant topics were covered (FAO, 1990; Patton, 1990). The interview questions were not standardised; questions were created during the interview, adapting the wording and the questions to specific respondents in the context of each interview (FAO, 1990; Patton, 1990). Table 3.3 provides an example of a checklist used in the interviews (complete checklist available in Appendix 2).

Table 3.3. Example of a checklist used during the interviews

| Question objective | Potential questions |
|---|---|
| To obtain information about environmental impacts of rural tourism at the household level | <ul style="list-style-type: none">• Has the development of rural tourism led to any changes in the natural environment of your house?• Have you noticed any particular changes in the natural environment of your house?• How has rural tourism been for the environment?• Has rural tourism caused any positive or negative changes in the natural environment? |

Semi-structured interviews were carried out with households working in rural tourism as well as with community leaders, government agencies, and tourism operators. At the household level, interviews were carried out in a relaxed environment, encouraging rapport and allowing all household members to contribute their views about particular issues. Figure 3.2 provides an example of how interviews were carried out.



Figure 3.2. Interviewing a family that has diversified into rural tourism

Each interview started with the researcher clarifying the objectives and aims of the interview and the research. Then, as required by the Massey University Human Ethics Committee, householder’s written consent was gained to proceed (Appendix 3 contains copies of both the approval from the Human Ethics Committee for this research and the form of consent signed by all participants in this study). Next, the researcher asked general questions about general topics, which enabled possible relationships between issues to be identified, followed by more specific questions to clarify the issues and encourage more in-depth discussion (FAO, 1990). A total of 50 semi-structured interviews were carried out, lasting from one to three hours each. Forty-seven interviews were taped; when participants did not consent to being recorded, interview notes were taken by the researcher. Table 3.4 summarises the types of research participants and number of interviews.

Table 3.4. Research participants and number of interviews

| <i>Stakeholder</i> | <i>Number of interviews</i> |
|-----------------------------------|-----------------------------|
| Households | 15 |
| Government agencies | 14 |
| Local NGOs | 5 |
| Community Leaders | 3 |
| Tourism operators | 4 |
| Scholars working on rural tourism | 3 |
| Municipality staff | 6 |
| Total | 50 |

Participatory methods

Participatory methods were used during household interviews and in group interviews in order to complement the data collection process. At the household level participatory methods were used, when needed, to facilitate discussion on particular issues such as the impacts of rural tourism in economic terms, the constraints faced in the diversification process and ways to overcome them. In group interviews these methods were used to allow all participants, men, women and children, to contribute their ideas.

Three group interviews were carried out, involving a total of 19 participants. These interviews lasted from two to four hours each. Table 3.5 provides a summary of group interviews and number of participants.

Table 3.5. Group interviews and number of participants

| <i>Group</i> | <i>Number of participants</i> |
|-------------------|-------------------------------|
| Group interview 1 | 8 |
| Group interview 2 | 6 |
| Group interview 3 | 5 |
| Total | 19 |

Participatory methods used at the household level were the Force Field Analysis, Impact Ladder and Venn Diagrams. Methods used at the group interviews were the Time Line, H-form exercise, and Social and Resource Map. These methods are described below.

Force Field Analysis

The Force Field Analysis is a simple method useful for identifying positive and negative forces affecting a situation (Kumar, 2002). Therefore, this method was selected in order to identify positive and negative forces affecting rural tourism development at the household level. The tool used was the balloons and stones method (refer to Figure 3.3); stones were changed to logs because this was better suited to local culture (refer to Figure 3.4).

The exercise was carried out following the steps suggested by Kumar (2002). First, using a piece of paper which contained the drawing shown in Figure 3.4, participants were asked to visualise the problem situation as a state of temporary equilibrium between two sets of opposing forces, balloons and logs. Participants were then asked to write down on sticky notes the driving forces (balloons), and the constraints (logs), that had influenced the current situation of rural tourism. They then stuck the notes with the driving forces above the line and those with restricting forces below it. Once this was done, participants were asked to assign a weighting to each of the forces by placing beans on the post-its. Each participant could assign a maximum of four to each force, so that answers were

ranked from one to four in order of importance, one being the less important and four the most important (Results available in Appendix 4).

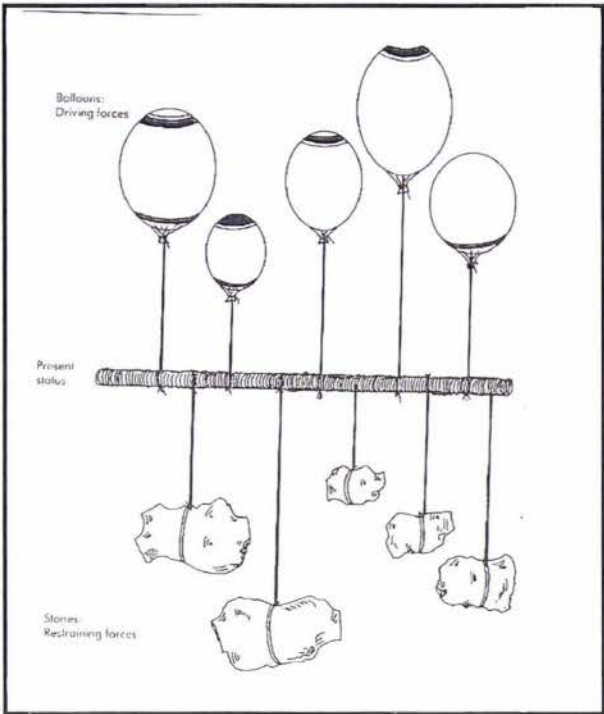


Figure 3.3. Force Field Analysis: balloons and stones method
Source: Kurmar (2002, p.276)

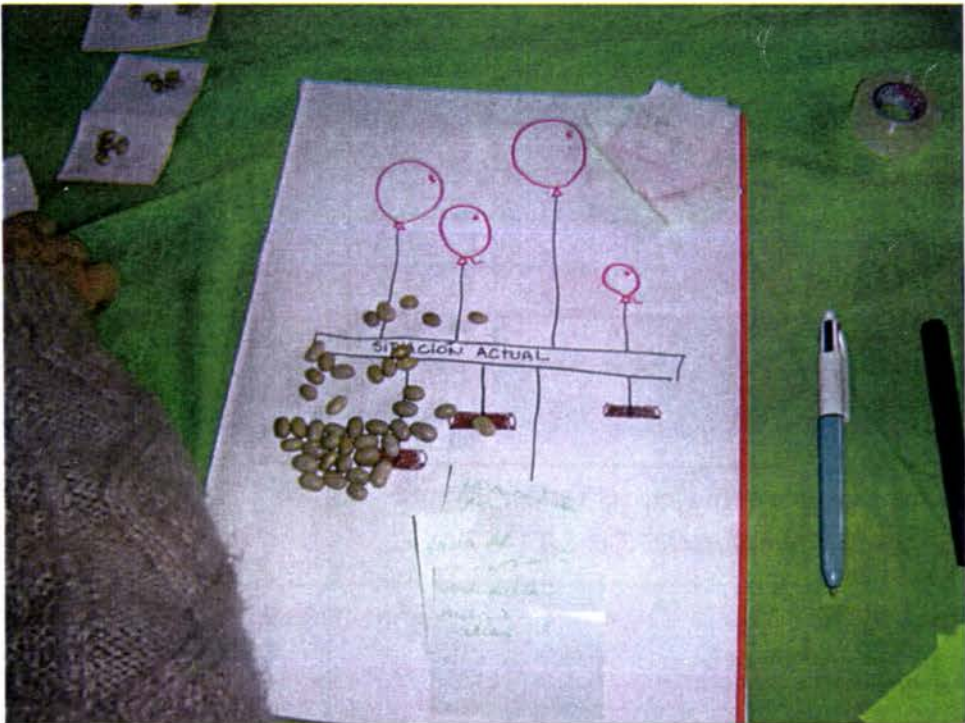


Figure 3.4. Adaptation of balloons and stones method

Impact Ladder

The Impact Ladder is a useful method for qualitative comparison of a before and after situation according to a specific indicator (Guijt, 1998). This method was used when gathering data on the economic impact of rural tourism in terms of income generation at the household level. It was used with some participants to facilitate discussion on this topic in the course of the interview. The exercise was carried out based on the steps suggested by Guijt (1998). First a ladder of ten steps was drawn on paper, step one being the lowest income and step ten the highest income (Figure 3.5). The ladder was divided in two vertically, to indicate before and after. Participants were provided with beans and asked where, in terms of income, their family was before rural tourism and after rural tourism. They placed their beans on the ladder and were then asked to expand and clarify their answers. Figure 3.5 shows an example of the impact ladder method (Results in Appendix 5).

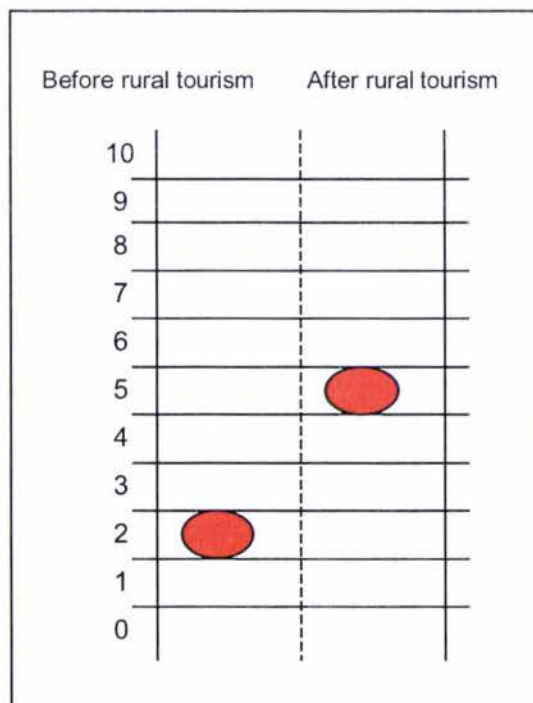


Figure 3.5. Example of the Impact Ladder method

Source: Adapted from Guijt (1998, p. 84)

Venn diagram

The Venn diagram is a method used to study institutional relationships and local people's perceptions of local institutions, individuals and programmes (Kumar,

2002). This method was used to identify the main actors relating to rural tourism in the area and their relationship with the households that have diversified into rural tourism. This method was carried out using the steps described by Kumar (2002). First, participants were asked to list various institutions and individuals that were important in the development of rural tourism in the area. They were then asked to rank these answers in order of importance, using beans. Participants were then asked to assign paper circles of different sizes to the institutions: the bigger the circle the more important the institution. Next, participants were given a big piece of paper with a circle in the middle representing the participants. They were asked to organise the circles around the central circle in terms of degree of the contact they had with these institutions in the development of rural tourism and also the degree of contact between the institutions. Thus, the size of a circle indicates importance, and its distance from the central circle represents the level of contact the institution has with community members, while overlap represents the level of contact between institutions (Figure 3.6) (results in Appendix 6).

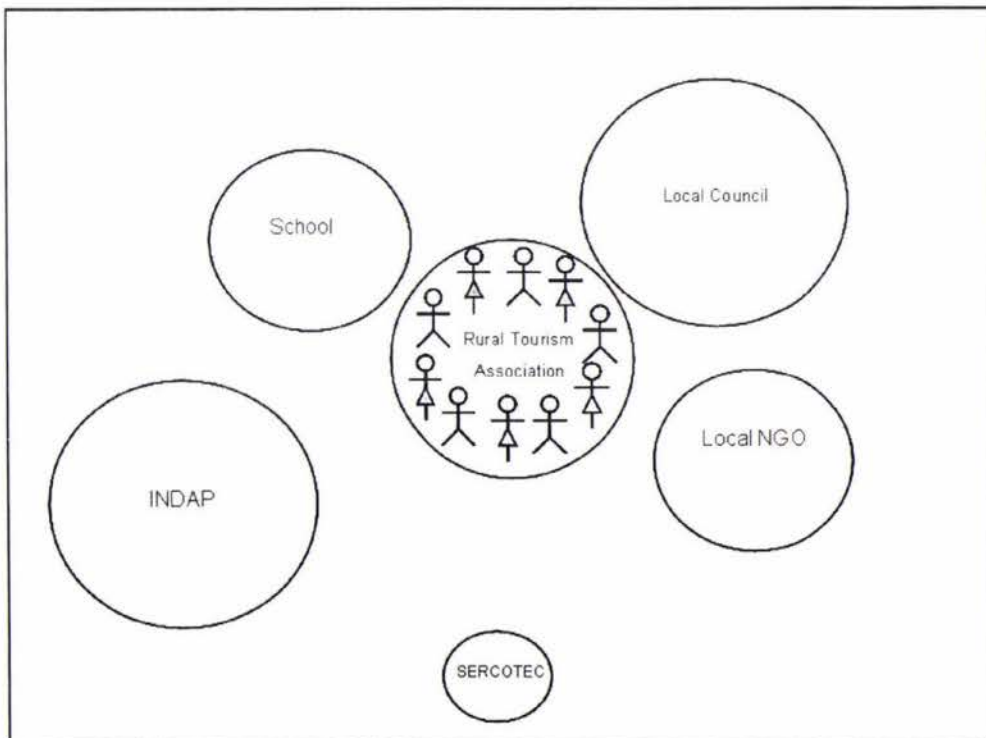


Figure 3.6. Example of a Venn diagram

Time Line

Timelines provide a means of capturing the timing of events local people identify as being important in a particular situation. This method was used to obtain information regarding the main events in the development of rural tourism in the study area (Kumar, 2002). Figure 3.7 shows a time line being completed by community members (Results in Appendix 7).



Figure 3.7. Timeline method

H-form Exercise

The H-form exercise was originally developed to assist local people to monitor and evaluate local environmental management processes (Guy & Inglis, 1999). In this study, this exercise was used to gather information about positives, negatives and potential improvements that could be made in order for rural tourism to succeed. The method involves dividing a large sheet of paper into sections representing the letter H. These sections are used to rank and record the contributions made by groups and individuals (Figure 3.8). The exercise began by placing a leading question on the piece of paper (above the crossbar between the two posts), in this case, the leading question was "*How positive has rural tourism been for your household?*" Based on this question participants were asked to work through the following tasks. First, they were asked to rank from 1

(lowest) to 7 (highest)⁷ the contribution of rural tourism to their households. Then they were asked to write on sticky notes the reasons why it was not 1 out of 7, identifying the positive contribution of rural tourism to their household. Then, they were asked to write on sticky notes why it was not 7 out of 7, identifying negative issues about rural tourism. After that, they were asked to write on sticky notes any improvements that could be made to enhance the contribution of rural tourism to their household. At the end, the group discussed the different ideas and as a group they were asked again to answer the first question ‘*How positive has rural tourism been for your household?*’ and as a group rank (from 1 to 7) the contribution of rural tourism to their households (Results available in Appendix 8).

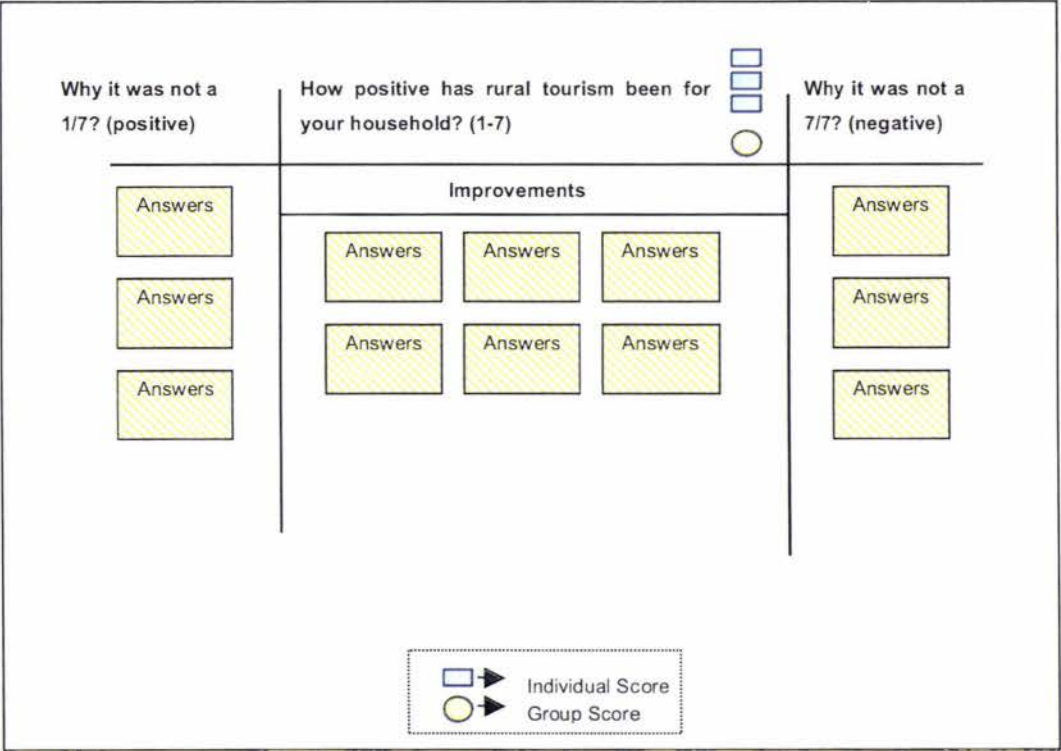


Figure 3.8. Example of an H-form exercise

Social and Resource Map

A combination of a resource and social map was used to gather information about tourism resources in the area as well as to identify potential participants who could be involved in this research. The exercise was started by the researcher’s asking participants to draw a map of their locality, including on it the

⁷ The scale from 1 to 7 was chosen because it is the normal scale used by Chilean schools.

natural resources that were relevant for the development of rural tourism in their area. Also they were asked to identify on the map the households that had diversified into rural tourism. Once this was done, participants were asked to use different colours to classify the households. The categories were created by the participants and these included the types of rural tourism products the household offers, ethnicity and how they were performing in their rural tourism ventures. The information gathered with this method was used for checking and tracking the households that should be involved in this research, allowing the researcher to identify households that offer different products, have different ethnicity and are having different results, which was useful for obtaining information of a broad cross-section of those households that have diversified into rural tourism. Figure 3.9 shows a resource and social map being completed by a community representative (Results in Appendix 9).



Figure 3.9. Mapping exercise

Data analysis

Data collection is not an end in itself but is a first step to the core of the research that is to interpret, analyse and present the findings (Patton, 1990). The challenge is to make sense of massive amounts of data, reduce the volume of

information, identify significant issues and construct a framework for communication of the findings (Patton, 1990).

Data Analysis was based on Dey's (1993), iterative cyclical process that involves describing, classifying and connecting (Figure 3.10). First a within-case analysis was carried out for each case study and then a cross-case analysis was carried out (Yin, 2003).

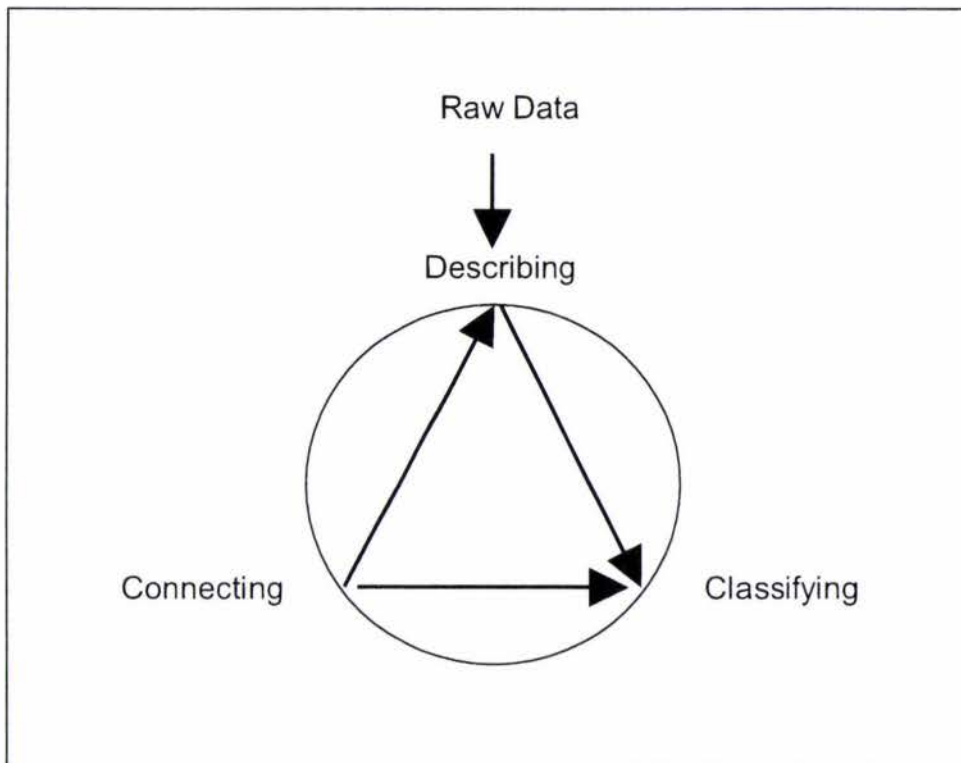


Figure 3.10. The qualitative data analysis procedure

Source: Dey (1993, p.31)

The first step in the data analysis process is to develop a comprehensive *description* of the research phenomenon (Dey, 1993). This description involves converting raw data into a summary identifying concepts and relationships (Dey, 1993). This summary should contain the context, the intention of the subject and the process (Dey, 1993). This step was carried out by selecting, transcribing and summarising one interview of each case.

The second step in the qualitative data analysis process is *classification* which is an iterative process that involves categorising data, raising questions and

identifying relationships (Strauss, 1987; Dey, 1993). Based on the research questions and relevant theory from the literature, important points from the selected transcripts were identified and information pertaining to similar aspects was categorised into sections (Dey, 1993). The technique used for identifying categories was the coding notes approach. This approach consists of making comments in the margins of the transcripts and then identifying pertinent categories (Patton, 1990). Table 3.6 provides an example of the coding notes approach.

Table 3.6. Example of coding notes approach

| <i>Transcript summary</i> | <i>Categories</i> |
|--|--|
| <i>How has rural tourism been for your family, regarding family income?</i> It has helped a lot. Particularly in March when we have to buy stationery for children. We also have now more comfort facilities and that is wonderful, we bought a heater that we didn't have, blankets and those kinds of items. Before rural tourism, we did not have the money to do those kinds of things, we used to have some sheep that were sold in December but it was just that. | <i>Economic impact, income generation</i> <i>Social Impact, improve household conditions</i> <i>Economic impact, income generation</i> |

A framework for analysing the rest of the interviews was developed using the categories identified from the first two interviews selected. Based on this framework, the content of each of the rest of the tapes was listened to carefully, identifying important concepts and categories. Each interview was then summarised. This process was carried out twice for each interview, correcting errors and identifying new categories, relationships and concepts.

The third stage of the qualitative data analysis is *connection* which involves identifying and transforming the coded data into meaningful data (Dey, 1993). After categories were identified a logical hierarchy of supra- and sub-categories was developed showing the logical relationship between categories (Dey, 1993). Once the hierarchy was defined and the data analysis completed a case report was written (Chapter 5 and 6, Results). This report includes a description of both

case studies, providing background information for each of them; it also contains the research findings for each case and a comparison of the two cases. Once each case study was completed results were compared with relevant literature (Chapter 7, Discussion), identifying differences and similarities (Yin, 2003).

3.2.4 Phase 3: Conclude

The final phase of the research process is 'conclude' (Yin, 2003). This phase involves carrying out a cross-case analysis which allows for comparing and contrasting the results of each of the cases. Next, similarities and differences between the research findings and theory are identified in order to modify theory when there is enough evidence to support it. Then, policy implications are developed and a cross-case study report is written, identifying the findings that are relevant for answering the research questions (Yin, 2003). As described above (Section 3.2.1) conducting two case studies was possible to achieve only objective one of this study, therefore a cross-case analysis was carried out for this objective only.

3.3 SUMMARY

This chapter provided a description of the research methodology adopted for this research. It first described the process of selecting a research strategy, which was based on the research question, the degree of control required over behavioural events, and the degree of focus on contemporary events (Yin, 2003). A multiple case study was carried out for this research, which involved just two case studies because of time and budget constraints.

The research approach was based on the theoretical replication approach suggested by Yin (2003). This approach involves three phases, define and design; collect and analyse and conclude (Yin, 2003). Based on that, the first phase of this research involved a review of relevant literature and a selection of suitable case studies. This selection was based on the literature and on personal communication with people experienced in rural tourism in the study area.

Suitable cases for this research were defined as communities, located in the IX region of Chile, that rely principally on traditional agriculture, for whom rural tourism is identified as one of their livelihood strategies, and that differ in terms of the stage of their tourism industry, proximity to a well-known tourism destination, and indigenous population and incidence of poverty.

Data were collected using semi-structured interviews and participatory methods. For the data analysis, one interview for each case study area was selected and transcribed. These interviews were used to create an analysis framework for each case study, identifying important concepts and categorising data. Next, the rest of the interviews were listened to carefully and summarised, identifying concepts and categories. First, a within-case analysis and report was carried out and then a cross-case analysis and report were conducted and written up and prepared, comparing and contrasting the results with theory and between cases. Theory, when appropriate, was modified, policy implications were drawn, and a final case report was written.

CHAPTER 4: DESCRIPTION OF THE CASE STUDIES

In this chapter a detailed description of the case study communities is presented. First the location of the case communities is outlined and then a description of the socioeconomic conditions and the development of tourism and rural tourism for each case community is presented.

4.1 CHARACTERISTICS OF THE CASE STUDIES

This research is based on two communities, one located in Pucón District and the other one in Curarrehue District; both districts are in the southern zone of Chile in Region IX (Figure 4.1). The selection of the case studies is outlined in detail in Chapter 3 (Section 3.2.1, p.52).



Figure 4.1. Map of Region IX of Chile. Circles indicate the two case studies
Source: Adapted from Gobierno Regional de la Araucanía (2005).

Region IX has a total surface area of 31,858 km², representing 4.2% of Chile's territory (Gobierno Regional de la Araucanía, 2005). In 2002, the population of the region was 869,535 or 5.7% of the country's total population (INE, 2003). In 2000, 66.1% of the region's population lived in urban areas while the remaining 33.9% lived in rural areas (MIDEPLAN, 2002b).

In 2000, Region IX was the poorest in the country, with 32.7% of its population living below the poverty line. The incidence of poverty in this region, as in the country generally, is higher in rural areas: 34.9%, as opposed to 31.5% in urban areas (MIDEPLAN, 2002b). In terms of ethnicity, Region IX has the highest indigenous population in the country,⁸ who represent 25.6% of the region's population and belong principally to the Mapuche ethnic group (MIDEPLAN, 2002a).

Politically speaking, Region IX is divided into two main provinces and 31 districts (Gobierno Regional de la Araucanía, 2005). Each of the case communities is located in a different district and the council of each of the districts is part of the National Association of Tourist Councils or AMTC (*Asociación de Municipalidades Turísticas de Chile*). The AMTC was formed in 1993 by 26 of Chile's total of 342 local councils. The chief aim of this association is to find solutions to the main problems councils experience in the tourism arena, such as coordinating tourism, creating a network of related national and international institutions, increasing numbers of tourists, developing infrastructure to satisfy the requirements of tourism and recreation, establishing a local service for promotion and marketing of tourism, building tourism-related staff capacity and sponsoring tourism activities in the district.

A council in Chile may be defined as the political-administrative body in a given territory, whose main aim is to meet the needs of the local community, ensuring its members' participation in the social, economic and cultural development of the locality (Leiva, 1997; Vargas, 2001; Gobierno de Chile, 2004). By law⁹ councils have a number of exclusive duties (*Funciones Privativas*) which only the council

⁸ There are 8 ethnic groups in Chile: Atacameño, Aymara, Colla, Kawaskar, Mapuche, Quechua, Rapa-Nui, and Yagán. However, 85.6% of the country's indigenous population belongs to the Mapuche ethnic group, principally located in the southern zone of the country.

⁹ Constitutional Law of Councils no. 18,695.

can carry out, such as devising a district development plan or PLADECO (*Plan de Desarrollo Communal*), applying transport and construction regulations, urban planning and regulation, devising regulations for the district and directing the cleaning and beautifying of the locality (Gobierno de Chile, 2004). Councils also have shared duties (*Funciones Compartidas*) which they can carry out alone or in conjunction with other government institutions. These include promoting education and culture, protecting health and the environment, promoting tourism, sports and recreation, road maintenance and construction in rural and urban areas and building sanitation infrastructure (Gobierno de Chile, 2004). Therefore, as Leiva notes (1997), the fact that Chilean law requires councils to undertake these duties shows the important role councils play in the development of tourism in Chile.

The following sections contain a detailed description of the two communities studied.

4.1.1 Case community from Pucón district

Pucón District is located in the southwest of Region IX (Figure 4.2). The construction of Pucón town, the main town in the Pucón district, dates from 1883. This town was built with the objective of exercising sovereignty in an area subject to continuous conflict with the neighbouring country of Argentina (Turiscom, 2004). The main economic activities in this area involved use of natural resources in occupations such as agriculture and forestry. However, in 1934, with the construction of the Great Pucón Hotel, which was a state initiative, a shift in livelihood occurred, from agriculture to tourism. Currently tourism is the main economic activity in the locality (Ilustre Municipalidad de Pucón, 2001).

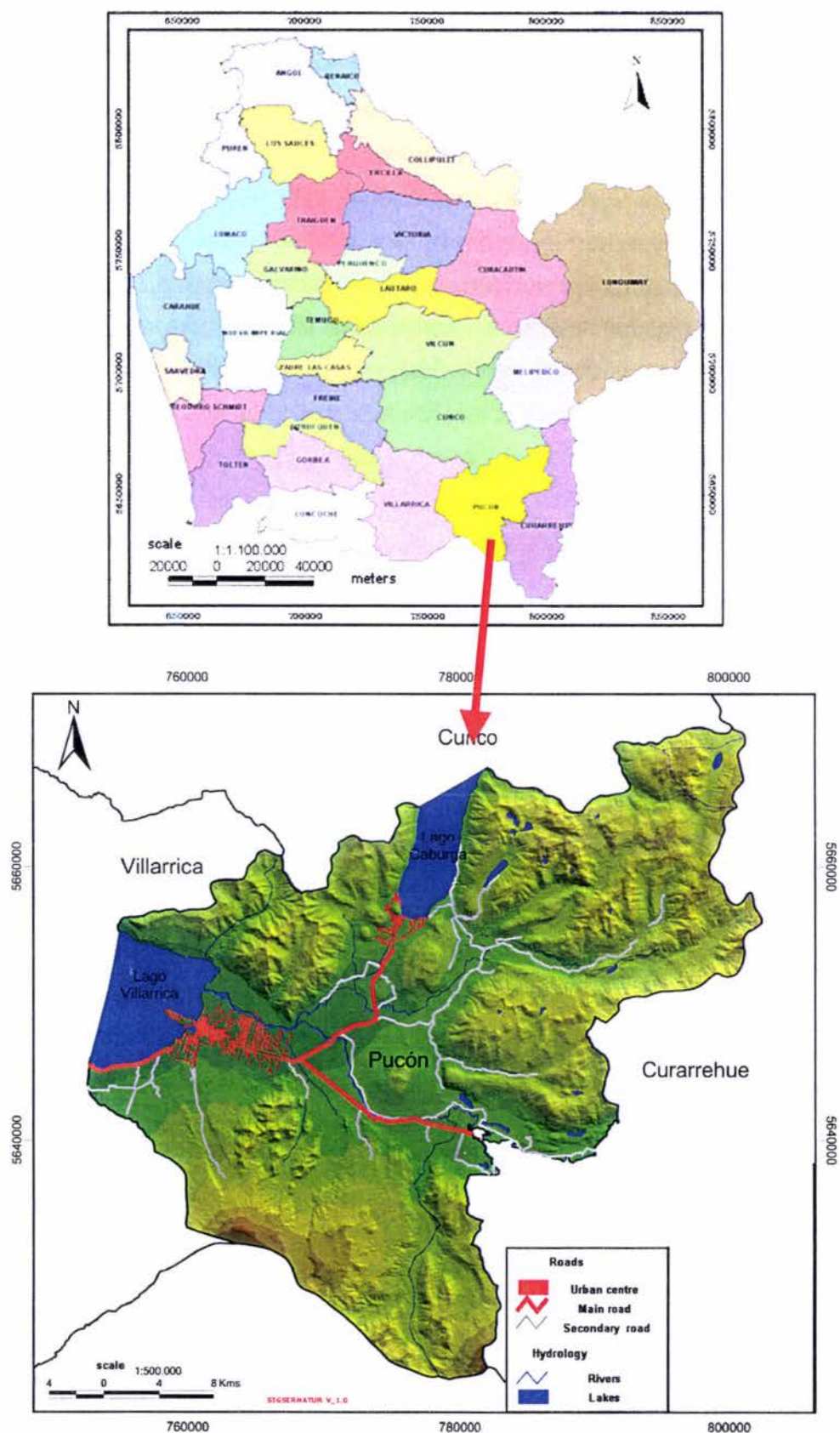


Figure 4.2. Pucón and other districts in Chile's Region IX

Source: Adapted from SERNATUR (2001a)

Pucón's total population in 2002 was 21,107, of whom 34.4% lived in rural areas (INE, 2003). In 2000, the incidence of poverty¹⁰ was 33.3% of the district's total population (INE, 2002). In terms of ethnicity, 17.1% of the district's population belong to the Mapuche ethnic group (INE, 2003).

As regards infrastructure and housing services, 93.9% of homes have access to electricity and 72% are connected to treated water supply. Those without connection obtain water from rivers or springs (Ilustre Municipalidad de Pucón, 2001). While 72.2% of houses are connected to the local sewage system, the rest still have pit-latrines. In terms of roads, the principal road connecting Pucón with the neighbouring districts of Villarica and Curarrehue is sealed. This road also connects Pucón, through Villarica, with the district of Temuco. In summer, at the height of the tourist season, this road has problems with traffic jams. The remaining roads in Pucón are gravel and are subject to a number of problems in winter such as flooding, making travel difficult (Ilustre Municipalidad de Pucón, 2001). Appendix 10 shows flooded roads during the winter of 2004.

Pucón has one hundred and six community organisations. There are also a number of trade unions such as the Tourism Operators' Union, the Taxi Drivers' Union and the Farmers' Unions (Ilustre Municipalidad de Pucón, 2001).

Tourism and rural tourism in Pucón district

Pucón has become the top tourist resort in southern Chile, because of the existence of local attractions that make the district especially appealing for tourism. Pucón offers a high number of services for tourists such as accommodation and restaurants. Currently there are 60 restaurants and 101 accommodation sites with a total of about 4,000 tourist beds (Ilustre Municipalidad de Pucón, 2001). Pucón's capacity to receive tourists in terms of infrastructure is high only in the main urban centre, Pucón town. The rest of the district's areas, mainly rural areas, have medium and low capacity to receive tourists (Figure 4.3).

¹⁰ For a definition of poverty incidence in Chile refer to footnote 2 (Chapter 1, p. 2)

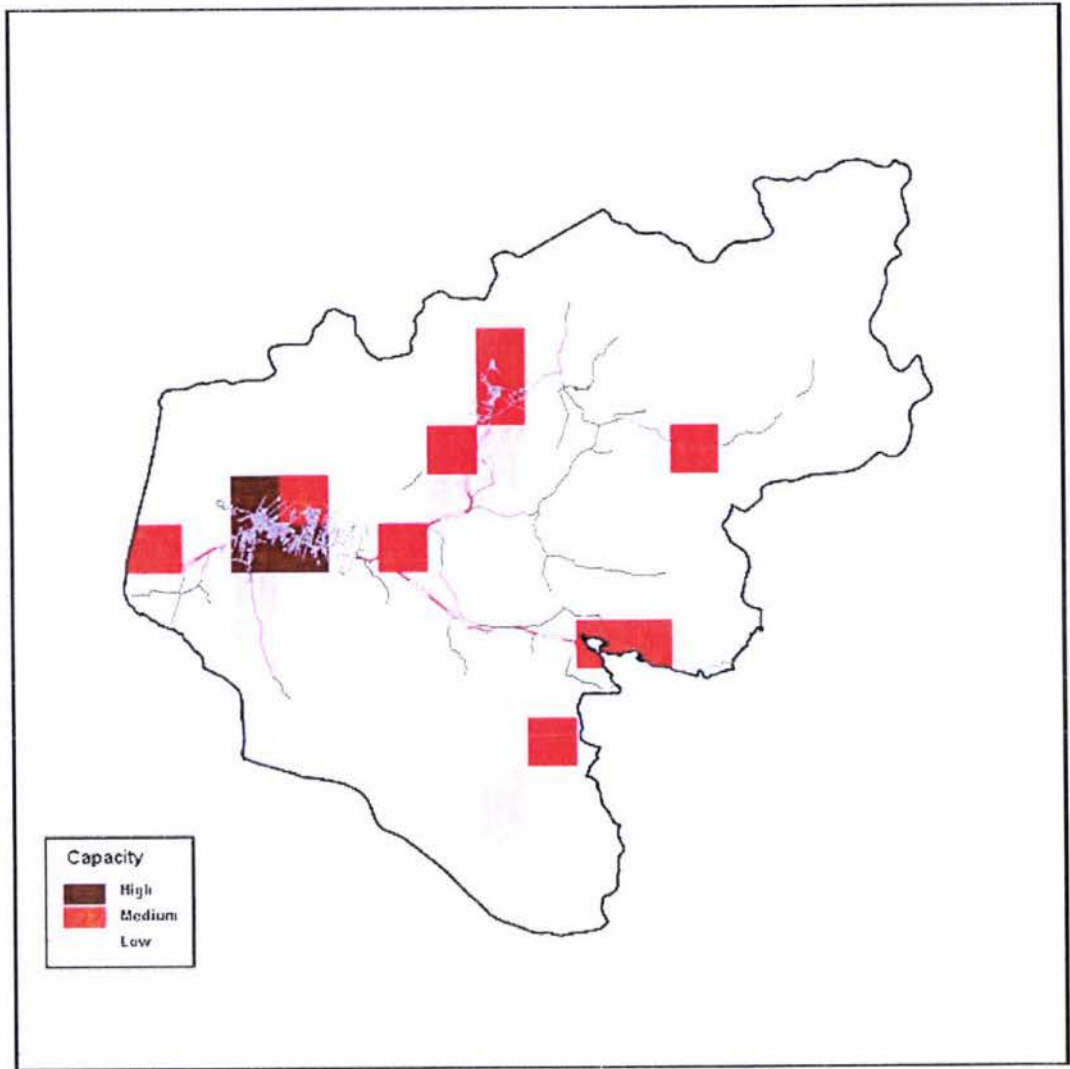


Figure 4.3 Pucón district's capacity to receive tourists in terms of infrastructure
Source: Adapted from SERNATUR (2001a)

Pucón has a high number of natural attractions such as Lake Villarrica and the Villarrica volcano. Figure 4.4 shows that most of the area of Pucón district is very suitable for tourism in terms of the existence of natural attractions. There are some areas in which the suitability for tourism is medium; these are located in the main urban centres.

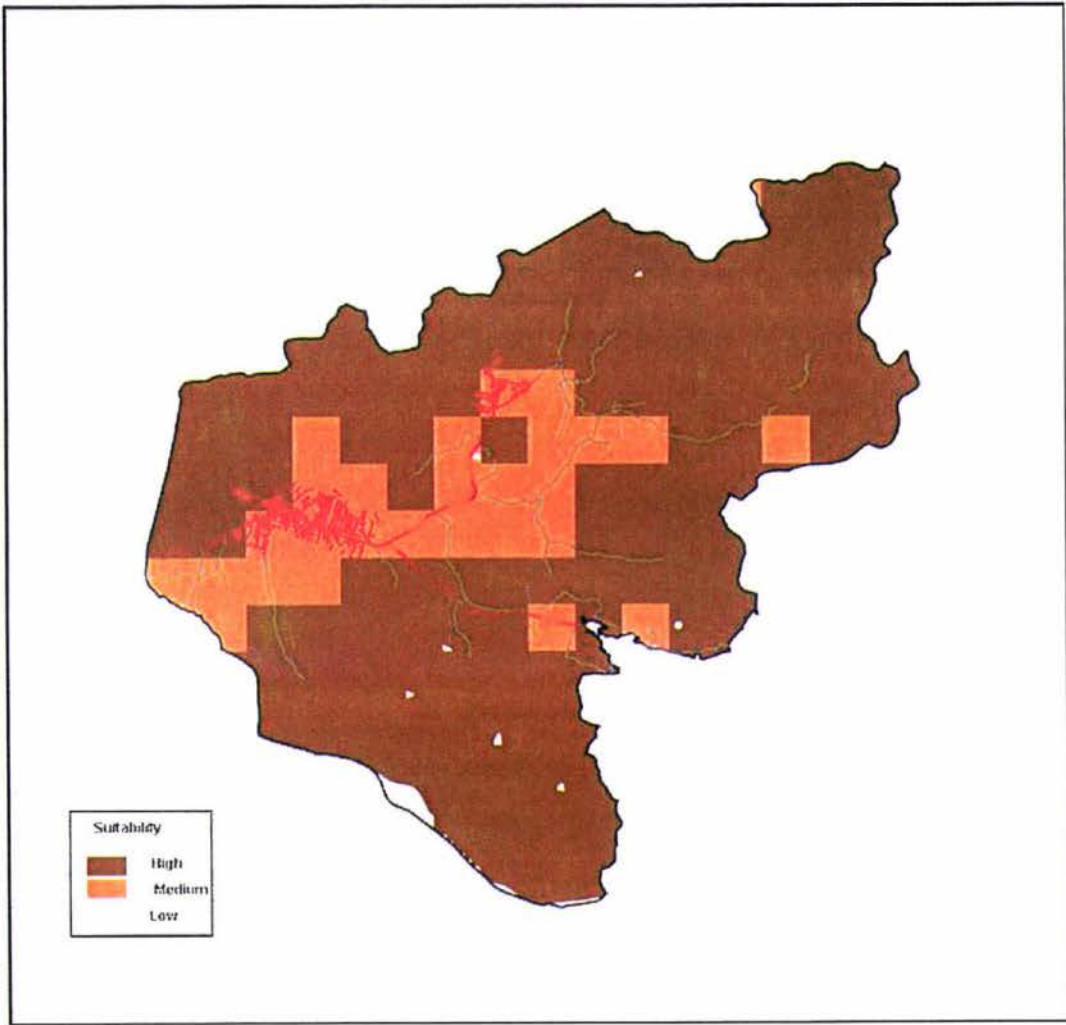


Figure 4.4. Suitability of the Pucón area for tourism because of the existence of natural attractions

Source: Adapted from SERNATUR (2001a)

Figure 4.5 shows photographs which illustrates the scenic attractions of Pucón town.

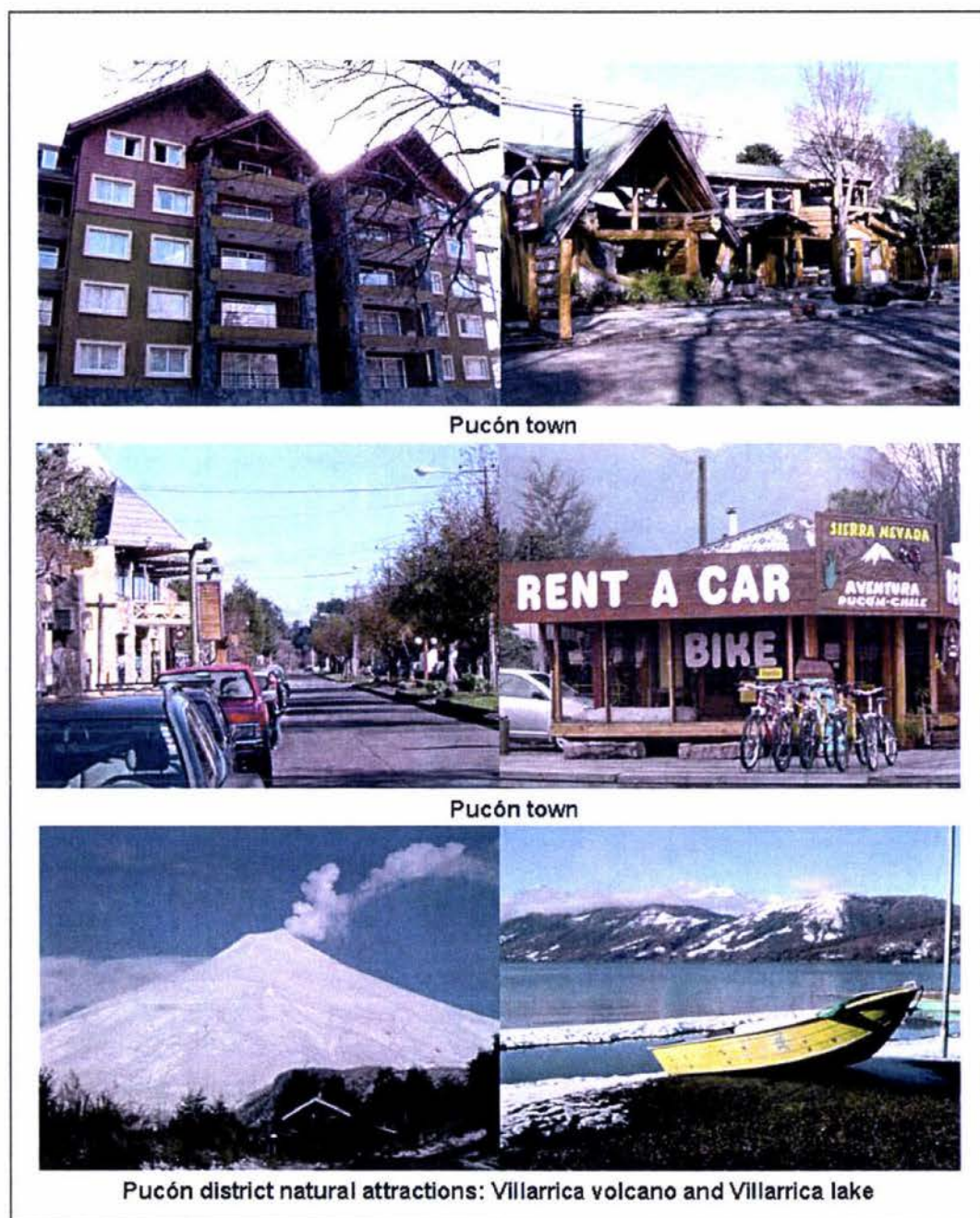


Figure 4.5. Pucón district, main town and natural attractions

The main way of marketing tourism products is through local agencies that sell directly to independent travellers (Ilustre Municipalidad de Pucón, 2001). Only some hotels sell their products to tourism agencies in Santiago for organised tour packages. Small tourism ventures market their products principally by word of

mouth or by displaying brochures in the council tourist office (Ilustre Municipalidad de Pucón, 2001).

Pucón is in high demand by tourists. In 2000, 12,313 tourists visited Pucón during the peak season.¹¹ A 2001 study indicated that 67.7% of tourists visiting Pucón were Chileans, mainly from the capital city Santiago (Ilustre Municipalidad de Pucón, 2001).

Like any other tourist destination in Chile, Pucón has a very marked seasonality, with the peak season during summer. However, in recent years Pucón has been the only tourist destination in Chile to see a systematic increase in the number of tourists, with 7,322 visitors in the 1998 off-peak season, compared to 470 in 1992. This increase can be explained by a tourist preference, in recent seasons, for mountain tourism, namely skiing and climbing the Villarrica volcano (Ilustre Municipalidad de Pucón, 2001).

Rural tourism was not developed by smallholder farming households until 1999. In that year The National Institute of Agricultural Development (*Instituto Nacional de Desarrollo Agropecuario, INDAP*) issued a public invitation to households that were interested in developing rural tourism. This invitation was successful, bringing together about one hundred people. During this year, interested people who wanted to diversify their livelihoods into rural tourism continued to meet regularly in order to learn more about requirements for diversification, procedure and the like. Many people decided that diversification was difficult and therefore did not get started at all. . In 2000, however, 20 people decided to diversify into the activity and formed the Folil Mapu Rural Tourism Association (*Asociación de Turismo Rural Folil Mapu*).

'INDAP invited all the people that were interested in rural tourism to go to a meeting. About 80 people were at the meeting. They showed us a video, they explained some things to us and then they came to visit us at home. Only some of us continued and formed the association' (Woman farmer, interview no. 17, Pucón).

¹¹ High season is during the months of January and February, during summer time.

'About 100 people came to the meeting but since there were a number of things that we had to comply with, a lot of people stopped coming. In 2000, there were only 20 households that wanted to diversify into rural tourism and we formed the Folil Mapu Rural Tourism Association' (Woman farmer, interview no. 16, Pucón).

The Folil Mapu Rural Tourism Association is the only association of farming households supplying rural tourism in Pucón and most of the households that supply rural tourism in Pucón are members of it. The reason that most of the farming households supplying rural tourism are members of the Folil Mapu Rural Tourism Association is that when INDAP began the assistance programme to help farming households diversify into rural tourism it was obligatory for them to go through an association. However, there are also a small number of farming households who supply rural tourism but who are not members of any kind of rural tourism organisation. This latter group includes households who began their ventures as part of the association and who, for a number of reasons, decided to continue alone, without belonging to any type of association. Some made this decision because they were doing very well and did not think they needed an association to continue, while others who had not done so well decided to give up and supply rural tourism in a more sporadic and non-formal way. In one case a household has never belonged to the association and started out on its own from the beginning. All these types of households were included in this research.

The time line completed by participants shows the major events happening with the Folil Mapu Rural Tourism Association since its formation. From 2000 to 2002 representative members of the Association were invited to participate in the 'Expo Rural Event'¹² in Santiago. In 2002, the association started with the legal procedure for obtaining their permits such as sanitisation permits. In year 2003, seven of the associates received their permits. During this year there was also a reconstitution of the society because a number of members had deserted. The Association currently has 13 associates. In the year 2004, the Association organised an event which was called the Folil Mapu day. Since 1999, when they started to receive advice from INDAP and the Technical Assistance Service

¹² The 'Expo Rural Event' is an event organised by INDAP. This event is organised yearly and aims to show all the initiatives carried out by the institution in order to create, or facilitate the creation of links between small ventures and consumers.

(*Servicio de Asistencia Técnica, SERCOTEC*) the members of the association have had access to different training courses.

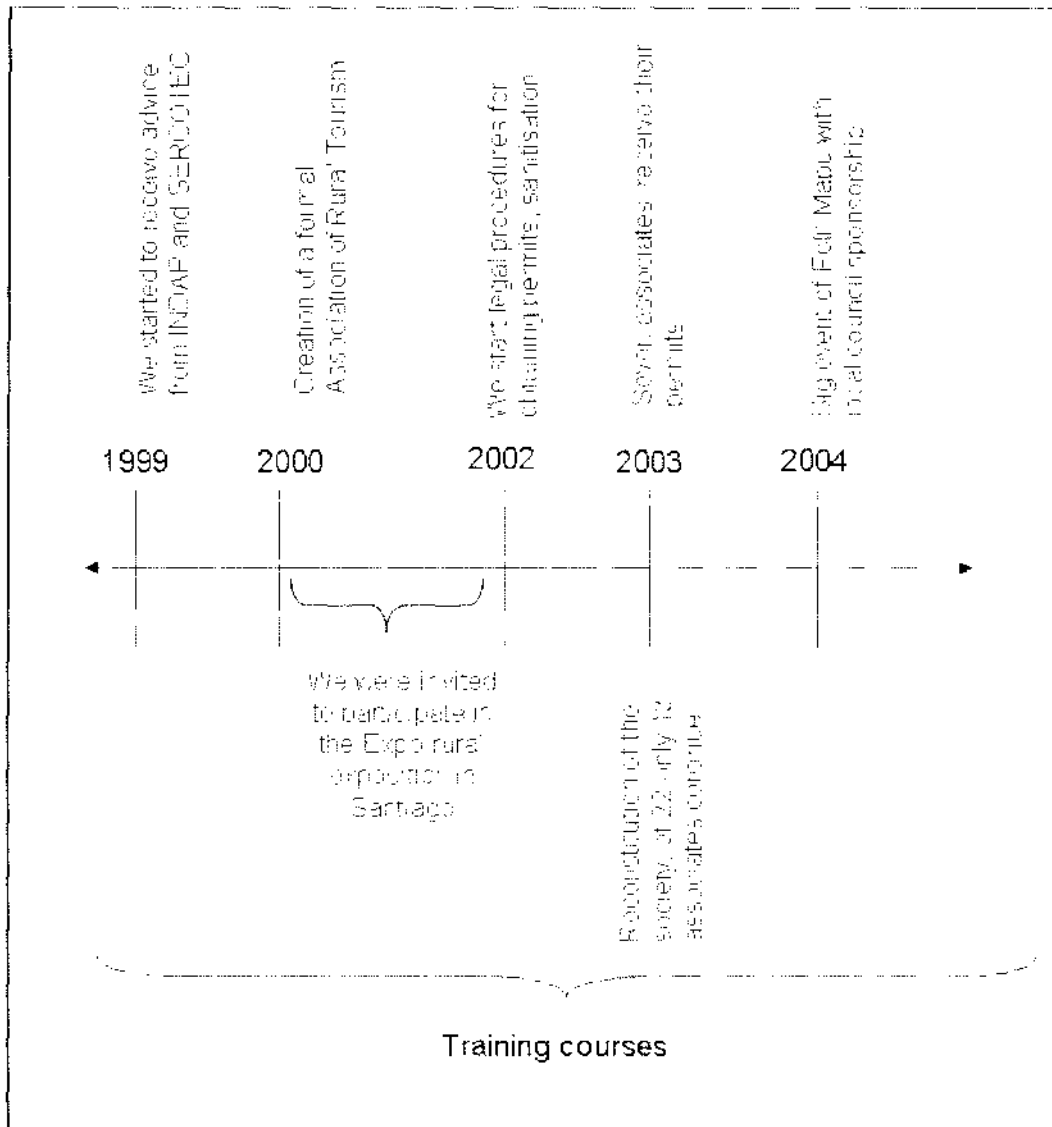


Figure 4.6. Time Line completed by community members

Households which have diversified into rural tourism all identify themselves as farming households. Most of these households were exclusively farmers. These households have anything from less than one hectare up to 14 hectares of land which most of them have received as an inheritance. Agricultural production is mainly for the family subsistence, and it is based on small livestock such as chickens and ducks, an orchard and potatoes and vegetables. Some households also have some sheep (between 3 and 5) which they sell in December and September for particular celebrations such as Christmas and the national day.

Those households with bigger farms also produce hay, wheat and potatoes which they sell in nearby towns.

Most of the households consist of a wife and husband in their mid-forties and two to three teenage children. There were two households in which the couple were in their late sixties and their children have migrated to nearby towns to find jobs. Only the wife and husband - and in one case only the widow - live in the rural area. The wife usually carries out household-related activities such as tending an orchard and keeping small livestock. Men, in the case of bigger farms, are in charge of the farm-related activities, while on smaller farms men are employed in off-farm jobs in nearby towns as night watchmen or in construction work.

In terms of infrastructure, those households located near Pucón town have access to the telecommunications network, own a mobile phone and have access to electricity. Access to households differs depending on their location to the urban centre. Therefore, while some roads are good, particularly those near the urban centre, Pucón town, others are in very bad condition, making travel very difficult. All the households have a flush toilet; however, in some cases this is an outhouse. None of the households is connected to a treated water supply.

Most of the households supplying a rural tourism product offer only camping accommodation and complement this by supplying traditional products such as eggs, homemade bread and vegetables. One family offers homestay accommodation in their home. Two households offer a more complete product including traditional catering, accommodation, and daily activities such as a guided horse-riding tour, walking or ethnic activities such as storytelling.

Tourist facilities in camping grounds basically consist of a common toilet for tourists, rough tables and electricity. Two households also offer a shared covered area (*quincho*) where tourists can shelter from the rain. Figure 4.7 shows the infrastructure available in camping sites. Two of the households are very well set up, with a number of facilities and pleasant rooms. Two households also have a *ruca* or traditional Mapuche house. Figure 4.8 shows a *ruca* and a room for tourists in a homestay.



Figure 4.7. Camping ground facilities



Figure 4.8. Traditional Mapuche ruca and room in a homestay

In the following section the case community from Curarrehue District is described

4.1.2 Case community from Curarrehue district

Curarrehue district is located in the southwest of Region IX and is a border town between Argentina and Chile. It is approximately 40 kms from Pucón (Figure 4.9).

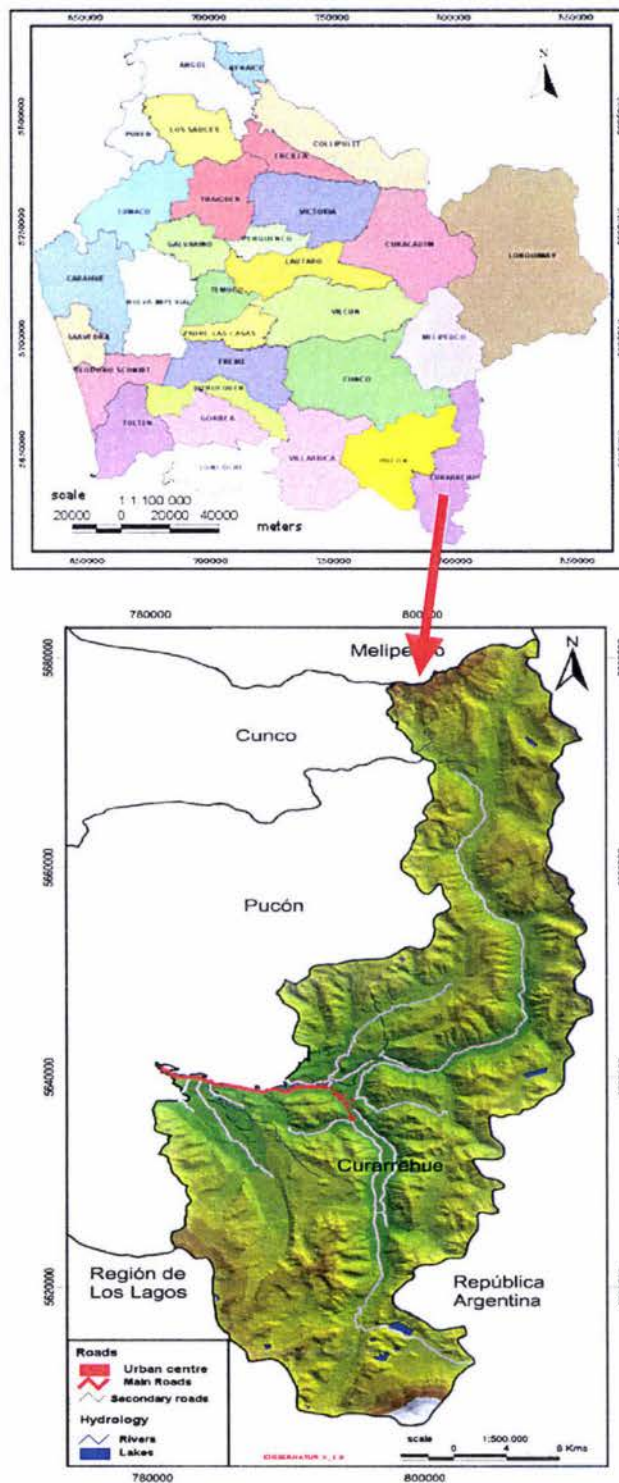


Figure 4.9. Curarrehue and other districts of Region IX

Source: Adapted from SERNATUR (2001a)

Curarrehue had a total population in 2002 of 6,784. Of this total, 73% lived in rural areas and of these, 50.8% belonged to the Mapuche ethnic group (INE, 2003). In 2000 the incidence of poverty was 43.1% of the district's total

population. This district is considered one of the five poorest in the country (INE, 2002).

During the 1930s, the main economic activity in this area was forestry, principally involving native species such as *raulí*¹³ which was exploited until exhausted (Ilustre Municipalidad de Curarrehue, 1999). As a result, locals had to find another livelihood strategy, leading to a shift from forestry to agriculture. This shift involved burning native forest to clear the land for establishing pastures for livestock production. Currently, the main economic activity in the district is agriculture, with family subsistence agriculture the main livelihood strategy. This is because households have very small farms, which is because there is not much arable land in the district, since 64.4% of the total 115,000 hectares is native forest. Also, soils in Curarrehue are not suited for intensive agriculture because of the steep terrain and high susceptibility to erosion (Ilustre Municipalidad de Curarrehue, 1999).

Curarrehue district is considered to have low quality housing (Ilustre Municipalidad de Curarrehue, 1999). Thus, 66.17% of the houses in the district do not fulfil basic housing requirements in terms of their construction materials and condition. Only 50% of houses have access to electricity. Access to telecommunications networks, such as telephones or mobile phones, is available in the main urban centres only. In rural areas, the chief means of communication is through the local radio station, 'Radio Curarrehue'; however, only 50% of homes are within its coverage area. A sewage system and treated water supply are only found in urban centres such as Curarrehue township and Catripulli township (Ilustre Municipalidad de Curarrehue, 1999).

Curarrehue has two main sealed roads, the road to Argentina and the Catripulli road. The remaining roads are gravel, a considerable number of which can be travelled only by using four-wheel drive vehicles or ox-drawn wagons (*carretas*) (Ilustre Municipalidad de Curarrehue, 1999).

¹³ Raulí: *Nothofagus alpina* sp.

Tourism and rural tourism in Curarrehue district

Curarrehue is considered a highly attractive area for tourism; however, tourism development is only at a very early stage (Ilustre Municipalidad de Curarrehue, 1999; SERNATUR, 2001b). The numbers of tourists visiting the area are increasing tremendously every year, from 257 in 2000 to 2,851 registered tourists in 2003 (Ilustre Municipalidad de Curarrehue, 2004).

In terms of tourism infrastructure, Curarrehue is at a very early stage of development; there are two hostels and three restaurants (Turiscom, 2004). Figure 4.10 shows that the district's capacity for receiving tourists is high in Curarrehue township while in the rest of the district's it is medium or nonexistent.

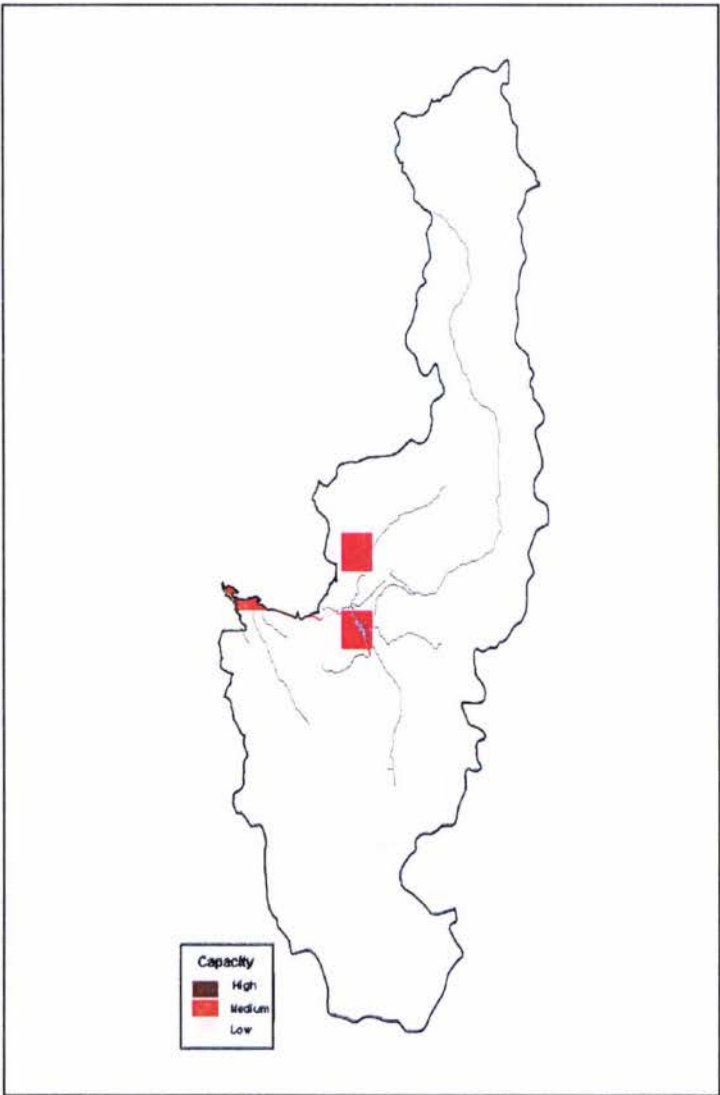


Figure 4.10 Currarrehue's capacity to receive tourists in terms of infrastructure
Source: Adapted from SERNATUR (2001a)

Curarrehue has a number of natural attractions such as the Villarrica National Park, Villarrica Nature Reserve, two hot pools (Termas de Panqui and Termas de Ancamil), lakes and a number of rivers suitable for fishing (SERNATUR, 2001b). Figure 4.11 shows that most of the Curarrehue area has high or medium suitability for tourism in terms of the existence of natural attractions.

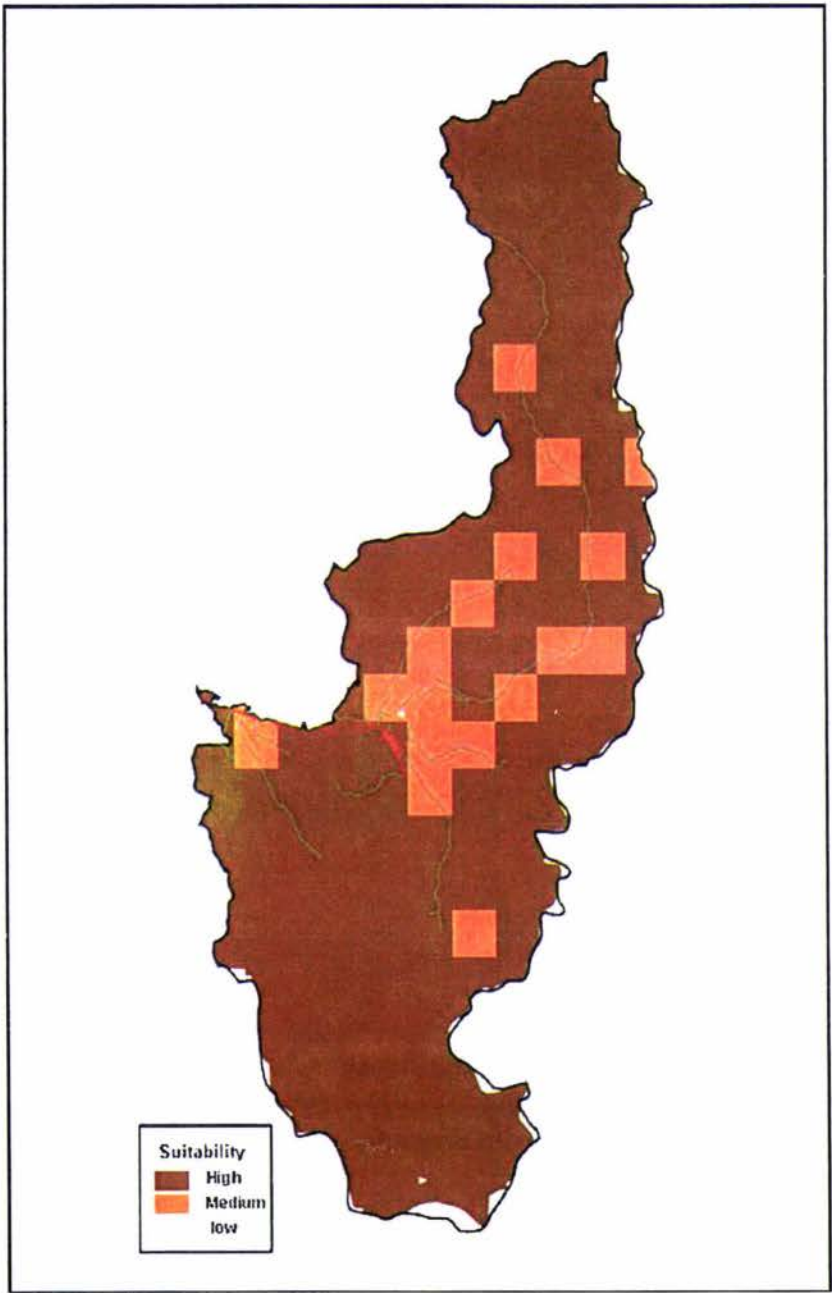


Figure 4.11 Suitability of the Curarrehue area for tourism according to the existence of natural attractions

Source: Adapted from SERNATUR (2001a)

Figure 4.12 shows Curarrehue township and local scenery.



Figure 4.12. Curarrehue district, main township and natural attractions

The main initiative in terms of cultural attractions is the 'Intercultural Village' Museum (*Aldea Intercultural*) (Figure 4.13), a museum built by the council which aims to create awareness of the cultural richness of the area. The Village also has stalls where tourists can buy traditional crafts and food.

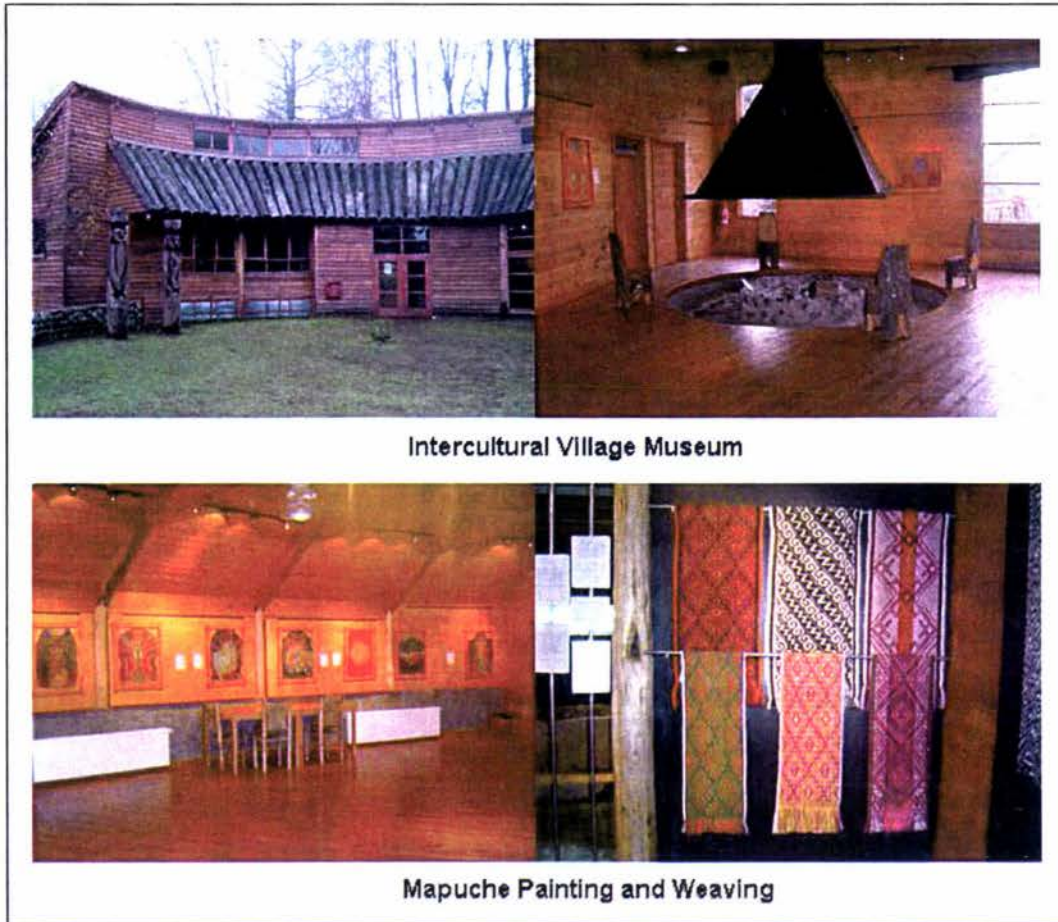


Figure 4.13. Intercultural Village Museum in Curarrehue

Rural tourism is also in the very early stages of development. There has been one formal rural tourism initiative, the construction of a mountain hut in 2002 (Figure 4.14). This was the result of the combined efforts of the National Forestry Corporation (*Corporación Nacional Forestal*, Conaf) and INDAP, which identified a need for alternative livelihood strategies for the local community - seven households living adjacent to the Villarrica Nature Reserve. However, these households face a number of constraints which makes it difficult to continue the business; only three tourists have in fact visited the hut. These problems include lack of merchandising and lack of capacity to have contact with tourists because telecommunication networks are not available.



Figure 4.14. Community mountain hut in Curarrehue district

'This hut was built by CONAF [National Corporation of Forestry] and INDAP, but then they left us on our own. We started with seven families, now there are only six. We do not have publicity or a telephone, nobody knows about this place. Actually we had just 3 tourists in the last season' (Woman farmer, interview no. 22A, Curarrehue).

In addition, a number of households provide some kind of service or product for tourists in an informal way. However, this is only during summer and is very sporadic.

'When tourists come to visit the reserve we try to sell them some hand-kneaded bread or vegetables' (Male farmer, interview no. 22, Curarrehue).

Households involved in this study were those that were part of the mountain hut initiative as well as those that are providing some kind of service or product for tourists in an informal way.

Households who are diversifying into rural tourism in Curarrehue include members who are in their late fifties and usually have grown-up children that have migrated to nearby towns. These households are exclusively subsistence farming households and have anything from less than one hectare up to ten hectares which they have inherited from their families. Access to the households that are supplying rural tourism was very difficult because roads are in a very bad condition. None of the households has access to a telecommunication network

such as telephone or mobile. None of the households is connected to a treated water supply. All the households have a flush toilet in their houses.

4.2 SUMMARY

In this chapter a detailed description of the case studies has been provided. First the case study area was described. Then each of the case communities is described. Differences between the two case communities can be noticed particularly in poverty incidence and indigenous population which are higher in Curarrehue community. Also the stage of development of the tourism and rural tourism industry is different, being more developed in Pucón than in Curarrehue.

CHAPTER 5: FACTORS INFLUENCING RURAL TOURISM DEVELOPMENT

In this chapter the results of the qualitative analysis of the data collected on factors that influence rural tourism development at the household level are presented. Findings are set out in a logical hierarchy. Categories in the hierarchy are numbered to make it clear which category is being described. Category numbers are indicated in brackets, for example Household motivation for supplying rural tourism (1).

The logical hierarchy is organised on different levels. The first and highest level represents factors that influence rural tourism development at the household level. The logical question in moving down the hierarchy is, 'What factors influence this?'. Thus, the sub-levels of each category represent those factors that influence the category itself. For an example of this, see Figure 5.1, where Household motivation for supplying rural tourism (1) represents the first level in the hierarchy. This factor is influenced by factors shown in sub-categories at the second level, such as Household labour availability (1.1), Household awareness of rural tourism benefits (1.2), Family support for diversifying into rural tourism (1.3), Household ability to take risks (1.4) and Personal characteristics of the household members (1.5). Similarly, the second level of the hierarchy. For example, Household awareness of rural tourism benefits (1.2), is influenced by a number of factors shown in the third level of the hierarchy, such as Household's previous contact with rural tourism (1.2.1) and Local programme promoting diversification into rural tourism (1.2.2). This pattern continues in the same way in the lower levels of the hierarchy.

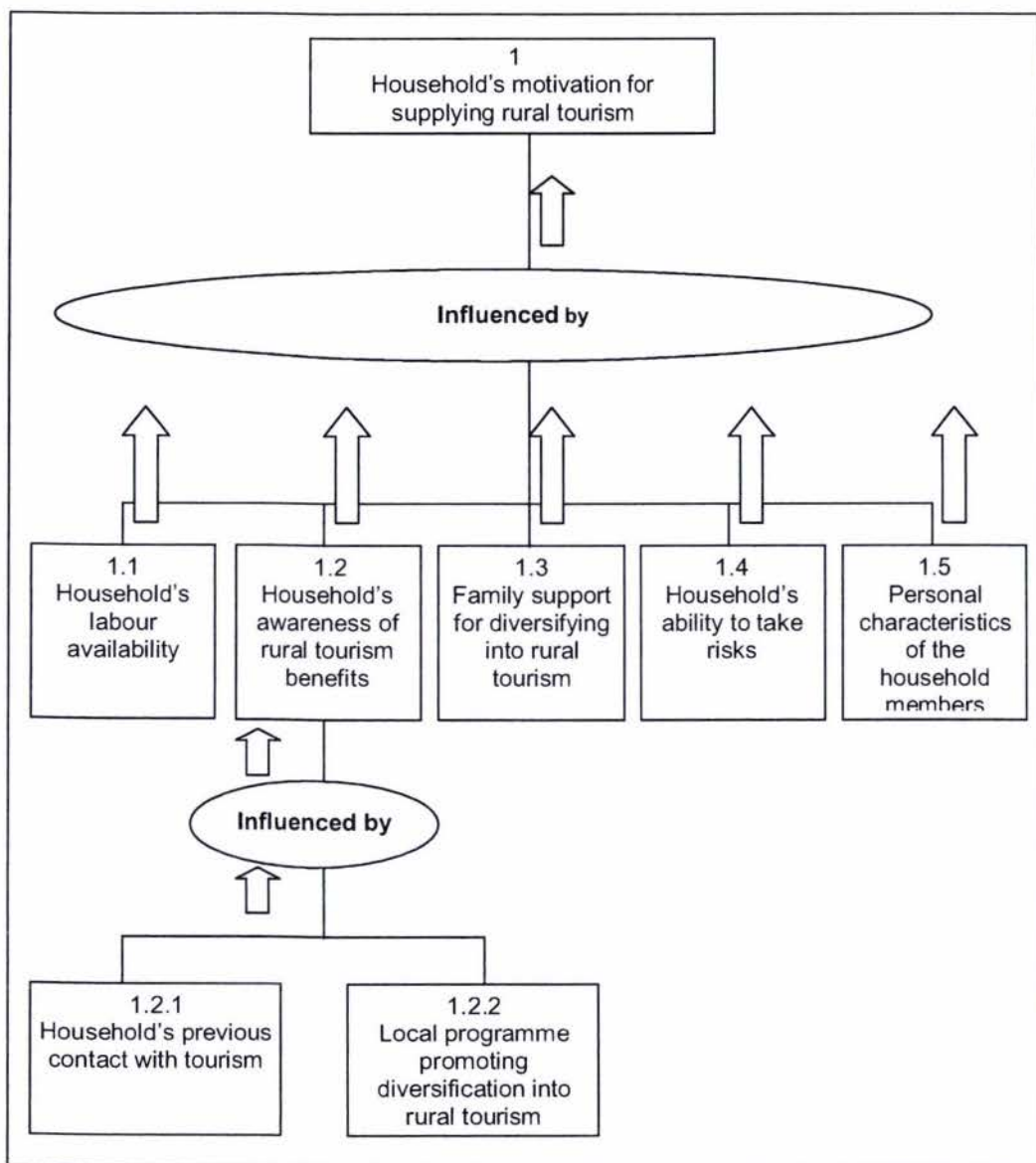


Figure 5.1. Example of logical hierarchy

A number of factors were identified as influencing rural tourism development at the household level. As this resulted in a large final hierarchy, the findings are presented and described in smaller sections. The complete logical hierarchy is shown in Appendix 11.

Factors influencing rural tourism development at the household level were found to be similar in both case communities. Unless stated otherwise therefore, the findings presented in this chapter relate to both case communities.

Figure 5.2 illustrates the six key factors identified as influencing rural tourism development at the household level: Household's motivation for supplying rural

tourism (1), Household's ability to provide a complete rural tourism product (2), Local council support for developing rural tourism in the region (3), Household ability to administer a rural tourism venture (4), Household's ability to comply with legal requirements for developing a rural tourism venture (5) and Demand for rural tourism (6).

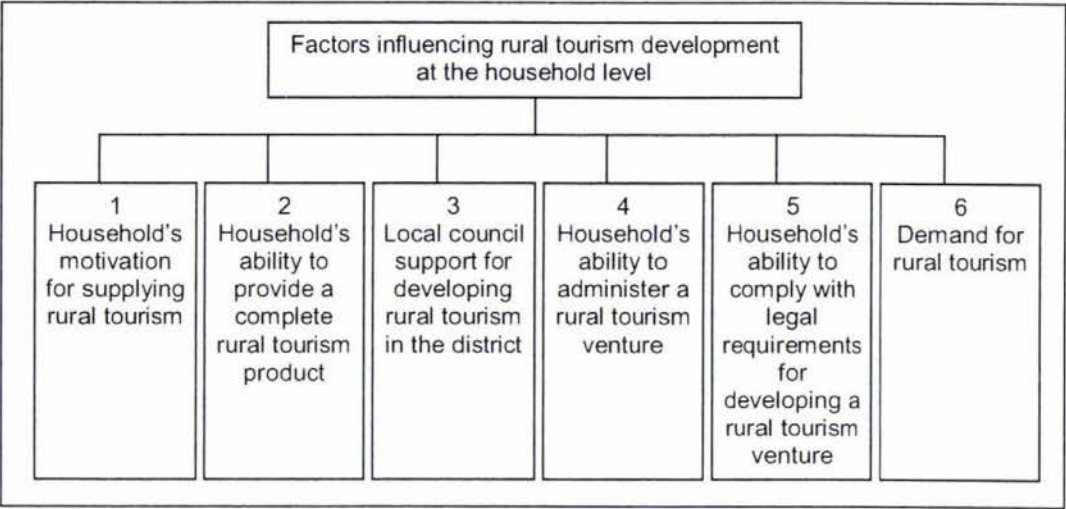


Figure 5.2. Factors influencing rural tourism development at the household level

In the following section the first factor of the first level of the hierarchy: household motivation for supplying rural tourism is described.

5.1 HOUSEHOLD'S MOTIVATION FOR SUPPLYING RURAL TOURISM

The household's motivation for supplying rural tourism (1) was identified as an important factor influencing rural tourism development. Participants stated that rural tourism is for people willing to carry out the activity and have contact with tourists.

'One of the main things for succeeding in rural tourism is to be motivated to do it. This activity is not for everyone - it's for the people who really want to receive tourists in their homes and want to share their daily family life with them' (Woman farmer, interview no. 17, Pucón).

The main reason that households diversified into rural tourism was to obtain a source of income other than agriculture since, as one farmer stated: *'These days agriculture alone is not enough for feeding the family'* (Woman farmer, interview no. 39, Pucón). A number of factors influence the level of household's motivation for supplying rural tourism (1): household's labour availability (1.1), household's awareness of rural tourism benefits (1.2), family support for diversifying into rural tourism (1.3), household's ability to take risks (1.4) and personal characteristics of household members (1.5). These factors are now discussed in greater detail, together with the sub-factors that influence them in turn. These relationships are represented diagrammatically for easier reference, in Figure 5.3.

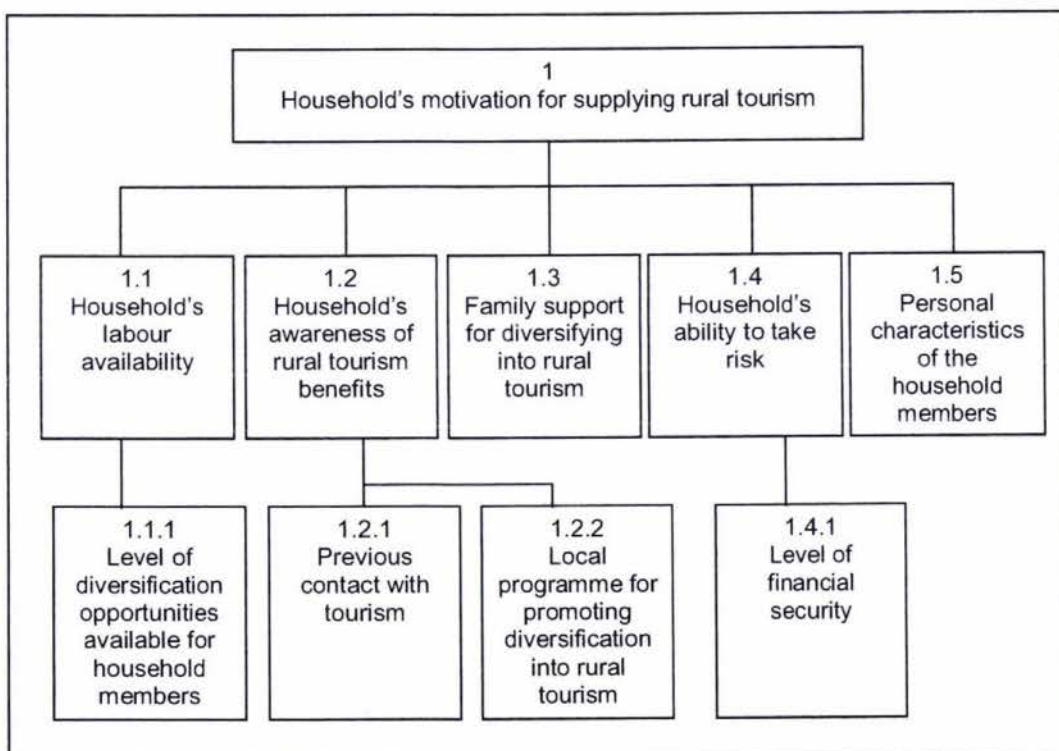


Figure 5.3. Factors affecting a household's motivation for supplying rural tourism

The level of motivation a household has for supplying rural tourism (1) is influenced by labour availability in the household (1.1). This in turn is affected by the level of diversification opportunities available to household members (1.1.1). Job opportunities in both districts are scarce, tend to be seasonal (summer), are mainly in Pucón town and are usually tourism-related jobs such as cooking in restaurants, housemaiding in summer houses for tourists or other non-formal activities, for instance selling traditional food such as cakes and homemade bread on the lake shore or roadside. For all households, therefore, one important

reason for diversifying into rural tourism was to create job opportunities for those household members without jobs, mainly women, to allow them to receive an income without needing to leave their homes.

'We decided to diversify into rural tourism to create a job for me. My husband works in construction and we have a very small farm so it does not provide enough to feed the family. My daughters still go to school and I don't like to leave them alone, so creating a job for me in my own home was the best idea' (Woman farmer, interview no. 18, Pucón).

The household's awareness of rural tourism benefits (1.2) also influences the level of its motivation for supplying rural tourism (1). Most households providing rural tourism have had some kind of contact with the tourism industry, so that they are aware of the benefits it can bring. Examples of contact with tourism included part-time summer jobs and selling traditional food on the lake shore. Participants also stated that the existence of a programme promoting diversification into rural tourism motivated them to undertake the venture. Therefore, households' awareness of the benefits of rural tourism (1.2) is influenced by the household's previous contact with tourism (1.2.1) and by the existence of a local programme promoting diversification into rural tourism (1.2.2).

'I started to work as a night watchman for a camping ground near the lake, and sometimes people arrived at night and there was no room for them in the camping ground so they asked me if they could put their tent in our garden for one night. We always agreed and started to realise that they paid good money for it. Then INDAP came with the idea of rural tourism. This was the first time we thought about it seriously and we started with our own camping ground' (Male farmer, interview no. 11, Pucón).

Having family support (1.3) also influences the level of motivation households have for providing rural tourism (1). In most of the households it was women who initiated the idea of setting up a rural tourism venture. Women also carry out most of the activities related to rural tourism. However, participants said they saw rural

tourism as a family business, which they would not engage in without the support of the rest of the family, particularly the husband.

'I started with the idea a long time ago, but my husband didn't like it. So I started to sell cheese. When he started to realise that this was a good business he agreed that I could receive tourists at home. Now it's a family business - men work on the farm while my daughters and I work in rural tourism' (Woman farmer, interview no. 17, Pucón).

The degree to which the household is able to take risks (1.4) also influences households' level of motivation for supplying rural tourism (1). Households who diversify into rural tourism generally own land and have a house comfortable enough for receiving tourists. These families do not belong to the poorest sector of the population. Thus, the household's ability to take risks (1.4) is influenced by its financial security (1.4.1).

A further influence on a household's motivation for supplying rural tourism (1) is the personal characteristics of the household members (1.5). Personal characteristics identified as important include entrepreneurship, innovative ability and ambition.

'We have noticed that one important aspect for rural tourism to succeed has to do with the personal characteristics of those who carry out the activity. They have to be entrepreneurs, they have to be willing to open their lives to tourism and they have to have communication skills' (Staff member of a government organisation, interview no. 50, Temuco).

'There are a number of characteristics that we have seen in those people who succeed, and they are personal attributes that are very difficult to measure, but most of the initiatives that show good results have them - such as being entrepreneurs, they are willing to do it, and do it right - they are meticulous' (Staff member of a government organisation, interview no. 1, Santiago).

The following section describes the second key factor that influences rural tourism development at the household level.

5.2 HOUSEHOLD'S ABILITY TO PROVIDE A COMPLETE RURAL TOURISM PRODUCT

The degree to which the household is able to provide a complete rural tourism product (2) was identified as a key factor in rural tourism development. A complete rural tourism product is a combination of elements that satisfy tourists: tourists want to enjoy a rural tourism experience at the household they are staying in as well as enjoying different activities. The rural tourism product also includes the area in which the household is located, which must be attractive and accessible to tourists. Furthermore, the locality must be appealing to tourists and provide a range of rural tourism activities and infrastructure.

'We have to offer tourists a complete product. For the tourists what we have to offer in our houses is important, like the facilities and hospitality, but it's also important to offer them different activities they can do such as horse-riding, walking, having a barbecue. They also like to be near Pucón and the natural attractions. At night they also want to go to town and go shopping' (Woman farmer, interview no. 17, Pucón).

The factors influencing the household's ability to provide a complete rural tourism product (2) include its ability to meet the tourists' requirements (2.1), the existence of a successful coordinated rural tourism network (2.2) and the degree to which the area is able to provide a full product that meets rural tourists' expectations (2.3) (Figure 5.4).

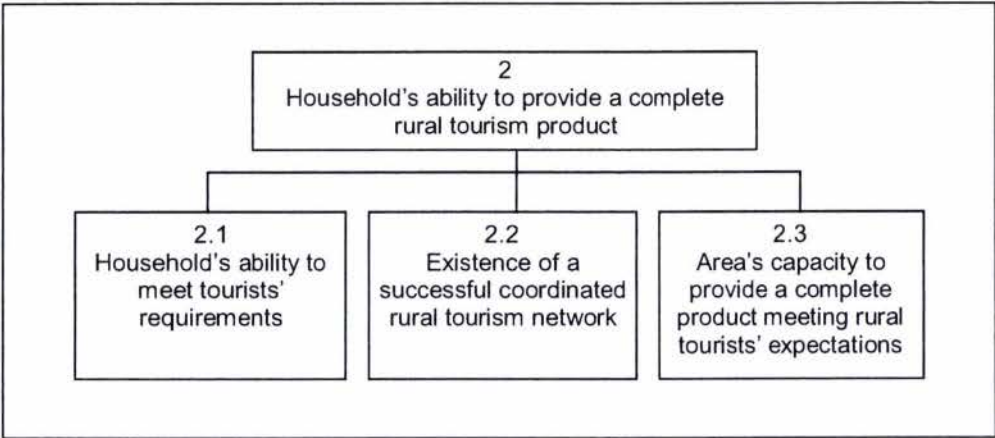


Figure 5.4. Factors influencing a household's ability to provide a complete rural tourism product

Each of the factors influencing the degree to which the household is able to provide a complete rural tourism product is discussed in the following subsections.

5.2.1 Household's ability to meet tourists' requirements

Tourists have a combination of requirements which influence their selection of a place to stay. These requirements include facilities, a rural tourism experience and the location. A household's ability to meet the tourists' requirements (2.1) is influenced by its ability to meet their requirements for facilities (2.1.1), their need for a rural tourism experience (2.1.2) and their needs in terms of location (2.1.3) (Figure 5.5).

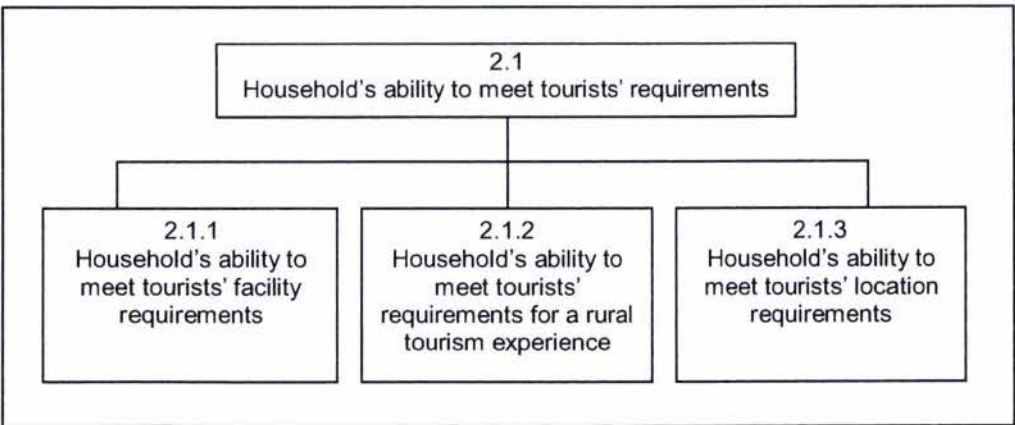


Figure 5.5. Factors influencing a household's ability to meet tourists' requirements

Household's ability to meet tourists' facility requirements

The ability of the household to provide facilities that meet tourists' expectations (2.1.1) was identified as an important factor. Households involved in this study offer various services for tourists such as different types of accommodation and catering. For all of the households, regardless of the kind of service provided, being able to provide suitable facilities was important. In addition, households with better facilities do better in rural tourism in terms of income and tourist numbers.

The households involved in this study acknowledge that as yet they are not able to satisfy all the tourists' requirements for facilities. Facilities the households regard as lacking include rain shelters (in camping grounds), good quality beds (in homestays) and places for displaying traditional crafts and culture. This last was particularly important for Mapuche households.

Two factors were identified as influencing a household's ability to meet tourists' requirements for facilities (2.1.1). These were the household's access to capital for building facilities (2.1.1.1) and its ability to provide facilities that are consistent with local culture (2.1.1.2) (Figure 5.6).

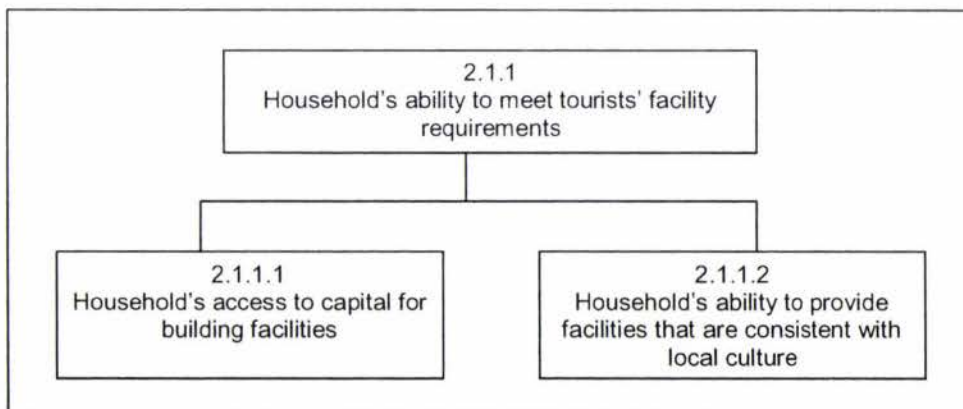


Figure 5.6. Factors influencing a household's ability to meet tourists' facility requirements

The main constraint to providing the necessary facilities for tourists is lack of resources for building. Households' access to capital for building facilities (2.2.2.1) is influenced by their access to financial institutions (2.1.1.1.1) and to medium-term development funding (2.1.1.1.2) (Figure 5.7).

'Step by step we have been improving facilities for tourists. Now we have a toilet for them and hot water for the shower, but we are still in our infancy in this regard - but we don't have money to built more yet'
(Male farmer, interview no. 11, Pucón).

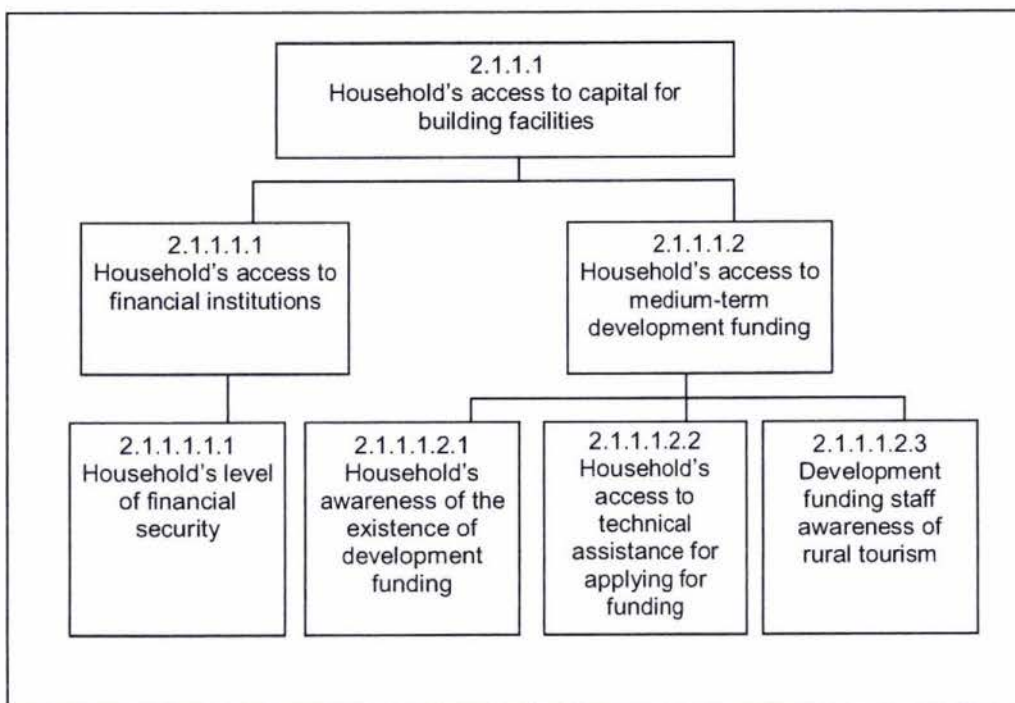


Figure 5.7. Factors influencing a household's access to capital for building facilities

Access to financial institutions (2.1.1.1.1) is available to only those households with a certain level of financial security. Most households involved in this research do not fulfil the necessary requirements for obtaining credit from a formal financial institution such as a bank, principally because they lack financial security. Only one household, from Pucón district, was able to obtain bank credit, although this was a unique case in which a local woman was married to a Swedish man who received a monthly pension. Thus, access to financial institutions (2.1.1.1.1) is influenced by the household's level of financial security (2.1.1.1.1.1) (Figure 5.7).

Another source of capital for facility construction for households was development funding (2.1.1.1.2) (Figure 5.7). Participants identified that the existence of development programmes that offer funding for rural tourism is necessary. In their view, financial assistance must be available not only when

setting up a business but also in the ongoing process of rural tourism development. In addition, participants highlighted the importance of having access to medium-term development funding. Short-term funding increases pressure on them and increases their debts with the institutions concerned, making repayments more difficult and preventing them from asking for funding again.

'The main constraint is the money. We have thousands of ideas but we don't have money. We have to start by making our places suitable for tourists, building toilets, a hut and a place to display our local crafts, so they can buy. But we don't have any money to do it' (Male farmer, interview no. 19, Curarrehue).

'I received a loan of CH\$1,000,000 (US\$1757).¹⁴ I used this money the first year for setting up the business. It was very difficult to repay because we had to repay it that season and we didn't have many tourists. Because of that I never asked for a loan from that institution again, so I still don't have the facilities in my camping ground ready' (Woman farmer, interview no. 39, Pucón).

Participants also stated that even though funding for rural tourism development is available in the districts, it is not always possible to obtain it. Thus, access to medium-term development funds (2.1.1.1.2) is influenced by households' awareness of the existence of development funding (2.1.1.1.2.1), households' access to technical assistance for applying for funding (2.1.1.1.2.2) and development funding staff awareness of rural tourism (2.1.1.1.2.3) (Figure 5.7, p. 100).

Households' level of awareness of the existence of development funding (2.1.1.1.2.1) is an important factor influencing their access to available funding. Although this factor is relevant in both locations, in Curarrehue it was mentioned more frequently than in Pucón. This is explained by the fact that no government organisations have offices in the Curarrehue district. People in Curarrehue thus

¹⁴ US\$1=CH\$569 (14 January 2005)

have to deal with the offices in Pucón and Temuco, which makes it very difficult for these households to get good information.

'I would like to know about the organisations that can help me diversify into rural tourism. I know there are some organisations that help with that. Also, I know that some of them give funding for Mapuche people, but I don't know where to go to ask. I think some people from different organisations should come and explain to us how it works and where we can go' (Woman farmer, interview no. 25, Pucón).

'We need money to start our business but there is no funding available for this activity in the area. I talked to some people in Pucón four years ago and told them that here in Curarrehue there are some people interested, but as you see I am still waiting for some kind of reply' (Woman farmer, interview no. 19, Curarrehue).

Access to technical assistance for applying for funding (2.1.1.1.2.2) is an important factor influencing people's access to medium-term development funds (2.1.1.1.2). Participants stated that lack of knowledge about how to apply for funding was a significant factor preventing them from accessing funding. In both locations, a group of people have hired a consultant to help them apply for funding.

'We have often noticed that small farmers don't know how to apply for funding, so we have realised that they need assistance for this' (Staff member of a government organisation, interview no. 1, Santiago).

'We don't know how to fill out these forms and we have asked for help. Last year we paid a man to do it. It was expensive CH\$25,000 (US\$44) and even so we didn't get the funding' (Group interview, Curarrehue).

Development funding staff awareness of rural tourism (2.1.1.1.2.3) was identified as a factor influencing households' access to development funding (2.1.1.1.2). A number of government organisations (refer to Appendix 1) have funding available

for households wanting to diversify into rural tourism; however, households from both case communities have applied for funding without success. The availability of this funding was discussed with the government institutions. Informants had noted that because these institutions lack staff who are well-informed about rural tourism, they are not confident in providing funding or loans for rural tourism initiatives and so deny access to funding.

'People can apply for assistance or for loans but here we don't have the capacity to help them with anything other than the money. The idea of this assistance programme is to go on working with the people we provide with credit, and without staff who know about rural tourism we're not able to do that. If we do that and we can't help them set up their business correctly, and we give them the money, we just create frustration in the people we are assisting' (Staff member of a government organisation, interview no. 31, Pucón).

Participants also noted that another factor influencing a household's ability to meet tourists' requirements for facilities (2.1.1) is the household's ability to provide facilities consistent with local culture (2.1.1.2) (Figure 5.6, p. 99). Participants in Pucón district stated that facilities should fit in with local culture, saying that tourists want facilities to be comfortable but they also want them to be made from traditional materials and in the traditional style, to maintain the rural atmosphere. For some households, particularly those who provide traditional food, maintaining facilities consistent with local culture was difficult. This is because, to comply with health regulations, they have to use some materials that do not fit with traditional materials and local culture. Thus, the household's ability to provide facilities consistent with traditional culture (2.1.1.2) is influenced by the degree to which legal requirements enable households to construct facilities consistent with tradition (2.1.1.2.1) (Figure 5.8).

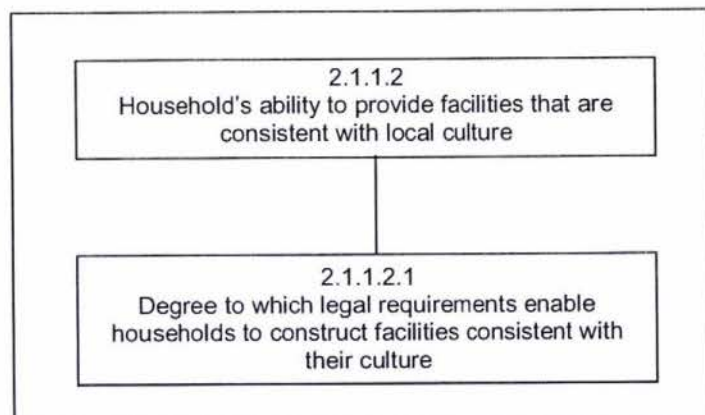


Figure 5.8. Factors influencing a household's ability to provide facilities consistent with local culture

In Curarrehue district, households which have diversified into rural tourism are not yet at the stage of starting administrative proceedings to obtain their permits, so legal requirements were not identified as a factor.

I offered traditional Mapuche catering, for which I built this fogón [traditional Mapuche cooking facility, see Figure 5.9] because in earlier times this is where we used to cook. But the Health Department came and told me that I have to put tiles on the floor and that I can't cook here in this fire, I have to have a kitchen, but that is not a fogón! The traditional bread is cooked in the ashes of this fire. Tourists love my fogón. And if I can't bake my bread in this fire, it's not my bread...do you understand?' (Woman farmer, interview no.25, Pucón).

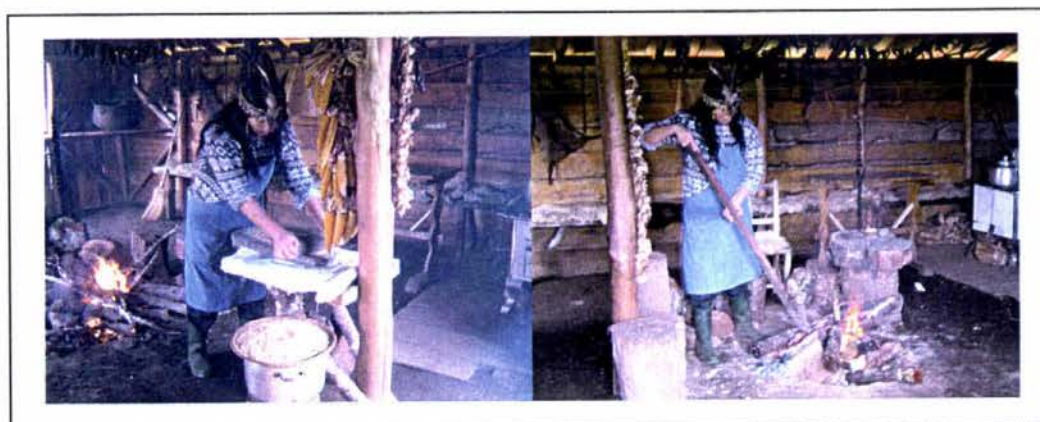


Figure 5.9. Fogón (traditional Mapuche cooking facility)

Household's ability to meet tourists' requirements for a rural tourism experience

The second factor that influences the household's ability to meet tourists' requirements (2.1) is its ability to meet their requirements for a rural tourism experience (2.1.2) (Figure 5.5, p.98).

Rural tourists are looking for a particular rural tourism experience which includes a number of outdoor recreational activities, contact with the host households' culture and sharing cultural experiences with household members. Therefore, three factors were identified as influencing a household's ability to meet tourists' requirements for a rural tourism experience (2.1.2). These were its ability to meet tourist requirements for outdoor recreational activities (2.1.2.1), its ability to meet their requirements for hospitality (2.1.2.2) and its ability to provide them with a cultural experience (2.1.2.3) (Figure 5.10).

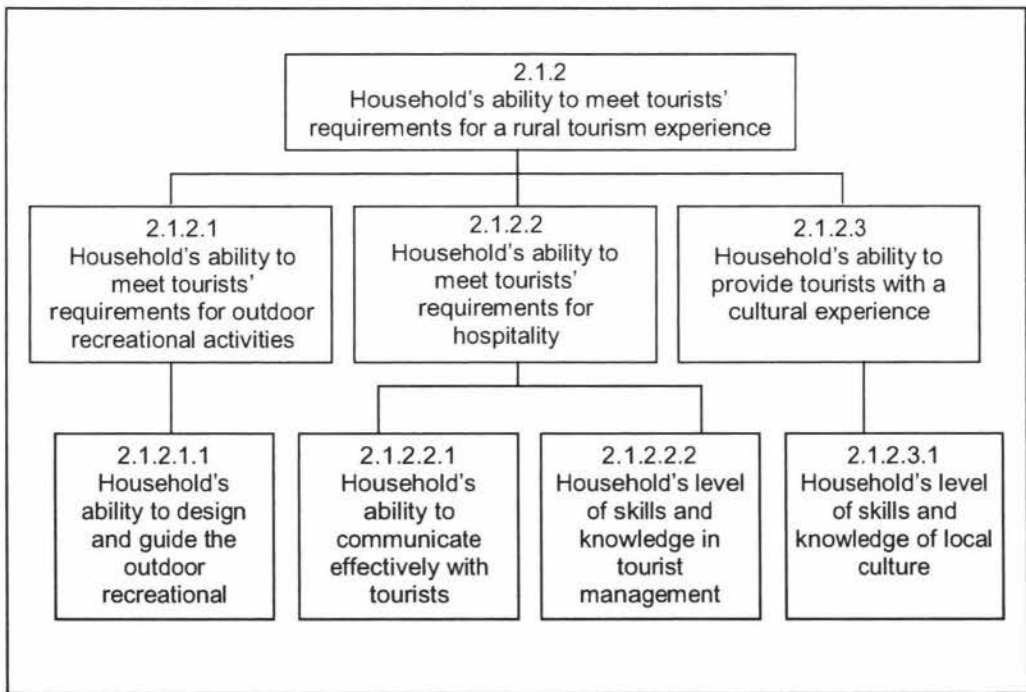


Figure 5.10. Factors influencing a household's ability to meet tourist requirements for a rural tourism experience

The household's ability to provide outdoor recreational activities that meet tourists' expectations (2.1.2.1) is a factor that influences its ability to meet the tourists' requirements for a rural tourism experience (2.1.2) (Figure 5.10). Rural tourists are looking for outdoor recreational activities such as fishing, horse-riding

and bushwalking. Currently, most of the outdoor activities for rural tourists are self-guided activities. However, in both case communities, tourists can do a number of guided activities such as guided nature trails, horse-riding expeditions, climbing Villarrica volcano and watching wildlife. At present these activities are offered by tourism agencies which are usually owned by non-local people, principally by people from Santiago who have migrated to the area and set up a local agency, but also by non-local people who own an agency and work there temporarily during the summer. Participants said that they lack knowledge about how to design an activity and about guiding. However, they said that offering these activities would add value to their current rural tourism product. Thus, households' ability to meet tourist requirements for outdoor recreational activities is influenced by their ability to design and guide the outdoor recreational activities (2.1.2.1.1) (Figure 5.10).

'In this place there are so many things to do, a lot of places to go walking. There is a nice lagoon, as well as the hills. We often go there but going with tourists is another story. We would like to offer that to tourists but we still don't know how to do it, how to prepare the tracks for instance. There is a man here from the north, he has money and knowledge so he is doing this' (Male farmer, interview no. 19, Curarrehue).

'I would like to have a circuit of outdoor adventure activities for children at my place, organise a circuit with different stations where children from the city can enjoy going up into the hills, climb trees - do all the things country children usually do when they play. But I don't know how to do it, how to plan it and be careful so there are no accidents. Also I think my daughter or I need to learn how to guide the activities...it's just a dream!' (Woman farmer, interview no. 35, Pucón).

Another factor that influences a household's ability to meet tourist requirements for a rural tourism experience (2.1.2) is its ability to meet their hospitality requirements (2.1.2.1) (Figure 5.10, p.105). Rural tourists are looking for hospitality, which means being pleasant to tourists, serving them in a way that matches their expectations and communicating with them effectively. Two

aspects thus enable households to meet tourists' hospitality requirements. These are the householders' ability to communicate effectively with tourists (2.1.2.2.1) and their level of skills and knowledge in tourist management (2.1.2.2.2) (Figure 5.11).

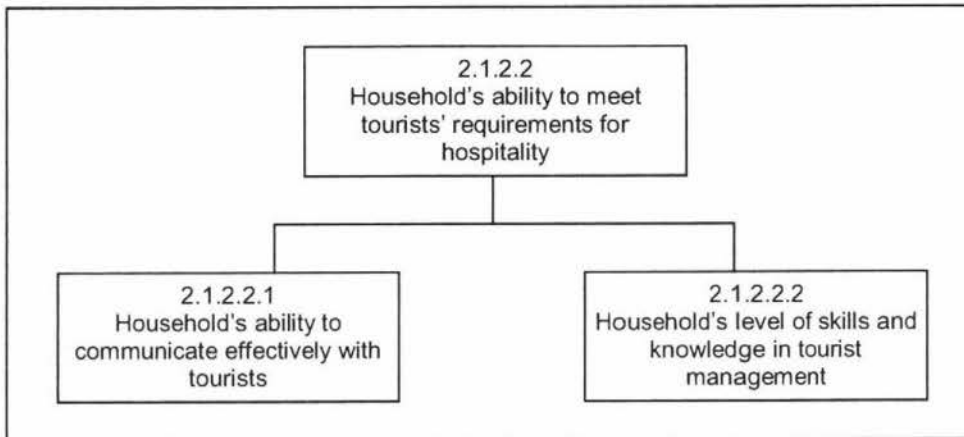


Figure 5.11. Factors influencing a household's ability to meet tourists' requirements for hospitality

'Tourists like to talk to us to learn about how we live here in the countryside. It's also very important to them how we welcome them; if a tourist arrives we have to be willing to receive them in a nice way. With experience we've been learning to do that' (Woman farmer, interview no. 17, Pucón).

One of the things tourists are looking for in a rural tourism experience is to have contact with local people and to experience their life. For this reason, householders' ability to communicate effectively with tourists is particularly important. For households hosting tourists who speak another language, being able to communicate with tourists in the same language enhances the tourists' experience. This is because tourists like people to speak their language, but also because the host households notice that not speaking the tourists' language makes hosts feel left out of conversations, negatively affecting their hospitality towards the tourists.

'Tourists want to talk and share with us, they invite us to join them in conversations in the afternoons, which we like a lot. We have learnt a

lot of things from them and they learn from us as well' (Male farmer, interview no. 18, Pucón).

'Because I do not speak any other languages I can't join in with people, they can't ask me questions because I don't understand. Because of that the contact I have with tourists is less and that's not good. For instance, when I'm in the ruca telling stories about my culture someone has to translate and it's not the same. So I guess I will need to learn some language' (Woman farmer, interview no. 17, Pucón).

The way tourists are received, treated and hosted also influences their tourism experience. Participants said they have learned this through their personal experience of working in the tourism industry and also from training programmes to which they have had access.

'I started to work in tourism, in restaurants and as a cleaner. There I learnt more about tourists and how to treat them, which is something very important for them' (Woman farmer, interview no. 19, Curarrehue).

'One thing we have learned is that something that is basic for some people is not for others. For example, most households have never been served by anyone, most have never been in a restaurant, so basic knowledge about how to set the table, how to receive the tourists, even the decoration, has to be included in the skills they require for undertaking this activity' (Staff member of a government organisation, interview no. 3, Santiago).

The household's ability to provide tourists with a cultural experience (2.1.2.3) is another factor that influences its ability to meet tourist requirements for a rural tourism experience (2.1.2) (Figure 5.10, p. 105). Both study communities are located in an area that is home to the Mapuche ethnic group. While some households do not belong to this ethnic group, they have family and friends who are Mapuche and they are willing to incorporate cultural aspects into their rural tourism product. Also, in recent years Mapuche culture has attracted a lot more interest from tourists. This is because, for a number of historical issues, Mapuche

culture has been in danger of being lost. However, participants highlighted the role that rural tourism can have in reviving it. Mapuche households stated that not all aspects of their culture can be shared, such as healing and religious practices, but they are willing to share traditional products such as food and crafts and to share stories. However, many householders felt they lacked knowledge about traditional crafts and food and about local history. Households' ability to provide tourists with a cultural experience (2.1.2.3) is thus influenced by their level of skills and knowledge of local culture (2.1.2.3.1) (Figure 5.12).

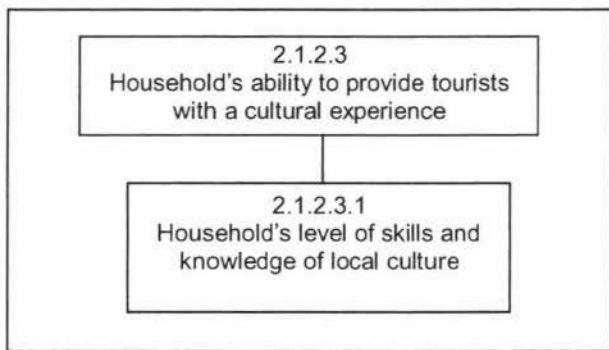


Figure 5.12. Factors influencing a household's ability to provide tourists with a cultural experience

'Even though I am not Mapuche, all of us in this area are connected in one way or another to the Mapuche culture. For example, if someone in your family is married to a Mapuche person the Mapuche culture is already in your family. That is why we need to be involved with our local culture. Tourists are wanting to learn more about it, so for that reason we need to learn more about our culture and we also need to teach our children. Schools should teach Mapundungun [Mapuche language] and other things like crafts' (Male farmer, interview no. 11, Pucón).

'Tourists are looking for cultural exchange and so are we, because it makes us feel proud of it. This is why I want to offer traditional food, but I didn't know much so I am doing a training course in Mapuche catering and traditions' (Woman farmer, interview no. 19, Curarrehue).

Household's ability to meet tourists' location requirements

The third factor that influences the ability of a household to meet tourist requirements (2.1) is its ability to meet their requirements in terms of location (2.1.3) (Figure 5.5, p.98).

Tourists are looking for a place that is easy to access and that offers good access to the main tourist attractions in the area. The household's ability to meet tourists' location requirements is influenced by its accessibility to tourists (2.1.3.1) and its location relative to tourist attractions (2.1.3.2) (Figure 5.13).

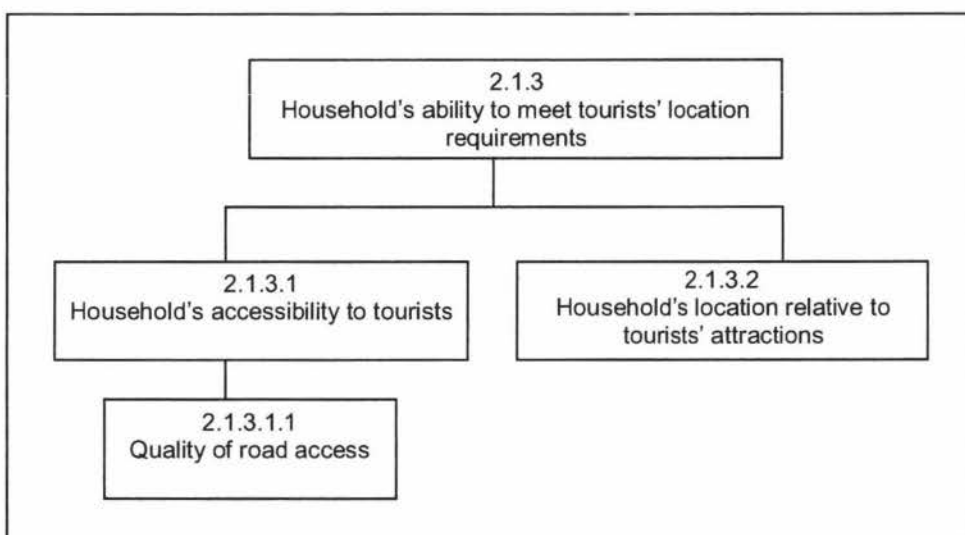


Figure 5.13. Factors influencing a household's ability to meet tourists' location requirements

The household's accessibility to tourists (2.1.3.1) is influenced by the quality of road access (2.1.3.1.1) (Figure 5.13). Households located on main roads with easy access for tourists attract more tourists than do households in more remote locations.

'One thing that influences the good results I'm having is that I'm located on the main road between Pucón town and Lake Villarrica, so a lot of people pass by this place' (Woman farmer, interview no. 9, Pucón).

'Tourists come but they are very few. This is because our roads are in very poor condition' (Group interview, Curarrehue).

'I have not received many tourists since I started because my place is very remote and the road is difficult, it's very steep' (Woman farmer, interview no. 35, Pucón).

Another factor influencing a household's ability to meet tourists' requirements in terms of location (2.1.3) is the location of the household relative to tourist attractions (2.1.3.2). Tourists want to be near the main tourist attractions in the area including both natural attractions and urban facilities such as bars or entertainment. As there are very few urban facilities in Curarrehue district, participants in this area mentioned the location of their households relative to natural attractions only.

'Something that's good for my place is being near the hot springs [Termas del Huife].. Tourists like to be close by so they can go at night and come back' (Male farmer, interview no. 23, Pucón).

'The tourists who come here want to go to the Villarrica Nature Reserve., They can't stay overnight there so they come to our homes' (Group interview, Curarrehue).

The next section examines the second factor influencing the degree to which a household is able to provide a complete rural tourism product.

5.2.2 Existence of a successful coordinated rural tourism network

Returning to the second level of the logical hierarchy, the second factor that influences the capacity of a household to provide a complete rural tourism product (2) is the existence of a successful coordinated rural tourism network (2.2) (Figure 5.4, p. 98).

Participants involved in this research were smallholder farming households who own only small-scale rural tourism ventures. For this reason, it is difficult for them to provide all the activities or services rural tourists are looking for. Therefore, they highlighted the importance of having links with other households that provide complementary products in order to satisfy tourists' needs.

‘One household alone can’t do anything. If tourists come to my place and want to go horse-riding I have no horses, but over here is a woman who has horses, there is another one who provides traditional food and so on. In a group we can complement what we have. But we need to work together, communicate, be organised and that’s not easy’ (Woman farmer, interview no. 19, Curarrehue).

In both case communities, households that have diversified into rural tourism belong to an association of rural tourism providers. In Pucón district, this is a formal association with an elected board and formal legal status. In Curarrehue the association is not formal and does not have a board.

Developing a successful coordinated rural tourism network is not easy and is influenced by two factors: the skills and knowledge of network members in group leadership and organisational management (2.2.1) and the existence of common goals among the members (2.2.2) (Figure 5.14).

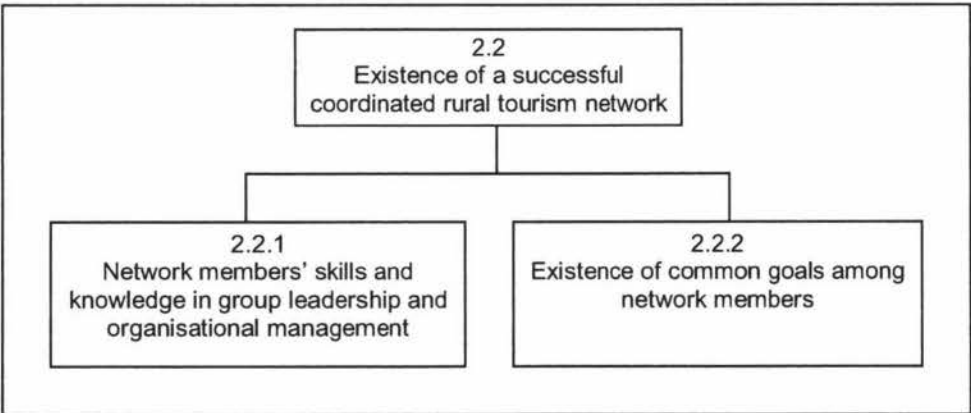


Figure 5.14. Factors influencing the existence of a successful coordinated rural tourism network

Participants noted how the existence of a successful and coordinated rural tourism network (2.2) depended on the network members’ group leadership and organisational management skills (2.2.1).

‘I am the leader of one community here and people don’t know how to work as a group. If we could do that, rural tourism would be a more

successful story in this area' (Male farmer, interview no. 19, Curarrehue).

'We created this association because alone it's very difficult to do well, but I have to say that working as a group has not been easy. We have been learning with time but again, it hasn't been easy to work in an organised way' (Woman farmer, interview no. 16, Pucón).

A second factor that influences the existence of a successful and coordinated rural tourism network (2.2) is the existence of common goals among the network members (2.2.2) (Figure 5.14). Rural tourism associations were formed with the aim of obtaining some kind of assistance for diversification into rural tourism. In Pucón, the association was formed because this was a requirement for receiving micro-credit and other types of assistance for rural tourism. In Curarrehue, the association was formed when a government institution decided to build a community mountain hut to assist seven farming households in their diversification into rural tourism; these families created the association. In both case communities, it was noted that once assistance was obtained, members of the association stopped going to meetings and did not work towards a common goal for rural tourism, which made it very difficult to achieve a successful and coordinated network. Government organisations that participated in this research acknowledged that forming a rural tourism association had not been undertaken voluntarily, but was for the sole purpose of obtaining financial support. This resulted in difficulties in operating the associations. Therefore, they have been changing how assistance is provided, to allow people to associate around a common goal in rural tourism rather than for obtaining financial assistance.

'Most projects are possible only through an association, so we formed this group. But not all of us have the same interest in getting good results, some just wanted the credit. That's why we started with 22 and now there are only 13 of us. It's better to have fewer people but be committed to a common goal' (Woman farmer, interview no. 16, Pucón).

'With these projects, we have learned that forming an association has to be voluntary, otherwise it's very difficult to get people with common

goals' (Staff member of a government organisation, interview no. 50, Temuco).

'Once we received the money many of our associates never worked again. We formed this group because it was a requirement for an assistance programme. But at the end of the day, when people get together not to work for a common goal but for the money, it's harmful to the ones who really want to work' (Woman farmer, interview no. 22, Curarrehue).

In the following section the third factor influencing the degree to which the household is able to provide a complete rural tourism product is examined.

5.2.3 Area's capacity to provide a complete product meeting rural tourists' expectations

Looking at the second level of the logical hierarchy, the third factor that influences the household's capacity to provide a complete rural tourism product (2) is the degree to which the area is able to provide a full product that meets rural tourists' expectations (2.3) (Figure 5.4, p.98).

The tourism industry is at a different stage in each of the case communities. Pucón has a well-developed tourism industry with a range of facilities and infrastructure available to tourists. By contrast, in Curarrehue the tourism industry is in a very early stage of development and facilities and infrastructure for tourists are minimal. However, in both communities participants stated that the products they offer in their households are not isolated but are part of a complete rural tourism product that includes local attractions and regional rural tourism activities. Factors found to influence the degree to which the area is able to provide a complete rural tourism product that meets rural tourists' expectations (2.3) are the attractiveness of the region to tourists (2.3.1) and its ability to provide a number of rural tourism activities (2.3.3) (Figure 5.15).

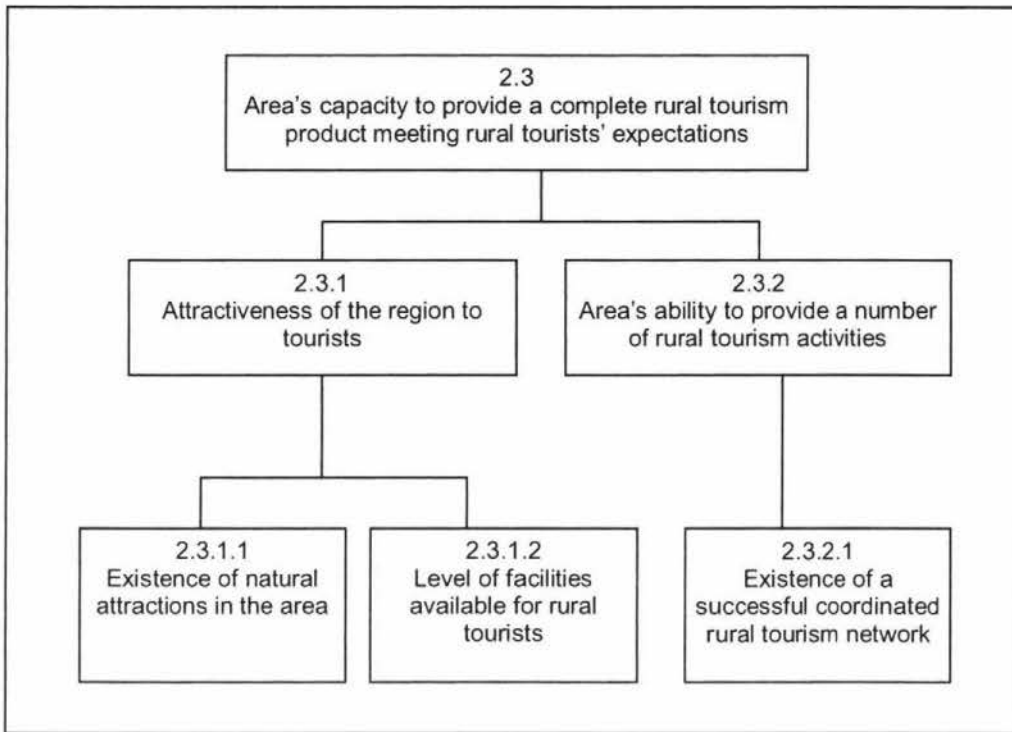


Figure 5.15. Factors influencing the area's capacity to provide a complete rural tourism product meeting tourist expectations

Participants noted that an area that is attractive to rural tourists is one with natural and cultural attractions that rural tourists can visit, and has good facilities for tourists. Two factors influence the degree to which the area is attractive to tourists (2.3.1), these are the existence of natural attractions in the area (2.3.1.1) and the level of facilities available for rural tourists (2.3.1.2) (Figure 5.15).

Having natural attractions in the area (2.3.1.1) was mentioned in both case studies as an important factor influencing the attractiveness of the area to tourists (2.3.1). In contrast, having facilities for rural tourists was mentioned in Pucón only. Facilities participants considered important to the rural tourism experience were bars and shopping centres. The fact that these were not important in Curarrehue is perhaps because, since the development of the tourism industry in Curarrehue is at a very early stage, facilities for tourists at the area level are very scarce.

'One of the main things is the surroundings, the natural beauty this place has. Pucón itself attracts tourists. Without these natural attractions we would never be able to develop rural tourism' (Male farmer, interview no. 11, Pucón).

'One of the preconditions for starting this business is that there are a number of natural attractions here that are interesting for tourists, such as the nature reserve and rivers where people can fish - places people like to come and visit' (Woman farmer, interview no. 22, Curarrehue).

Another factor that influences the capacity of the area to provide a full product that meets rural tourists' expectations (2.3) is its capacity to provide a range of rural tourism activities (2.3.2) (Figure 5.15). Participants from Pucón noted that an important factor that has made the area attractive to rural tourists is the existence of a range of rural tourism activities in the area, such as traditional festivals. In 2004 there was a summer festival in Pucón. The festival included a day organised by all the rural tourism providers, a considerable event where tourists could enjoy such things as traditional games, traditional food, storytelling and Mapuche ceremonies. Participants stated that development of these kinds of events helps to reinforce and make more visual the 'rurality' that appeals to rural tourists. They also said that they are willing to organise more events at specific times of the year to enhance the attractiveness of the area for rural tourists.

'Last year we had the the Folil Mapu day, where we organised a number of activities for tourists. We recreated a Rogativa, Guilatún [traditional Mapuche religious ceremonies] and a game of Palín [traditional Mapuche game]. We also sold traditional food and crafts. It was a complete success - tourists loved it. Next year we plan to have more festivals, a rodeo and a Wetripantu [celebration of the Mapuche New Year which is in the winter solstice]' (Male farmer, interview no. 11, Pucón).

There were difficulties in organising the festival, particularly because of disagreements among local householders and the disparity of effort made by some householders compared to others. Thus, the capacity of an area to provide a range of rural tourism activities is influenced by its having a successfully coordinated rural tourism network (2.3.2) (Figure 5.15, p.115).

In the following section the third key factor that influences rural tourism development at the household level is described.

5.3 LOCAL COUNCIL SUPPORT FOR DEVELOPING RURAL TOURISM IN THE DISTRICT

The level of local council support was identified by participants in both case studies as a significant factor in the development of rural tourism. However, there were differences in council backing for developing rural tourism between the two case communities.

In Curarrehue district participants said there is a lack of council support for rural tourism development, which has a negative impact on them, particularly in terms of having access to information about assistance available for rural tourism initiatives. This is because no government organisation has offices in Curarrehue district, so that information about rural tourism initiatives is available only through the local council. In addition, the council is an important player in the development of rural tourism because it is responsible for roading, electricity and telecommunications network coverage.

'The authorities have to be more committed to the development of rural tourism in this district. They are not interested in developing rural tourism in the area, so it's very difficult for us to start working without the proper backing' (Group interview, Curarrehue).

'It's the council that's in charge of providing us with permits and improving the roads. We need them to come and visit our places to tell us what we need to get permits; we also want them to come and fix the roads. At the moment our weak point is that we don't have the backing of the council in practical things., They say they support us but we need to have answers to our requests - they should provide us with information and they should also support us' (Group interview, Curarrehue).

By contrast, in Pucón district in previous years the local council did provide support, which had a very positive effect on the development of the industry in the district. However, those interviewed felt that the council could still play a

larger role, particularly in assisting them to gain the necessary permits and licences for establishing a rural tourism venture.

'Recently we have received a lot of support from local council, particularly in the organisation of our festival, which was very positive, but we still need more council support, for instance to finish the process of getting permits; some members of our association still don't have permits and that's not good. The council should guide us better and try to make the administrative proceedings move more quickly' (Male farmer, interview no. 11, Pucón).

Government organisations and academics working in rural tourism also viewed local council support for rural tourism development as very important and because of the functions councils have in Chile the involvement of these institutions in developing rural tourism is crucial.

'It's essential that councils are involved in the development of rural tourism. In any development initiative it's important to incorporate the houseowner as a stakeholder, in this case the councils. They have a local viewpoint, which other institutions sometimes don't have, and it's very important' (Former staff member of a government organisation, interview no. 8, Pucón).

Figure 5.16 shows how the level of local council support for developing rural tourism (3) in the district is influenced both by the local council's awareness of the benefits of rural tourism (3.1) and by its capacity to plan and manage a rural tourism industry (3.2).

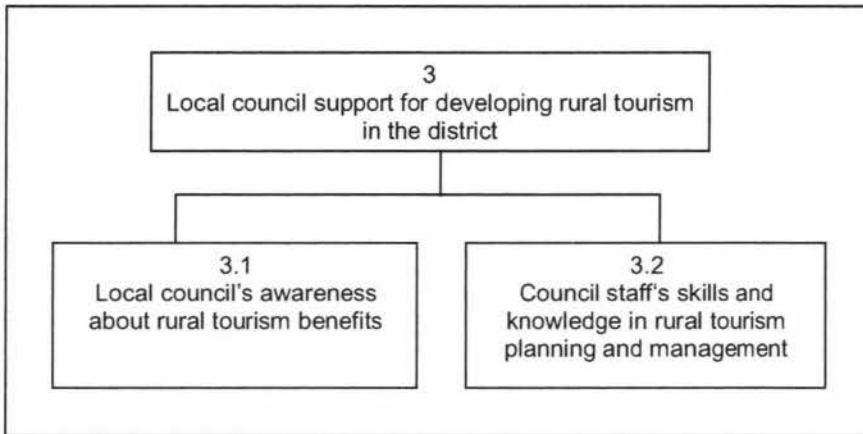


Figure 5.16. Factors influencing local government support for developing rural tourism in the district

One factor influencing local council support for developing rural tourism in the district is the local council's awareness about the benefits of rural tourism (3.1). Council and government staff stressed the importance of a local council understanding about the potential benefits of rural tourism for local communities. In Curarrehue, council staff said they needed to have a clear picture of the possible benefits and negative impacts of rural tourism for the community before supporting it in the area. In contrast, Pucón council staff saw rural tourism as a beneficial form of tourism for the district and they were very positive about supporting it.

'Councils have to be involved because to develop rural tourism we need basic things like infrastructure - roads, electricity and telecommunications networks, which is the council's job. When these basic things are in place we can start talking about rural tourism. For that to happen it's essential that the local authority and the mayor understand that rural tourism can have benefits for the community' (Staff member of a government organisation, interview no. 4, Temuco).

In Curarrehue district another factor that influences council support for rural tourism development is the council staff's skills and knowledge in rural tourism planning and management (3.2). Council staff said that because they lack these skills and knowledge, they do not feel confident to support rural tourism until such time as they can plan and manage it in a way that will not have negative consequences for their community. For this reason, council have organised

training for staff and community members in areas relevant to tourism planning and management.

'In 2005 we're starting an initiative with a university in Canada. The main objective is to provide training for community members and council staff on the relevant aspects of tourism. This is a very poor district and we can't take the risks of incorporating new livelihood strategies without being able to manage and plan it in the right way. To start tourism in this district we need to build capacity first, not only in terms of skills but with infrastructure and roads' (Council staff member, interview no. 42, Curarrehue).

In the next section the fourth key factor that influences rural tourism development at the household level is described.

5.4 HOUSEHOLD'S ABILITY TO ADMINISTER A RURAL TOURISM VENTURE

In the Pucón case community a household's ability to administer a rural tourism venture was a key factor in rural tourism development (4). This factor became relevant for households once they had obtained their permits and then had to operate like any other business with formal legal status. This means they have to pay taxes, give receipts to tourists and keep accounts up to date, all things that participants highlighted as being difficult. The household's ability to administer a rural tourism venture is thus influenced by their skills in, and knowledge of, small business administration (4.1) (Figure 5.17).

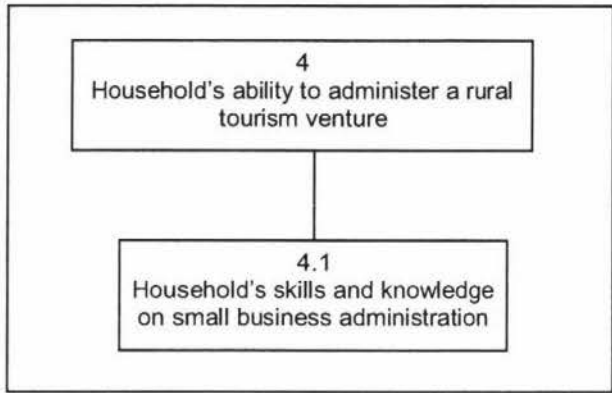


Figure 5.17. Factors influencing household's ability to administer a rural tourism venture

No participant in Curarrehue district identified this as a relevant factor in rural tourism development.

'Now that we have to pay taxes and give the tourists receipts everything is more complicated. I don't know how to do it yet, I hired someone to do it for me this season, but that's not the idea - I need to learn to do those things myself' (Woman farmer, interview no. 17, Pucón).

'I made huge mistakes to do with invoices. I didn't know what kind of invoice I needed or how much tax I had to pay. We need someone to come and explain all these things to us' (Male farmer, interview no. 11, Pucón).

In the following section the fifth key factor that influences rural tourism development at the household level is presented.

5.5 HOUSEHOLD'S ABILITY TO COMPLY WITH LEGAL REQUIREMENTS

A Household's ability to comply with the legal requirements for developing and operating a rural tourism venture (5) is a key factor in rural tourism development. In Chile the requirements for obtaining a permit to operate a tourism venture are different depending on the type of services offered by the household. For example, restaurant permits are different from homestay permits. The basic

requirements with which all businesses must comply are registering the business with the National Tax Service (*Servicio de Impuestos Internos, SII*) and obtaining a commercial licence, which is a permit issued by the local council for commercialising any kind of product within their area. To obtain a commercial licence for tourism, households must first comply with Health Department (*Servicio de Salud*) regulations and obtain the building permits required by the Building Authority (*Dirección de Obras*), which are specific to the service supplied.

Three factors influence a household's ability to comply with legal requirements: having easy access to information about those requirements (5.1), access to technical assistance for complying with regulations (5.2) and their ability to pay for permits (5.3) (Figure 5.18).

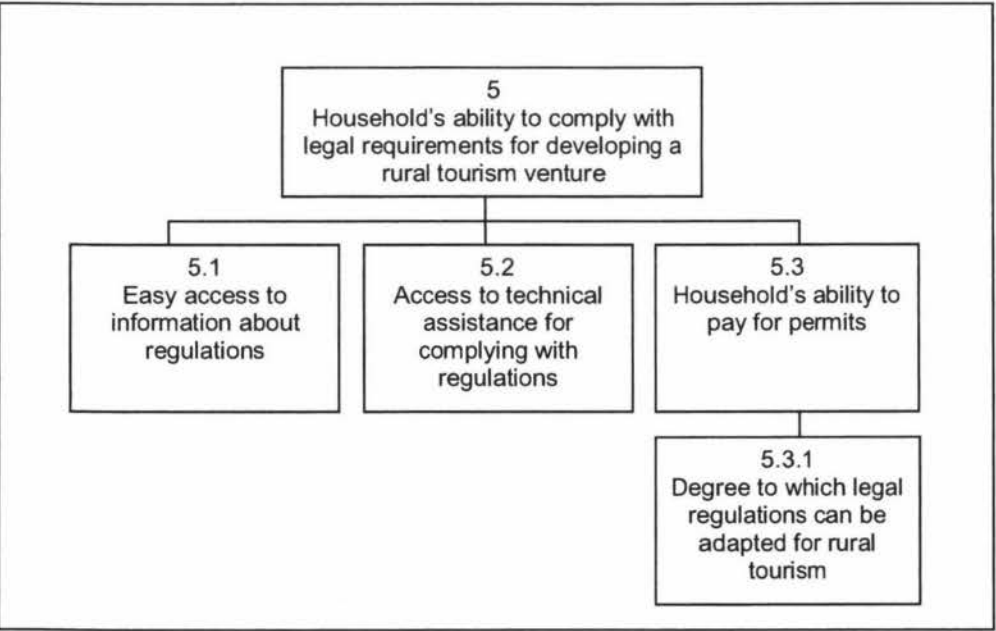


Figure 5.18. Factors influencing a household's ability to comply with legal requirements for developing and operating a rural tourism venture

Having easy access to information about regulations and requirements (5.1) influences a household's ability to comply with the legal requirements for developing a rural tourism venture (5) (Figure 5.18). Information about regulations and requirements is difficult to obtain. This is because this information is obtained from the local council, where there are not always staff who are well-informed about regulations or available to answer questions. In the Curarrehue case community, participants also noted that travelling to Curarrehue township,

where the council office is located, is not easy and paperwork thus becomes very difficult.

'Going through all the process for getting permits is very difficult. It's hard to get information about the steps to follow, and too, I don't know where to go or who to talk with' (Woman farmer, interview no. 22, Curarrehue).

'I don't like this issue of requirements because it's very confusing. Sometimes we make an appointment to ask for information at the council office, and the appointment is at 4, and at 5 there's still nobody to talk to us. It's very difficult for us to go there, we have to travel a long way and nobody cares, and in the end nobody knows what we have to do' (Woman farmer, interview no. 25, Pucón).

In the Pucón case community all the participants who currently have their permits, received technical assistance for complying with regulations. Access to technical assistance for complying with regulations (5.2) is thus also a factor influencing a household's ability to comply with the legal requirements for developing a rural tourism venture (5) (Figure 5.18).

'First I did everything wrong. At the council [office] they gave me the technical drawings but when the inspectors came they didn't approve what I'd built. After that, we got some technical assistance and everything was very smooth and easy, no more problems, and now I have my permits' (Woman farmer, interview no. 16, Pucón).

'At first most of us did everything wrong and we had to rebuild everything, which was very expensive. We weren't well advised - we asked the people if we could do it that way and they said yes, no problem, but when the inspectors came they rejected our application. Then a woman came and did everything very well, she helped us to change what we built and now about 95% of the members of the association have got their permits' (Male farmer, interview no. 11, Pucón).

Participants in Pucón noted that permits are very expensive, so that a household's ability to obtain permits (5) is also dependent on its ability to pay for them (5.3). The costs of obtaining permits to set up a rural tourism venture include the cost of the licence itself and the cost of building and adapting houses and facilities to comply with Health Department and Building Authority requirements. In Chile these requirements are the same for a rural tourism venture or any other type of tourism venture, regardless of size or location, which - as the Pucón participants noted - makes permits very expensive. Interviews with staff of government organisations and rural tourism academics highlighted the need to adapt the present regulations to local situations, which would make obtaining permits simpler and less costly for small-scale rural tourism enterprises. The degree to which legal requirements can be adapted for rural tourism (5.3.1) thus influences the household's ability to pay for permits (5.3) (Figure 5.18).

'The permits work the same here as for the tourism businesses in town, but here we don't have access to treated water so I have to build a water collector and a system to chlorinate the water, which has been very expensive' (Woman farmer, interview no. 9, Pucón).

'I have a homestay where I can host twelve tourists and the [requirements] for my business are the same as those for big hotels, so I had to build this emergency staircase, which is no use and was very expensive' (Male farmer, interview no. 32, Pucón).

'I built this restaurant for supplying traditional Mapuche food, and because the requirements for obtaining permits are the same for my little restaurant as for those big restaurants in town, I had to build this bathroom with a shower for the people who work here. The only people who work here are my husband and me. You can't even imagine how expensive all this has been! And we still don't have the permits' (Woman farmer, interview no. 25, Pucón).

'The current regulations are very strict. It's very difficult to have the same level of infrastructure in rural areas as in urban ones. Also, permits are similar for large-scale or small-scale ventures. So the current regulations are a barrier for many smallholder farming

households when it comes to diversifying into rural tourism' (Staff member of a government organisation, interview no. 53, Temuco).

The following section describes the sixth factor that influences rural tourism development at the household level.

5.6 DEMAND FOR RURAL TOURISM

The demand for rural tourism (6) is a key factor in rural tourism development. Participants said that while there are people who want to have the 'rural tourism experience' they are offering, this demand does not always reach their households. They identified a number of factors influencing demand for rural tourism (6). These include rural tourists' awareness of households offering rural tourism (6.1) and the tourists' ability to make contact with these households (6.2) (Figure 5.19).

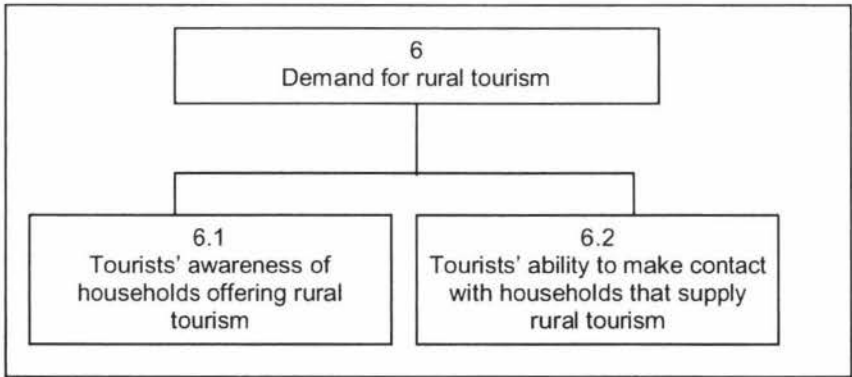


Figure 5.19. Factors influencing demand for rural tourism

Each of these factors is presented in the following subsections.

5.6.1 Tourists' awareness of households offering rural tourism

One factor that influences demand for rural tourism (6) is the level of tourists' awareness of the households that provide rural tourism (6.1), which is influenced in turn by the effectiveness of the households' marketing to tourists (6.1.1) (Figure 5.20).

'We have this mountain hut available to tourists but nobody comes to this place; tourists don't even know this hut exists. We need to inform tourists about this place so they start coming' (Woman farmer, interview no. 22, Curarrehue).

Two factors influence the effectiveness of the household's marketing to tourists. These are the household's ability to develop good quality promotional material (6.1.1.1) and its ability to make this promotional material accessible to tourists (6.1.1.2) (Figure 5.20).

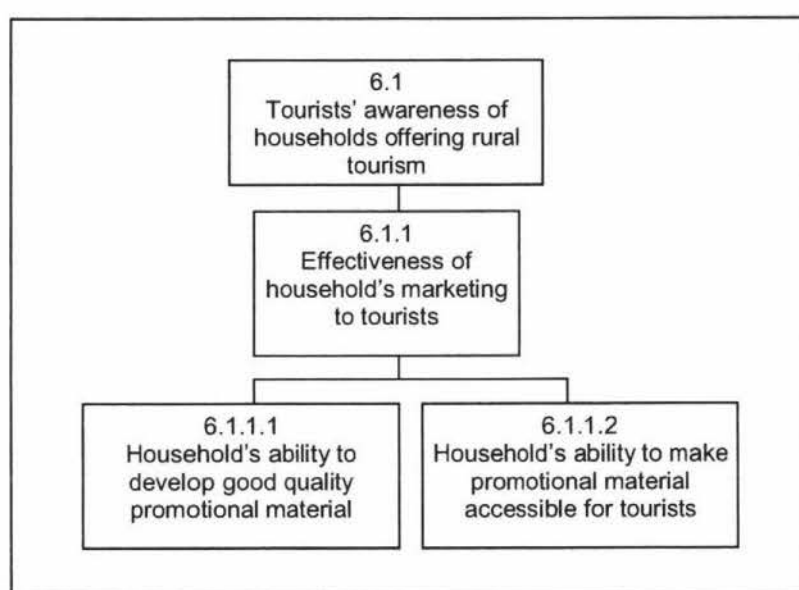


Figure 5.20. Factors influencing tourists' awareness of households offering rural tourism

Households that offer rural tourism have developed promotional material for tourists, such as brochures and flyer. However, the design and the information provided is of lower quality than other tourism promotional material. In terms of design, the quality of materials, such as the paper and images, does not match the quality standard of other promotional materials available. In terms of information, most of the material does not provide the information tourists need about the products offered or a map to find the locality.

'We developed this flyer for the visitor centre with what we had, but it's not very good - the pictures aren't nice and we didn't have a map to insert' (Woman farmer, interview no. 22, Curarrehue).

'I need more publicity. Last year we did a brochure, but look! This doesn't convince anyone that our places are beautiful. We need to make better brochures this year' (Woman farmer, interview no. 39, Pucón).

A household's ability to develop good quality promotional material is influenced by its access to technical assistance for developing the material (6.1.1.1.1), its membership in a successful and coordinated rural tourism network (6.1.1.1.2) and its access to capital for developing promotional material (6.1.1.1.3) (Figure 5.21).

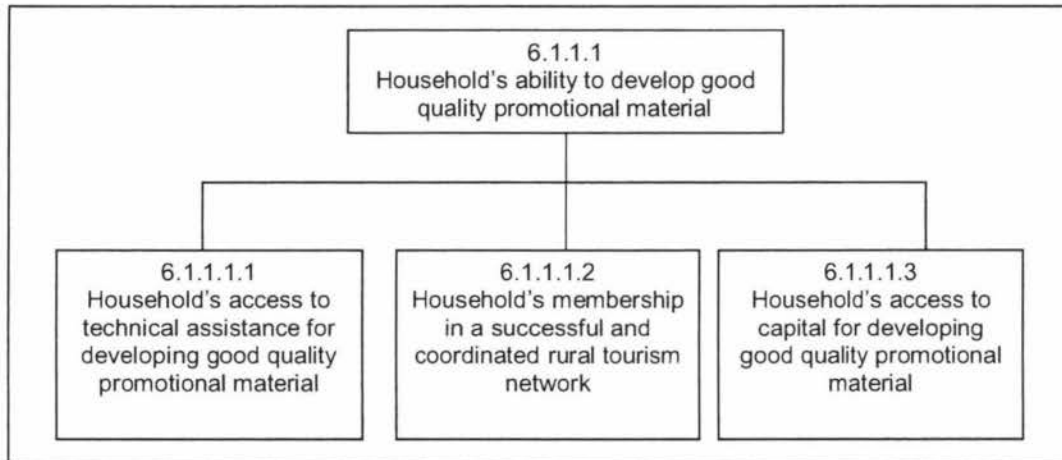


Figure 5.21. Factors influencing a household's ability to develop good quality promotional material

In the Pucón case community, some households have received technical assistance about developing quality promotional material. One example of this is a guide to rural tourism which was developed by the Chilean government through the INDAP. In another example, one household hired technical assistance because they lacked the knowledge to design the material and the necessary resources, such as a computer and a camera, to develop it. This household said that having quality promotional material has attracted a large number of tourists to their place. They also noted that developing this material was very expensive, but with the formation of an association of rural tourism providers the costs were reduced.

'Having beautiful brochures that tourists like and read, with good pictures and good information, is very important. This year, because

we didn't know how to do it, we wanted to hire someone, but it was very expensive; but my daughter knows other people who do rural tourism so we formed an association and we could afford it. We're getting really good results' (Woman farmer, interview no. 17, Pucón).

Being able to make promotional material accessible to tourists (6.1.1.2) also influences the effectiveness of a household's marketing to tourists (6.1.1) (Figure 5.20, 126). Although promotional material is displayed at the local council visitor centre, participants indicated that tourists usually go to local tourism agencies first for information to plan their stay. In the Curarrehue district, where there are no local tourism agencies, participants talked instead about displaying their promotional materials in tourism agencies in San Junin de los Andes (Argentina) and in Pucón, which are the largest neighbouring towns. Two factors influence a household's ability to make promotional material accessible to tourists (6.1.1.2): links with regional tourism bodies (6.1.1.2.1) and the household's ability to obtain their permits to supply rural tourism (6.1.1.2.2) (Figure 5.22).

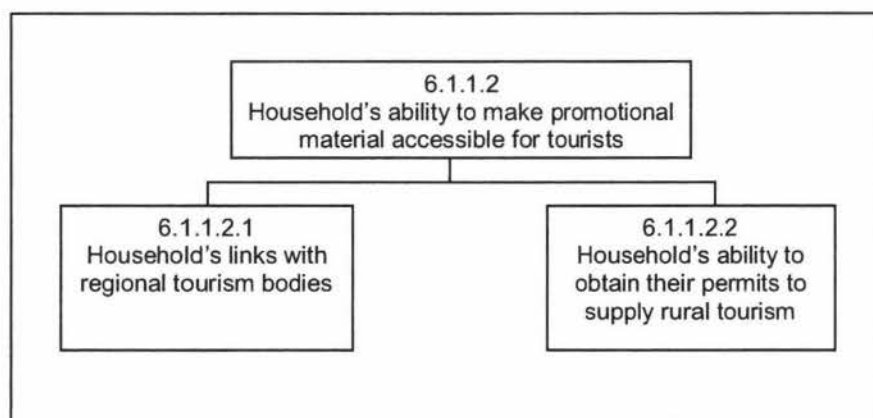


Figure 5.22. Factors influencing a household's ability to make promotional material accessible to tourists

Links with regional tourism bodies (6.1.1.2.1) such as tourism agencies and tourism trusts constitute an important factor influencing a household's ability to make promotional material available (6.1.1.2). Householders felt that contact with tourism agencies was lacking. In other interviews, tourism agencies too said they lacked knowledge and information about rural tourism suppliers and their products. They also noted that in recent years there has been a tourist demand for a rural tourism product.

'We need more diffusion of our products, the visitor centre is not enough; we need to have contact with tourism agencies in Argentina and Pucón, because that's where the tourists come from' (Male farmer, interview no. 19, Curarrehue).

'We've been slowly building links with tourism bodies, such as the council's tourism department. But we need to have contact with tourism agencies, hotels, the Tourism Trust and that's still missing' (Male farmer, interview no. 11, Pucón).

'The only rural tourism product we've offered is a day on a big farm in another district, because in this district there's nobody doing that yet ... I didn't know there were farmers doing that here. We've been looking for that kind of thing. I would love them to come and visit my agency and see what we can do together. Do you have their contact details?' (Staff member in a tourism agency, interview no. 37, Pucón).

Households must obtain their permits to offer rural tourism before making information available to tourists, or they can be fined. Tourism agencies also said they would provide the material to tourists only if the households offering rural tourism had obtained the necessary permits.

'We know that we need more publicity, but because we don't have our permits ready we can't just go and publicise our place - we could be fined a lot of money' (Woman farmer, interview no. 35, Pucón).

'We are looking for people who are responsible, who offer a product on a regular basis, maybe a daily activity such as a tour through different houses looking at different things. But we need basic preconditions such as the permits and for the rural tourism product to be well developed; we can help them in putting the product together' (Staff member in a tourism agency, interview no. 38, Pucón).

5.6.2 Tourists’ ability to make contact with households offering rural tourism

The second factor that influences demand for rural tourism (6) is tourists’ ability to make contact with households that supply rural tourism (6.2) (Figure 5.19, p.125). Before they decide where they are going, tourists like to make contact with the households that are offering rural tourism, whether to book or to ask about the particular activities and facilities they offer.

‘Tourists don’t come because we have no phone, so they can’t check if it’s available’ (Group interview, Curarrehue).

‘Not having a telephone is a big problem because tourists can’t reach us to find out what we offer and how to get to our place’ (Male farmer, interview no. 23, Pucón).

Those households that have no kind of system for tourists to contact them said that this influences them negatively, preventing tourists from reaching them. Having a system that allows tourists to contact the households that supply rural tourism (6.2.1) thus affects the tourists’ ability to contact these households (6.2) (Figure 5.23). Examples of such systems include telecommunications at the household level, such as a telephone or mobile phone; a central office that organises bookings and answers tourists’ questions; and links with regional tourism bodies which can organise visits for tourists and inform the host households.

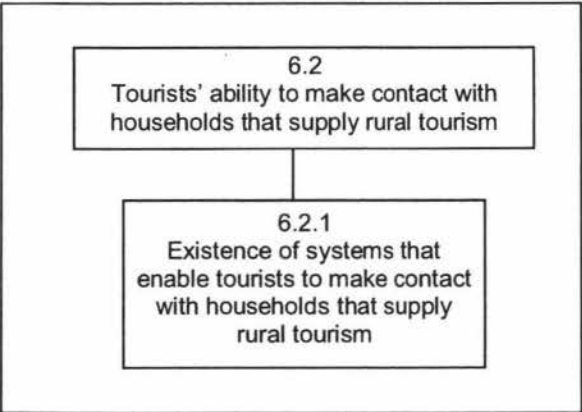


Figure 5.23. Factors influencing tourists’ ability to make contact with households that supply rural tourism

In the next section a cross-case analysis, comparing and contrasting the results produced by the factors that influence rural tourism development in each of the two case communities, is provided.

5.7 CROSS-CASE ANALYSIS

This study is based on the theoretical replication suggested by Yin (2003). Thus, theoretical propositions used to select case studies are expected to produce contrasting results. These theoretical propositions were based on the livelihood diversification literature, which suggests that causes and consequences of diversification are specific to social and economic circumstances. For this reason, communities that were selected differ in the incidence of poverty and the proportion of their indigenous populations (case study selection is discussed in further detail in Section 3.21, p.52). While it was expected that the differences between the case communities would be reflected in the findings of this study, in fact most of the factors that influence rural tourism development were found to be similar in the two communities studied.

Selection of case communities in terms of poverty levels was based on regional statistics, resulting in the selection of districts with different poverty levels, 33.3% for Pucón district as opposed to 43.1% for Curarrehue district. This difference was not reflected in the findings of the study. This is because the households that supply rural tourism in the case communities were found to have relatively similar economic circumstances and were not the poorer households in their communities. Therefore, the district statistics did not accurately reflect the economic situation of the rural tourism community selected in each district.

The percentage of indigenous people is different in the two case communities, being significantly higher in Curarrehue (see Section 3.2.1, p.52). The factors influencing rural tourism development that are affected by cultural aspects are the household's ability to provide facilities that are consistent with local culture and its ability to offer a cultural experience; however, these factors were identified in both case communities and in households that belong to the Mapuche ethnic group as well as in those that do not. Most of the households are linked directly

or indirectly to the Mapuche ethnic group and are thus willing to incorporate aspects of Mapuche culture into their rural tourism product even though this is not their own ethnicity. Also, in recent years Mapuche culture has attracted increasing interest from tourists, and households that supply rural tourism acknowledged that incorporating cultural aspects into their tourism product makes it more appealing to tourists.

Differences in the results from the two communities studied can be related to the stage of development of the rural tourism industry and the general tourism industry, both of which are more developed in the Pucón case community. One key factor in rural tourism development is the householders' ability to administer a rural tourism business, which was identified as a relevant factor only for the case community in Pucón. This factor was identified by participants whose households have reached a certain level of development of rural tourism: they have obtained their permits and now have to operate like any other business with legal status, keeping accounts and giving receipts to tourists, which they find difficult. In contrast, in the Curarrehue case community this factor was not identified because rural tourism businesses are at a very early stage of development, without formal legal status, and thus do not yet have to carry out these tasks. However, it is likely to become a relevant factor for their businesses as the industry develops.

Another factor influencing rural tourism development that is different between the two case studies is the existence of local facilities for tourists. This was identified as a relevant factor only in Pucón. The general tourism industry in Pucón is very well developed and therefore a range of facilities such as bars and shopping centres are already available for tourists in the main urban centre, Pucón town. Rural tourists going to Pucón, therefore, want to have access to - and use - these facilities. In contrast, this factor was not identified as important in Curarrehue. This may be because the general tourism industry there is at a very early stage of development and facilities for tourists are scarce, so that households did not identify the importance of local facilities for tourists as important. However, as the industry develops, the level of facilities available for rural tourists may become more important.

Rural tourism development and the existence of a well-developed general tourism industry are linked. Rural tourism started to be developed in both case communities at a similar time. While the rural tourism industry is still emergent in both locations, it is more developed in Pucón than in Curarrehue. Pucón has a formal tourism association, most of the households supplying rural tourism have obtained their permits to operate a rural tourism venture and the rural tourism product the locality offers is more complete, with a range of facilities for tourists. In addition, rural tourism providers have developed initiatives for making 'rurality' more visually attractive, which has attracted more tourists. In contrast, rural tourism in Curarrehue is not yet at this stage of development; none of the households have obtained their formal permits and rural tourism demand is very low. Further, the rural tourism product the locality offers is based solely on the area's natural and cultural attractions, facilities for tourists are scarce and there are low numbers of tourists travelling to the area. This suggests that where there is a well developed general tourism industry, rural tourism development may be quicker with more demand for rural tourism.

In the next section a summary of main findings concerning the factors that influence rural tourism development at the household level is presented.

5.8 SUMMARY

In this chapter the results on the factors that influence rural tourism development at the household level are presented in a logical hierarchy. At the highest level of the hierarchy six key factors were identified. These factors are: Household motivation for supplying rural tourism, Household ability to provide a complete rural tourism product, Local council support for developing rural tourism in the region, Household ability to administer a rural tourism venture, Household ability to comply with legal requirements for developing a rural tourism venture and Demand for rural tourism. Each of these factors is influenced in turn by a number of other factors which were also presented in this chapter.

Most of the factors that influence rural tourism development were found to be relevant for both case communities. However, some factors were found to be

relevant only for Pucón. These differences are related to the stage of development of the general tourism industry in the area as well as to the stage of development of rural tourism, which are both more developed in Pucón. This may suggest that those factors that were not relevant for the Curarrehue community, which is currently in a very early stage of development of the general and rural tourism industry, may become relevant factors as the rural tourism industry develops.

CHAPTER 6: IMPACTS OF RURAL TOURISM

This chapter presents the results of qualitative data analysis carried out on the data collected on the impacts of rural tourism at the household level. Although this research is based on two case communities in different areas, owing to the early stage of rural tourism development in case community from Curarrehue, data on the impacts of rural tourism at the household level were collected only in the Pucón case community.

The impacts of rural tourism can be separated into three main categories, namely, economic, environmental and sociocultural. Section 6.1 presents the economic impacts of rural tourism at the household level, Section 6.2 the environmental impacts and Section 6.3 its sociocultural impacts.

6.1 ECONOMIC IMPACTS OF RURAL TOURISM

Participants identified two economic impacts of rural tourism which they saw as positive. These were increasing job opportunities for women and young people and increasing household income. These two were found to be interrelated, but are presented separately, following the usual pattern in the literature.

6.1.1 Increased job opportunities for women and young people

Participants said a positive impact of rural tourism was increased job opportunities for women and young people.

Diversification into rural tourism in most cases is initiated by the woman of the household as a means of creating a job opportunity for herself. The role of women before the advent of rural tourism was limited to responsibility for household-related activities such as tending an orchard and keeping small livestock such as chickens and ducks. Job opportunities are scarce and are available only in summer in nearby towns such as Pucón. Usually the available

work is tourism-related, such as cooking in restaurants, housemaiding in summer houses for tourists or informal activities, for instance selling traditional food products such as cakes and homemade bread on the lake shore, all of which are very time-consuming activities. Summer is also the children's school holiday time and women said that during this time their home life is very demanding, making it difficult to leave the house for a job in a nearby town such as Pucón. With the development of rural tourism, women have a very important role. They do most of the work related to rural tourism such as cooking, cleaning and hosting the tourists, which - as they noted - is now their summer job. Rural tourism allows them to have a job and contribute to the family income without having to leave their homes.

'I've always worked on our farm, feeding the animals, milking the cows and doing the housework. Now with rural tourism I've created a job for my daughters and me. They work with me, so they don't have to go outside the home or the area to find a job' (Woman farmer, interview no. 17, Pucón).

Younger family members also carry out activities related to rural tourism, such as organising sports activities, receiving tourists and arranging bookings, for which they receive payment. This has had a positive effect, encouraging young people to stay in rural areas rather than migrate to the cities. Rural tourism has also increased young people's interest in improving their skills in matters related to tourism which, as participants noted, gives their businesses a sense of continuity.

6.1.2 Increased household income

Another of rural tourism's economic impacts is the increase in household income. This is due both to income received directly for the rural tourism services offered, as well as to increased sales of the various products purchased by tourists. Before rural tourism, it was very difficult for households to sell their products, but with the development of rural tourism there are more opportunities to sell their products and the amount sold has also increased. Some of the products participants mentioned are agricultural, such as livestock, eggs, milk and cheese, but there are also non-agricultural products such as bread and crafts.

'Before rural tourism we used to sell three or four lambs in December, but now we sell a lot more than that, because tourists buy the lamb and we prepare a traditional barbecue. So we sell the lamb and we prepare salads with our vegetables; we add value to our product and we sell more' (Woman farmer, interview no. 10, Pucón).

'Everything I produce now is sold or used in my restaurant. I grow raspberries and I keep the flesh for preparing natural juice, tourists love that. Tourists are looking for the more natural stuff so they go and collect vegetables, and eggs. I also have a little herb farm and I teach them what to use for which disease and they buy the fresh herbs' (Woman farmer, interview no. 9, Pucón).

Even though rural tourism has enabled households to increase their income, this increase is not substantial and does not extend over the whole year. However, it has allowed these households to increase their spending on their children's education and to improve their housing conditions. These are positive sociocultural impacts of rural tourism and are examined further in Section 6.2.1, p.138.

'Rural tourism has given us another source of income, which has been very positive for us. Even though this income is not large, it allows us to buy school stationery in March and it's also allowed us to be more comfortable in our house, for example buying blankets for the kids and a heater, which we didn't have before' (Woman farmer, interview no. 10, Pucón).

6.2 SOCIOCULTURAL IMPACTS OF RURAL TOURISM

Participants indicated that rural tourism has had both positive and negative sociocultural impacts on their households. These are presented below.

6.2.1 Positive sociocultural impacts of rural tourism

Participants identified the positive sociocultural impacts of rural tourism on their households as the ability to increase spending on their children's education and on their housing conditions, a change in the area which is now a happier place, households placing a higher value on their local traditions and the self-esteem of women involved in rural tourism increased.

With the increase in household income from rural tourism, householders are spending more on their children's education, especially paying fees and buying school stationery. One household said the increase in household income had allowed the woman of the household to go back to school to complete her primary education.

'I have a grown-up son, he's 26. His dream was to study aquaculture but I never had the money to send him to study. Last year I called him and told him he could enrol. For the first time someone from my family will study at university, and this is the result of my work with my camping ground' (Woman farmer, interview no.16, Pucón).

Another positive impact is that the increase in income has allowed households to improve their housing conditions. Participants said they have been able to use better materials and build facilities such as flush toilets in their homes. They have also been able to buy goods that have enhanced their quality of life, such as blankets, heaters and washing machines.

Children in the study community also said that one thing they liked about rural tourism was that it has made their area a happier place, which for them means more entertainment during summer as well as different people to talk with.

Another positive impact is that rural tourism has encouraged households to value local traditions more highly. Rural tourists like to learn about their traditional way of life, including both Mapuche traditions and rural (*campesino*) traditions such as traditional cultivation practices and traditional cooking and foods.

Mapuche traditions have been lost, both because of discontinuity in language transmission, since it is not taught in schools, and also because the Mapuche culture has for many years been rejected. Rural tourism has allowed households to put their Mapuche traditions on display, encouraging them to preserve them and value them more highly.

'Rural tourism has been very good for my Mapuche culture. For a long time we were ashamed to be Mapuche, but this is changing now. People from other countries come to learn more about our history, our language and our stories, so now we're proud. I'm learning Mapundungun [Mapuche language] and I want to learn some craft skills' (Woman farmer, interview no.10, Pucón).

'Rural tourism has been very good for our Mapuche culture. Tourists want to know more about our culture, which encourages us to learn more about our own roots. We've been valuing things that have been lost, like the game of palin game [a Mapuche sport], our instruments, like the kultrun [traditional drum], and dances. That's good for us, for the tourists because they learn more, and also for our children' (Male farmer, interview no.11, Pucón).

Rural tourists also enjoy learning about traditional agricultural practices and trying food cooked from local products in the traditional way. This has encouraged the householders to maintain their traditional agricultural practices, which use low technology and limited chemical inputs, and to maintain their traditional way of cooking using local ingredients and traditional rural recipes cooked in wood stoves.

'Rural tourism has been very good for maintaining our campesino traditions. Families come to my place to eat local food cooked with ingredients from the farm. I cook everything in my wooden stove. They love my cazuelas [traditional soup]; they say that it tastes better, like the ones from the old days' (Woman farmer, interview no.9, Pucón).

Women participants said that their self-esteem has increased with rural tourism. They highlighted the fact that receiving monetary compensation for their work improved their view of themselves and increased their personal satisfaction. They also noted that rural tourism brings them into contact with people such as tourists and other rural tourism suppliers, which improves their communication skills and makes them feel good and proud of themselves.

'Rural tourism has been very good for me as a woman. It's increased my self-esteem, because when I'm in a meeting with other rural tourism providers I give my opinion, and even though I don't have much education people listen to my ideas, which makes me feel more intelligent and proud of myself' (Woman farmer, interview no.16, Pucón).

6.2.2 Negative sociocultural impacts of rural tourism

Rural tourism also has negative impacts at the household level which are both present and potential. Present negative impacts include a reduction in children's leisure time during holidays and in family privacy, while potential negative impacts include changes in young people's behaviour.

One negative impact of rural tourism at the household level is that children's free time has decreased. Rural tourism takes place during summer, which is also children's summer holiday. Participants said that because their free time in summer is now scarce, they no longer do holiday activities with their children such as going to the lake or walking in the bush. Instead, they said that children help their parents with rural tourism activities, which keeps them busy during the day. They saw this as a negative impact, because an important feature of rural tourism is that it is a family business and the intention is that the children should continue with it when they grow up; if, however, the children get tired of rural tourism, participants foresaw that this might not happen.

'I like my daughters to help me with the tourists but I also like them to enjoy their holiday. They're studying all year and they deserve a holiday. They enjoy helping me but sometimes they want to go to the

lake and I can't go with them or take them there, I'm too busy. If we want this to be a family business we should find a way for them to enjoy both rural tourism and their holiday, otherwise they'll get tired of this' (Woman farmer, interview no.39, Pucón).

Children themselves said that their free time during their holidays has decreased with the development of rural tourism and their responsibilities have increased - both things which they said they do not like.

Another negative impact of rural tourism is the loss of family privacy. Participants who offered homestay accommodation noted that most of the facilities available to tourists are facilities in their own home which they have adapted for the tourists, such as their kitchen and dining room. This means that they have to share these spaces with tourists, which they said has become a problem because they have no space for private family time. Times they mentioned as being particularly uncomfortable to share with tourists were family occasions, such as Christmas and birthdays, and also their dinner time.

Households that have camping grounds said that because of a lack of facilities, such as a place where tourists can shelter from rain, they have to open their homes to the tourists. They said they are tired of doing this because it does not allow them to have family privacy.

'My table changes. During the summer tourists come to sit with us and share tea and bread. In the beginning I liked it; now I'm getting tired of always having someone at my table and in my kitchen. We need some privacy. When it rains my kitchen's a mess, everyone comes to dry their clothes here and sit and have some tea. We should have some place where tourists can do that without being here in my house, we should build a quincho' (Woman farmer, interview no.10, Pucón).

One potential negative impact that participants identified is that rural tourism may change young people's behaviour. Participants noted that city youth are different from rural youth in regard to things such as drinking habits and daily routines. They said that because rural tourists are in their places only during summer, for

the rest of the year everything is normal and they bring up their families in their own way, maintaining their rules and daily routines. However, they said that this aspect of rural tourism should be included in family conversations so young people are aware of these differences and of the importance of maintaining their own lifestyle and habits.

'Young people from the city are more liberal, they drink beer when they are 13 and they also go to bed very late. Here in rural areas it's different, young people are different. We have to be careful about this and make young people understand that it's different - not bad, not good, but different. We have to talk about that with our children and make them understand that we can't change our normal habits because tourists come' (Woman farmer, interview no.18, Pucón).

6.3 ENVIRONMENTAL IMPACTS OF RURAL TOURISM

Participants said that rural tourism has had both positive and negative environmental impacts. These are presented in the following subsections.

6.3.1 Positive environmental impacts of rural tourism

Participants said the positive environmental impacts of rural tourism at the household level included raising households' environmental awareness and fostering native tree planting.

Rural tourism has increased households' environmental awareness. Participants noted that tourists want to interact with a clean and natural environment. This has encouraged households involved in rural tourism to ensure that the environment around their homes matches these expectations. They also said they have been learning environmentally friendly practices from tourists, such as not burning plastics, which they said had been their normal practice. Furthermore, they recognised the need to learn more about how to take care of the environment and follow practices such as recycling and composting.

We've been learning to appreciate what we have. Tourists like our natural environment so we have to keep it like that and make it more beautiful, that's why we have a beautiful clean garden. But we still need to learn more, for example things like recycling and composting' (Male farmer, interview no. 11, Pucón).

Another positive environmental impact of rural tourism is that it has encouraged planting of native trees at the household level. Tourists like to learn about the local environment and local native trees. For this reason, households have started to plant native trees in their gardens, which both beautifies the environment and preserves species of trees that are becoming rare. Households have labelled the trees, raising tourists' awareness of their importance and encouraging them to learn more about these species.

'Tourists like to know about each kind of tree that's here in the district, so I'm planting these trees in my camping ground. I even have those that are in danger of becoming extinct. I labelled them so then if [the tourists] go walking they can recognise them' (Woman farmer, interview no. 25 Pucón).

6.3.2 Negative environmental impacts of rural tourism

Despite these positive impacts, participants also identified negative impacts of rural tourism at the household level, including increased solid waste problems and noise.

Rural tourism has increased the amount of solid waste that must be dealt with during the summer. In summer the number of people in the house increases substantially, with a corresponding increase in the need for solid waste disposal. Most households rely on the council rubbish collection service, but as this service does not reach houses in more remote areas, these households have to dispose of the rubbish by themselves. At present, because of the small size of the rural tourism ventures, they are still able to cope with the waste produced. However, participants highlighted the need, if tourist numbers increase, to find solutions

such as recycling and composting, which they are willing to do but for which they currently lack the skills.

'Rubbish is becoming a problem. Our camping ground is still small but if the number of tourists increases it could become a major issue. I think we should take this in hand and prevent this problem., People from cities already have this problem and they're trying to escape from it, so we can't have this problem here. So I think we should learn how to recycle, make compost and manage solid waste disposal before it becomes a big problem that we can't manage any more.'
(Male farmer, interview no.11, Pucón)

Another negative environmental impact of rural tourism is a significant increase in noise during summer for households offering rural tourism. As the number of people and vehicles increases, so does the noise in their households. However, participants said that because this lasts for only two months of the year they can tolerate it.

6.4 SUMMARY

In this chapter the impacts of rural tourism at the household level were presented. These impacts were categorised in economic, sociocultural and environmental. Economic impacts of rural tourism were described as being positive and included increasing job opportunities for women and young people and increasing household income.

Rural tourism has had both positive and negative sociocultural impacts at the household level. Positive sociocultural impacts of rural tourism comprised increased spending on children's education and on housing conditions; the area was also a happier place, households placed a higher value on their local traditions and the self-esteem of women involved in rural tourism had increased. Negative impacts were identified as present and potential. Present negative impacts include a reduction in children's leisure time during holidays and in family

privacy, while potential negative impacts include changes in young people's behaviour.

Environmental impacts of rural tourism were identified as being both positive and negative. Positive environmental impacts of rural tourism at the household level included raising households' environmental awareness and fostering native tree planting. And negative impacts of rural tourism at the household level, included increased solid waste problems and noise.

CHAPTER 7: DISCUSSION

In this chapter the results presented in Chapters 5 and 6 are discussed in light of the literature reviewed in Chapter 2. Section 7.1 contains a description of the factors that influence rural tourism development at the household level, while in Section 7.2 the impacts of rural tourism at the household level are examined..

7.1 FACTORS INFLUENCING RURAL TOURISM DEVELOPMENT

Six key factors were found to influence rural tourism development at the household level. These factors can be classified into two groups: first, factors directly associated with rural tourism entrepreneurs, such as the level of a household's motivation for supplying rural tourism, its ability to provide a complete rural tourism product, its ability to administer a rural tourism business and its ability to comply with legal requirements for developing a rural tourism venture. The second group of factors, which are not related to the entrepreneurs themselves, are the level of local council support for rural tourism development and the level of demand for rural tourism. This study thus supports Wilson et al. (2001) in their statement that entrepreneurs play an important role in the successful development of rural tourism.

Most of the factors that influence rural tourism development were found to be similar in the two case communities, despite the differences in ethnicity and the incidence of poverty between these communities. The communities were selected on the basis of livelihood diversification theory, which suggests that diversification is affected by social and economic conditions in the community (Dercon & Krinshnan, 1996; Ellis, 1998; Barret et al., 2001). These differences were not reflected in the findings of this study. This is likely to be because the selection of the case communities was based on regional statistics and not on statistics relating to the households involved in rural tourism. In this study it was

found that households that diversify into rural tourism have similar economic circumstances and are not the poorest in their communities. Regional statistics, therefore, did not accurately reflect the characteristics of the rural tourism communities studied. Rural tourism communities selected according to other criteria may give a different perspective from the findings of this study.

Some of the factors influencing rural tourism development were found to be different in the two cases studied. These differences are related mainly to the stage of development of the general tourism and rural tourism industry, which are both more developed in the Pucón case community. Further, it was found that many of the factors influencing rural tourism development in this study are similar to those described in the literature on rural tourism in both developed and underdeveloped countries, which suggests that rural communities in different parts of the world experience similar things when diversifying their livelihoods into rural tourism. However, there are factors that are specific to each community. This implies that there may not be a universal 'formula' for developing rural tourism, but that this should be done according to the needs and characteristics of each community.

In the following subsections the main findings of this research and the differences and similarities found between these and the literature reviewed in Chapter 2 are discussed.

7.1.1 Household motivation for supplying rural tourism

The first key factor that was found to influence rural tourism development is the motivation households have to supply rural tourism. This finding supports Petrin (1997) who argues, although not based on field research, that a predisposition to start an enterprise is an important factor for achieving successful diversification. The present study further identified a number of factors on which the level of a household's motivation for supplying rural tourism depends. As in other studies, it was found that households' motivation for diversifying into activities such as rural tourism is dependent upon their capacity to take risks, which is influenced in turn by their level of financial security (Dercon & Krashinsky, 1996; Abdulai & Crook, 2001; Barret et al., 2001). Households who have diversified into rural

tourism, in either case community, do not belong to the poorest sector of the population; they own a house, have access to land and are relatively well educated compared to the poorest households. This suggests, therefore, that it is more likely that those households with certain economic circumstances may be more motivated and successful in diversifying into rural tourism, which may be a relevant factor when targeting assistance for rural tourism development.

The personal characteristics of household members also influence their motivation to supply rural tourism, a factor not mentioned in the literature reviewed. It is likely that rural tourism is a development strategy that will not be adopted by all households, but by those with specific personal characteristics, including entrepreneurship, innovative ability and ambition. Further, rural tourism is likely to be a more successful diversification strategy for those households who have these characteristics.

Another point that comes to light in this study is that in both case communities rural tourism has been adopted as a diversification option for women, as other studies have also reported (Garcia-Ramon et al., 1995; Verbole, 1997). In addition, this study found that family support for diversifying into the activity is important, particularly support from the husband. In this study, rural tourism has been adopted as a diversification option for women both because the work involved in rural tourism is similar to women's domestic duties and because there are few employment opportunities for them in the case communities. Another study suggested that rural development programmes for women in Chile should focus on preparing them for non-farm employment, such as services or manufacturing, rather than self-employment (Berdegue et al., 2001). The authors made this suggestion because their study was undertaken in two communities where services and manufacturing employment opportunities were available. In the case communities in this study there are no such employment opportunities. This suggests that rural tourism may be a potential diversification option for women when there are few employment opportunities available for them, giving them an opportunity for self-employment in their own homes. However, when other diversification opportunities are available, rural tourism may not be the most suitable diversification option as there may be better or more appropriate options in the location.

Households' awareness of the benefits of rural tourism is another factor influencing their motivation to offer rural tourism. This is consistent with the findings of Briedenhann and Wickens (2004) who comment that communities that have only a limited understanding of tourism and its benefits do not want to take part in it. In this study, this is an important factor because rural tourism has only recently started in the case communities, which may mean a general lack of knowledge about its benefits among community members. The existence of a local programme for promoting rural tourism and the previous contact a household has had with tourism both influence its awareness of the benefits of rural tourism. This suggests that in the initial stages of rural tourism development, creating awareness and informing communities about the benefits of rural tourism may increase community members' interest in diversifying their livelihoods into rural tourism.

7.1.2 Household ability to provide a complete rural tourism product

The second key factor that influences rural tourism development at the household level is the household's ability to offer a complete rural tourism product. A rural tourism product, as with any other tourism product, is a combination of a number of components that satisfy tourists' demands (Murphy, 1985; Gunn & Var, 2002). This research identified two groups of factors that are relevant for creating a complete rural tourism product: those related to the households themselves, such as the facilities and activities they can offer, and those related to the locality, such as the attractions, local facilities and infrastructure available for tourists. This suggests that rural tourism is not unique in terms of the components of its product and therefore can be a complementary form of tourism in areas where there is a pre-existent general tourism industry.

Further, the study identified a link between rural tourism development and the existence of a well-developed general tourism industry. While rural tourism has started recently in both study communities, it is more developed in Pucón than in Curarrehue. This is because the general tourism industry in Pucón is very well developed, and as some of the components of the rural tourism product are the same as those for other forms of tourism, the development of rural tourism in Pucón has been more rapid. This link has not been addressed in the literature.

This finding suggests that rural tourism is likely to develop more quickly in localities where there is a pre-existing general tourism industry. In addition, as tourist facilities and infrastructure require a significant investment, rural tourism is likely to be cheaper to develop in localities which already have such facilities and infrastructure than in those that do not. The potential demand for rural tourism may also be greater in such locations, due to the larger pool of tourists travelling to the area.

The ability of a household to provide facilities for tourists is an important factor in rural tourism development. Households in this study noted that one important constraint in providing facilities for tourists in their homes is lack of capital for building such facilities. This is consistent with research in both developed and less developed countries, which has found that rural tourism requires significant investment that may be beyond the means of those who diversify (Fleischer & Felsenstein, 2000; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). Households participating in this study have limited access to financial institutions and, as in other developing countries, this is principally because of lack of collateral (Maning, 1990). Most households have obtained funding for diversifying into rural tourism from development institutions. Therefore, this study agrees with others in finding that financial support for rural tourism development is particularly important in poor rural areas (Page & Getz, 1997; Fleischer & Felsenstein, 2000; Wilson et al., 2001). Further, in the present study it was found that such financial assistance should be available over the long term for households entering into a rural tourism venture. This includes longer repayment times, since demand is erratic in the early stages of developing the rural tourism industry, with low or variable numbers of tourists visiting households, making debt repayment difficult.

Access to technical assistance for applying for funding was identified as an important factor influencing access to rural tourism funding, as those who diversify into rural tourism lack the skills to apply. This was also noted in another study (Wilson et al., 2001). The level of awareness of staff in institutions which deal with development funding concerning rural tourism also influences householders' access to rural tourism funding. This issue is not addressed in the literature reviewed. It was significant in this study because the rural tourism programmes carried out by development institutions in the case communities are

relatively new and there is a lack of staff with the knowledge and capability to assist households in diversifying into rural tourism. Therefore, the skills and knowledge of development institution staff in rural tourism planning and management are just as important as the skills and knowledge of the households supplying rural tourism. Therefore, building staff capacity in areas relevant to rural tourism may increase households' access to rural tourism funding, allowing them to provide a better and more complete rural tourism product, with more and better facilities.

The ability to provide quality outdoor recreational activities is seen as an important part of offering a complete rural tourism product in the case communities. This is consistent with other studies from developed and less developed countries (Braithwaite et al., 1998; Campanhola & Da Silva, 1999; Wilson et al., 2001). Rural tourists, as noted in other studies, enjoy engaging in a variety of outdoor recreational activities (Opperman, 1996; Fleisher & Pizam, 1997). In this research it was found that at present households in the case communities find it difficult to provide such activities for tourists because they lack skills for designing and guiding the activities. Therefore, as in studies from other countries, assisting those who diversify into rural tourism to set up their product by providing them with skills in activity design and guiding, is an important factor for successful development of rural tourism (Wilson et al., 2001; Briedenhann & Wickens, 2004).

Having a successful and coordinated rural tourism association is another important factor allowing households to offer a more complete rural tourism product. This is also commented on in other studies (Campanhola & Da Silva, 1999; Wilson et al., 2001). Households in the case communities own only a small-scale rural tourism venture so cannot offer all the activities and services rural tourists are looking for. The creation of rural tourism associations allows them to collectively address the requirements of tourists (Campanhola & Da Silva, 1999; Wilson et al., 2001). Rural tourism associations may not function well if skills in leadership and organisational management are lacking. Therefore, building householders' capacity in such areas is likely to be relevant for achieving successful diversification into rural tourism (Gannon, 1994; Wilson et al., 2001). Gannon (1994) noted that associations function well when their members have common goals. Associations in the case communities have not been formed on a

voluntary basis, but to comply with a requirement for obtaining financial assistance. The associations did have a common goal, obtaining the funding, but the nature of such a goal is more important than simply having one. Therefore, rural tourism development is more likely to be effective if associations are formed on a voluntary basis, where members have a common goal which is related to achieving the successful development of rural tourism.

Clustering of activities along rural tourism routes has been identified as a decisive factor in rural tourism development (Briedenhann & Wickens, 2004). However, it was not significant in this study. In Briedenhann and Wickens' study rural tourism development was further advanced; thus the fact that activity clustering was not a decisive factor in this study may reflect the relatively early stage of development of rural tourism in both case communities. It is likely, therefore, that as the industry develops there will be a need to adapt and design new rural tourism products to match the growing demand of tourists' requirements; this may include the clustering of activities and the creation of rural tourism routes.

Tourists are also looking for a certain level of hospitality. This research confirms that skills in tourist management, including booking, hosting and guiding tourists, are important in providing rural tourists with a service that meets their expectations (Campanhola & Da Silva, 1999; Busby & Rendle, 2000; Briedenhann & Wickens, 2004). Additionally, in this study it was found that householders' ability to communicate effectively with tourists is important in meeting their expectations of hospitality, something which has not been addressed in other studies. It is to be expected, however, that in any business in which contact with the client is part of the product offered, communication will be an important component. It is probable that this was important in the research context because the households in question speak only Spanish, yet some are receiving non-Spanish-speaking tourists. Effective communication may also be relevant in this context because of the personal characteristics of people in this area, who are sometimes described as quite reserved. Therefore, as suggested in other studies, when assisting households in their successful diversification into rural tourism it is essential to provide them with the opportunity to build their capacity in areas such as tourist management, as well as communications and

language skills (Hjilager, 1996; Page & Getz, 1997; Campanhola & Da Silva, 1999; Busby & Rendle, 2000; Sharpley, 2002).

Households' ability to offer tourists a cultural experience is a further important factor in rural tourism development. There are plenty of examples from around the world of tourists valuing traditional culture as part of their tourism experience (Pearce, 1989). This is not restricted to rural tourism products only, but extends to other forms of tourism as well. In the present research context, there is a high proportion of indigenous people in the area where the two case communities are located, so contact with indigenous culture and local tradition is likely to be one of the motivations for rural tourists to travel to the area. The fact that rural tourists value having contact with local culture as part of their tourism experience suggests that in culturally rich areas rural tourism may be more successful. Building the capacity of households that offer rural tourism in areas such as local craft and storytelling will allow them to provide a more complete rural tourism product that meets with rural tourists' expectations.

The household's location is also important. In both case communities accessibility to infrastructure and location relative to natural attractions are important. This is also commented in other studies (Braithwaite et al., 1998; Campanhola & Da Silva, 1999). It is likely therefore that households in scenic locations with good access for tourists may be more successful in diversifying into rural tourism.

Households' location relative to local facilities was identified as an important factor in rural tourism development only in the Pucón case community. This is probably because in Pucón, rural tourism development has been driven by 'demand'; rural tourism has not created a specific market but draws on the same pool of tourists already travelling to Pucón, who are becoming more and more interested in the rural tourism products rural households are offering. Rural tourism has thus become one of a number of tourism products offered in Pucón. As a result, rural tourism products have adapted to match the particular expectations of tourists travelling to Pucón, who tend to be wealthier members of the urban population in Chile. This suggests that in areas where there is an existing tourism industry, rural tourism products should be established in order to match the expectations of the tourists already travelling to the area. Market

research is likely to be important in order to have a clear understanding of the profile of rural tourists, their characteristics, motivations and expectations, in order to shape the design of rural tourism products according to their requirements.

7.1.3 Local council support for developing rural tourism

The third key factor that influences rural tourism development at the household level is local council support for developing rural tourism in the district. This finding supports research from both developed and less developed countries, in which the support of local government was found to be significant for rural tourism development (Braithwaite et al., 1998; Campanhola & Da Silva, 1999; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). In this study participants specified that local council support was important; this is because, in many rural areas of Chile, the council is the only representative of any government organisation and is the body that makes information available about the various initiatives undertaken by the government. Therefore, in rural parts of Chile people's relationship with the local council is very important. Councils in Chile have a number of obligations that are relevant for rural tourism development. This research identified several ways in which the local council can play a role in rural tourism development chiefly through providing infrastructure such as roading, electricity, communications network coverage and other facilities, which are functions that Chilean law requires to be undertaken by councils (Leiva, 1997). Further the local council also plays an important role in assisting households in obtaining the necessary permits and licences. The local council is an important stakeholder in any rural tourism development initiative and as such it is likely that when rural councils take an active role and support rural tourism, its development may be more successful.

Council support for rural tourism development in the study communities is influenced by council staff's awareness of the benefits of rural tourism as well as by their skills and knowledge in rural tourism planning and management. This is also noted by Briedenhann and Wickens (2004), who suggest that local government does not always have the capacity needed to implement rural tourism. Therefore, building the capacity of council staff members in areas

related to rural tourism may be as important as building householders' capacity for achieving successful rural tourism development.

7.1.4 Household ability to administer a rural tourism venture

A household's ability to administer a rural tourism business was identified by this study as a key factor in rural tourism development. The literature describes a number of essential skills rural tourism providers should have, such as in tourist management and group management (Gannon, 1994; Campanhola & Da Silva, 1999; Busby & Rendle, 2000; Briedenhann & Wickens, 2004). The findings of this research confirm the importance of these skills and show that small business administration skills are also relevant for rural tourism development. The importance of small business administration skills has not been described in other studies regarding rural tourism, but it is reasonable to assume that for setting up a rural tourism venture, as for any other small business, some specific skills are required. In this study, this factor was found to be relevant only for the Pucón case community and for those households that have reached a certain level of development of rural tourism, having obtained their legal permits to supply rural tourism. This is because in Chile, once a small firm has formal legal status, it must operate like any other formal business, keeping accounts, issuing receipts and paying taxes. Therefore, once households obtain their permits to supply rural tourism, they have to undertake new tasks which they have not encountered before and thus find very difficult. In the Curarrehue case community this factor was not mentioned because the households supplying rural tourism are not yet at that stage of development and operate more informally. However, as the industry develops this factor is likely to become more important. Further, this finding suggests that a factor with ongoing importance for rural tourism development is building the capacity of householders who offer rural tourism in areas such as small business administration.

7.1.5 Household ability to comply with legal requirements

Households' ability to comply with the legal requirements for developing a rural tourism venture was identified as a key factor for rural tourism development. This is a factor not mentioned in research undertaken in other countries. However, the

literature on general tourism as a development strategy for poor communities does identify it as a relevant factor (Scheyvens, 1999; WTO, 2002). This factor was identified in the Pucón case community. In Pucón the current regulatory framework for obtaining legal permits for rural tourism ventures is the same as for any other tourism venture, regardless of size, making it very difficult for small-scale rural tourism enterprises to obtain their permits. This is because rural tourism started to be developed only in recent years and the regulatory framework currently in use was established to regulate existing general tourism enterprises rather than rural tourism. As a result of the findings of this study it is suggested that, when there is a pre-existing tourism industry, regulatory frameworks should be adapted to allow new forms of tourism to develop successfully. Regulations developed for large-scale tourism, if unadapted, are very difficult for small-scale rural tourism enterprises to follow.

Easy access to information for complying with permit requirements is also important. In this study, households found it difficult to obtain such information, both because of the inconvenience of travelling to the district centre where the council office is located and because council staff lacked knowledge of regulatory requirements. The households' ability to pay for permits was further identified as an important constraint. Therefore, the results of this research show support for suggestions that in the developing country context it is important to adapt regulatory frameworks to the situation of local enterprises by simplifying regulatory procedures and lowering the cost of regulatory compliance (Scheyvens, 1999; WTO, 2002).

Regulatory frameworks should also take into account cultural identity. Households stated that the current regulatory framework prevents them from providing facilities consistent with local culture, which is an important component of their rural tourism product. For example, current regulations require them to use construction materials which are not always part of their culture. This has not been addressed in the literature. It is relevant in this research context because of the importance of indigenous culture for both tourists and locals. Therefore, it is suggested that when cultural identity is part of the rural tourism product, regulatory frameworks should be adapted to accommodate both tourists' and community needs, allowing households to provide a rural tourism product that matches tourists' expectations but that is also consistent with local culture.

7.1.6 Demand for rural tourism

The existence of demand for rural tourism is a key factor in its development. Rural tourism is a relatively new form of tourism in Chile and thus it is not yet well known. However, participants in this study said that there are tourists who are interested in rural tourism. There are also tourism agencies willing to market rural tourism products because of tourist demand, which suggests that rural tourism has the potential to become an increasingly popular form of tourism.

The factors that influence the linkage between demand and supply of rural tourism in this research are consistent with those found in other countries (Campanhola & Da Silva, 1999; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). In line with the findings of these other studies, a finding of this study was that effective marketing to tourists by households is necessary for successful rural tourism development.

Effective household marketing to tourists involves providing tourists with information. The literature describes a number of media for providing information to tourists, including the internet and local tourism agencies, supported by local government (Campanhola & Da Silva, 1999; Sharpley, 2002; Briedenhann & Wickens, 2004). In this study the internet was not relevant because of the lack of telecommunications networks in the case communities. As many households do not even have a telephone, the internet is a long way from becoming a widespread information and marketing channel. In the case communities, a common way of providing information for tourists is through the development of good quality promotional material which is displayed in the local council's visitor centre. However, participants noticed that tourists prefer to obtain information not from the visitor centre but from local tourism agencies, with whom the participants lack connections. This lack of contact between rural tourism providers and tourism agencies has also been identified in other studies (Bramwell, 1994; Campanhola & Da Silva, 1999; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). This study also found that local tourism agencies are in fact willing to merchandise the rural tourism products that households are offering, so that finding ways to enhance contact between suppliers and sellers is important for achieving effective marketing of rural tourism and thus successful rural tourism development.

Promotional material for tourists must be of good quality, meaning that it must be comprehensive, reliable and up-to-date (Campanhola & Da Silva, 1999; Wilson et al., 2001; Sharpley, 2002; Briedenhann & Wickens, 2004). In this research it was found that good quality material must reach a certain standard in terms of design and materials used, since it is displayed in places where other tourism providers leave brochures and it needs to be sufficiently attractive for tourists to pick up. However, developing good quality promotional material requires skills, knowledge and resources which participant households in this study identified as lacking. Thus, providing households with technical assistance and access to capital for developing promotional material is essential.

Furthermore, this research noted that having a rural tourism association helped in reducing the cost of promotional material because this could be produced collectively. As in other studies, rural tourism associations have an important role in rural tourism development, not only in helping to address the collective requirements of tourism, but also in collectively promoting rural tourism, reducing costs and making material more attractive for tourists (Wilson et al., 2001).

Demand for rural tourism is also influenced by tourists' ability to make contact with the households that supply rural tourism. Participants noted that tourists like to book and to make contact with rural tourism providers before deciding on actually visiting a place. In the study communities, telecommunications coverage is poor and does not reach all households, preventing tourists from making contact with households offering rural tourism. Therefore, this study found that another important type of infrastructure, in addition to road access, is telecommunications infrastructure such as telephone lines or mobile aeriels; this is also noted in another study (Campanhola & Da Silva, 1999).

7.1.7 Other factors

One important factor in successful rural tourism is overall community hospitality towards tourists (Wilson et al., 2001; Briedenhann & Wickens, 2004). In this study participants did not identify this as a factor influencing rural tourism development. There may be a number of reasons for this. Pucón has a well-established tourism industry, although rural tourism is in its early stages. Thus it

is likely that the community has an implicit acceptance of the need to be hospitable to tourists. It is probably for this reason that participants did not identify it as a relevant factor. In Curarrehue, by contrast, where the general tourism industry is at an early stage of development, people lack awareness of the need for community-wide hospitality. However, this is likely to change with the continued development of the tourism industry in this area.

In the following findings on the impacts of rural tourism at the household level are discussed.

7.2 IMPACTS OF RURAL TOURISM

In this study it was found that the impacts of rural tourism at the household level can be classified into three main categories: economic, environmental and sociocultural; this is consistent with the literature on the impacts of rural tourism (Gannon, 1994; Verbole, 1997; Dowling, 2003). However, the boundaries of these impacts were found to be fuzzy because they are interrelated (Mathieson & Wall, 1982; Gannon, 1994; Roberts & Hall, 2001; Boyne, 2003). The following subsections discuss the economic, sociocultural and environmental impacts of rural tourism found in this study and compare them with those described in the literature reviewed in Chapter 2.

7.2.1 Economic impacts of rural tourism

This study revealed that one economic impact of rural tourism at the household level is increased job opportunities for women and young people, which is also reported in the literature (Gannon, 1994; Hjlager, 1996; Verbole, 1997; Fleischer & Felsenstein, 2000; Faiguenbaum, 2001). Rural tourism is a family business managed by family members, principally women and young members of the family, and has therefore provided employment opportunities for them. This has had the positive effect of encouraging young people to stay in the area, which in the future may contribute to reduced out-migration; this is also reported in another study (Hjlager, 1996). Further, rural tourism has allowed women to have

employment without needing to travel to nearby towns. However, while rural tourism has allowed families offering rural tourism to increase job opportunities for the members of their households, it has not provided job opportunities for the entire community. Therefore, it seems that the employment effect of rural tourism is principally in redistributing household labour rather than in increasing employment in the overall community, as other studies have also found (Hjølager, 1996; Fleischer & Felsenstein, 2000; Faiguenbaum, 2001; Sharpley, 2002).

Rural tourism has also allowed households to increase their income. The increase in income was found to come both from income received for rural tourism services and from sales of agricultural and non-agricultural products. This finding supports those of other studies, in which increased income was a result of the revitalisation of local businesses such as crafts (Sharpley, 2002). In contrast to this research, Sharpley's (2002) study found that income benefits occurred across the whole community, whereas in this study the benefits accrued only to those households involved in supplying rural tourism. This may reflect the early stage of development of the rural tourism industry in the case community and - as the industry develops - therefore the income benefits may be larger, reaching community members other than those supplying rural tourism.

Households in this study who have diversified into rural tourism are very positive about its economic benefits, as is also reported in other research (Hjølager, 1996). In this study households have very few opportunities to diversify their livelihood strategies, rural tourism being one of these opportunities. The income benefits from rural tourism, although not large, are positive, allowing households to improve their housing conditions, as shown in other studies (Garcia-Ramon et al., 1995; Faiguenbaum, 2001). Further, in this study it was found that income earned through rural tourism has allowed households to increase spending on their children's education.

In the following section the sociocultural impacts of rural tourism at the household level are discussed.

7.2.2 Sociocultural impacts of rural tourism

Sociocultural impacts of rural tourism at the household level, as identified by this study, can be both positive and negative. One positive impact is that rural tourism has encouraged households to place a higher value on their traditions, which has a positive effect on the desire to preserve them. This is consistent with findings in other studies, where rural tourism has encouraged households to maintain their traditional agricultural practices as well as their cultural heritage (Fleisher & Pizam, 1997; Sharpley, 2002).

Children in this study identified one positive sociocultural impact of rural tourism as increased happiness in the locality, by which they meant that rural tourism has brought more entertainment and more people. Rural areas of Pucón district are very isolated and offer limited leisure activities. In contrast, urban areas such as Pucón town are full of people during summer and there are numerous summer activities on offer; rural children, however, do not usually travel to these areas. Therefore, in rural areas entertainment for tourists, such as outdoor recreational activities, has also become entertainment for local children. A negative impact of rural tourism on children was also identified, which is that for families providing rural tourism, children's leisure time during their holiday has decreased. Rural tourism occurs during the summer holiday, which is also the children's school holiday. Previously, children engaged in holiday activities, such as going to the lake and walking in the bush, accompanied by their parents, but with the development of rural tourism parents are busier and do not have time for these activities. In addition, children usually help their parents with rural tourism activities, which keep them busy and thus allow little free time. None of these impacts of rural tourism on children have been reported before in the literature because none of the studies reviewed have involved children. As a result of the findings of this study it is suggested that rural tourism also has an impact on children, which needs to be examined further by involving them in future research.

Women commented that their self-esteem has increased since their households have diversified into rural tourism. This has been because they are receiving monetary compensation for their work, which allows them to contribute to household income and makes them feel good about themselves. The literature

on tourism and women supports this finding, noting that as women receive money for their work, they are able to establish a more egalitarian relationship with men and gain economic independence (Garcia-Ramon et al., 1995; Oyarzun & Szmulewicz, 2003). It is also reported that when tourism opens up new roles for women and allows them to contribute to the family income, stress and changes in the family structure may result (Kinnaid et al., 1994; Scheyvens, 2002). These issues were not mentioned in this study, perhaps because interviews were carried out with all members of the household together; there were no in-depth interviews with women only (or men only). This suggests that further study is needed to explore gender and family issues.

Rural tourism has also allowed women in the case community to have contact with different people and their communication skills have improved as a result. This was also found in research in Spain, where rural tourism has allowed women to be more integrated into the outside world, making them feel pleased with their new employment (Garcia-Ramon et al., 1995). This finding of this study may be similar to that of the Spanish one because women in rural areas of both countries have had similar and mainly 'invisible' roles, carrying out domestic and agricultural activities with little contact with the world outside the farm (Garcia-Ramon et al., 1995; Oyarzun & Szmulewicz, 2003). Therefore, rural tourism is likely to be an empowering strategy for women in rural areas where women have similar characteristics, allowing them to have both a more visible role and contact with the world beyond their farms.

Verbole (1997) reported that rural tourism had increased pressure on women because of an increase in their working hours. Unlike Verbole's (1997) study, in this research it was found that women feel very positive about rural tourism. However, this research did not include an analysis of changes in the daily activities of women, so that further study to explore this may give a different perspective.

Negative sociocultural impacts of rural tourism were also observed. One negative sociocultural impact is a loss of family privacy, also noted by Gannon (1994). Rural tourism disrupts family privacy since households share family space with tourists, principally because of lack of facilities. This happens at present only during the summer, which lasts up to two months, January and February.

Therefore, it is likely to become more important as more months and years are spent with tourists. Facilities are thus very important, not only for fulfilling tourist expectations of a rural tourism experience, but perhaps also for separating family space from tourist space, and so reducing the negative impact tourist interactions and space sharing can have at the household level.

Participants also identified potential sociocultural impacts of rural tourism, suggesting that people are aware that rural tourism may have some negative consequences, even though these are not yet happening. Participants noted that rural youth are different from city youth, in terms of drinking habits and daily routine, and therefore interaction between the two may have negative effects. It was noted that this interaction happened only during the summer and that the effect is thus still minimal. However, as the rural tourism industry develops this impact may increase.

In the following section the environmental impacts of rural tourism at the household level are discussed.

7.2.3 Environmental impacts of rural tourism

Rural tourism has both positive and negative environmental impacts at the household level. One positive environmental impact is that rural tourism has increased households' environmental awareness. Tourists want to interact with a clean and natural environment - and to satisfy the tourists' expectations households thus have to ensure that this is what they find. This was also reported in Spain (Garcia-Ramon et al., 1995). Another positive environmental impact that was found in this study is that rural tourism has fostered native tree planting. The literature reports that rural tourism can lead to loss of vegetation, said to be the result of improper behaviour by tourists such as cutting flowers and careless use of fire (Mathieson & Wall, 1982; Lickorish & Jenkins, 1997). In contrast, in this study it was found that participants have been learning environmentally friendly practices from rural tourists. This is because the households said they themselves knew little about these practices, suggesting that rural tourists travelling to the case community are better educated in environmentally responsible practices than are the local households. Therefore, this indicates a

need to provide households supplying rural tourism with information about environmentally responsible practices. Further, it suggests that rural tourists are people with an interest in the environment and therefore that interaction between them and the host community, in environmental terms, may not be as negative as has sometimes been suggested.

A negative environmental impact of rural tourism in the study area is that it has increased waste problems. As is reported in the literature, in this research it was found that because of the increase in the number of people, there is increased solid waste to be disposed of as well (Mathieson & Wall, 1982; Gannon, 1994; Lickorish & Jenkins, 1997). Another negative environmental impact of rural tourism is an increase in noise. This is the result of an increase in the number of tourists and their vehicles, as in other studies (Gannon, 1994; Lickorish & Jenkins, 1997). At present, rural tourism in the case community is still at an early stage of development with low numbers of households supplying rural tourism and limited numbers of rural tourists. Furthermore, rural tourism has very marked seasonality, currently being carried out only during the summer, which lasts up to two months. However, Pucón is receiving more tourists every year and winter tourism is also becoming more popular (Ilustre Municipalidad de Pucón, 2001). It is likely therefore that rural tourism will become a popular form of tourism with greater numbers of tourists reaching the area and will eventually be carried out over the whole year. This suggests that, for rural tourism to be sustainable, as the industry develops the creation of strategies for proper management of solid waste and noise problems will become essential.

CHAPTER 8: CONCLUSIONS

This research was undertaken in order to answer the research question, 'How can smallholder farming households be assisted in their diversification into rural tourism?' The specific objectives of the study, in answering this question, were to identify the factors that influence rural tourism development at the household level and to identify the economic, sociocultural and environmental impacts of rural tourism on selected farming households. A multiple case study, involving two cases, was used to achieve the research objectives and answer the research question.

A conceptual framework was developed based on key concepts from the literature on rural tourism development, rural tourism management and rural development. This framework was used to design the data collection protocol and analyse the results. The research findings were compared to those in the literature, identifying similarities and differences both in the factors influencing rural tourism development and in the impacts of rural tourism at the household level.

In this chapter the study is concluded and an assessment of the research methods and suggestions for further research that have arisen from the study are set out.

8.1 RESEARCH CONCLUSIONS

Rural tourism is not a unique form of tourism in terms of the components of its product. Rural tourism, like any other form of tourism, requires facilities, natural and cultural attractions and infrastructure. Therefore, rural tourism will be cheaper and faster to develop in areas where there is an existing general tourism industry, since some of these components, such as facilities and infrastructure for tourists, will already be available in the locality.

Rural tourism will be more viable for some communities than for others. Rural tourism is adopted as a livelihood diversification strategy when there is household labour available, which is usually the case when there are few employment opportunities for some household members. Thus in communities where there are few diversification options and the area has the potential to provide a complete rural tourism product, rural tourism is likely to be a viable option. However, in communities where other diversification options are available, it is important to analyse the viability of rural tourism.

There are key principles for rural tourism development that apply across communities in different parts of the world. Therefore, experiences in other parts of the world will be helpful in shaping strategies for rural tourism development in Chile. However, there are also unique factors which are specific to particular communities. Rural tourism development strategies need to be targeted according to each community, taking into account its needs and characteristics.

Rural tourism is not a diversification option for all smallholder farming households. Households that have successfully diversified into rural tourism have particular economic and personal characteristics; they have adequate financial resources and have characteristics such as entrepreneurship, innovative capacity and ambition.

Farming households who are setting up their rural tourism product need technical assistance and specific skills in areas such as tourist management and activity design. Financial support for farming households to set up their rural tourism product and provide adequate facilities is also required. Financial assistance such as micro-credit schemes may be appropriate. Furthermore, this assistance should have medium to long repayment times, which would allow rural tourism demand to stabilise in the initial phases of rural tourism development and make debt repayment easier for households.

Rural tourism requires the involvement and support of all household members. However, household members who are more involved in rural tourism tend to be those who have time available and who carry out tasks which can be complemented with rural tourism tasks. These are likely to be the women and young members of the households. Therefore, it is likely that the targets of rural

tourism are those household members who have spare time and duties that are complementary to undertaking rural tourism. However, involving all household members is essential for the successful development of rural tourism.

Rural tourism, like any other small business, requires particular administration skills in aspects of small business management such as accounting and the fulfilment of tax obligations. In addition, it seems that small rural tourism ventures benefit from the creation of a rural tourism association to complement the products they offer, so that skills in leadership and organisational management are also important.

Local government is an important stakeholder in rural tourism development. The role of local government is to make the area more appealing for rural tourism through providing adequate infrastructure and facilities. Further, local government should be a willing partner in rural tourism development and should have the capacity to implement it effectively and sustainably, according to the needs of the local community. Therefore, building the capacity of local authorities and their staff in areas relating to rural tourism is also relevant for successful rural tourism development.

Rural tourism needs a regulatory framework that enables its development. Regulatory requirements should thus be appropriate to the size of the rural tourism ventures. Furthermore, the regulatory framework should be responsive both to the community's needs and to tourist requirements, particularly as regards the importance of local culture.

Local tourism agencies are also important stakeholders in rural tourism development. One important factor for successful development of rural tourism is the effective marketing of rural tourism products. This includes effective publicity and merchandising. To achieve this, it is essential to enhance contact, cooperation and coordination between rural tourism providers and local tourism agencies that commercialise the rural tourism product.

Rural tourism is a viable option for rural communities in Chile; it helps by providing employment opportunities in rural areas for those household members who otherwise would not have them, particularly women and young people. This

helps to reduce out-migration of these household members to nearby towns and cities. It also increases family income, which has a positive effect through improved household living conditions and increased spending on children's education.

Rural tourism is a strategy that can assist with women's empowerment, allowing them to increase their self-esteem and contribute to the family income. It has a positive effect on the maintaining of local traditions, leading people to value them more highly. It can increase environmental awareness among both locals and tourists. Rural tourism may also have negative impacts, such as loss of family privacy and increased noise and solid waste problems, issues that should be considered in the planning and management of rural tourism development.

8.2 ASSESSMENT OF RESEARCH METHODS

The case study method was considered an appropriate research strategy given the nature of this research, which explored in depth the experiences of households that have diversified into rural tourism. The multiple case study approach allowed comparison of results between cases, with ultimately richer research findings than would have been possible with a single case study. The selection of two cases was also appropriate considering the time and financial constraints on the research, as well as the complexity of the research topic, in which depth becomes more important than breadth.

The criteria used in selecting the case studies were based on regional statistics, which were the only data available to the researcher. In the event, these criteria did not accurately reflect the characteristics of the case communities. Therefore, if case communities had been selected on the basis of data relating to individual communities, this might have produced different results.

Selection of research participants using the snowball sampling method allowed the researcher to obtain information from a broad cross-section of the households in the study area that have diversified into rural tourism. Obtaining information from rural tourists would have added another perspective to the

findings. However, as data collection was undertaken in winter, when few tourists are present, this was not possible.

The use of semi-structured interviews was an effective method of data collection, allowing the researcher to have a focused and conversational exchange with the participants. This approach also allowed for clarification and elaboration of new questions as new issues arose. Participatory data collection methods were also useful in complementing the semi-structured interviews. Interviews were carried out with all the members of the household present. However, separate interviews for women and men would have provided greater insight into gender issues associated with rural tourism.

The qualitative data analysis procedure allowed identification of important concepts and systematic data analysis. Since transcribing and analysing each interview would require considerable time, the interviews were instead listened to carefully and summarised. This was a less time-consuming - though still rigorous - procedure which was carried out twice with each interview.

8.3 SUGGESTIONS FOR FUTURE RESEARCH

The case study approach was found to be very well suited to achieving the objectives of the research. Further case studies could be conducted to provide new perspectives and suggest new ideas for assisting farming households to successfully diversify into rural tourism. Criteria for selecting new case studies should include such things as differences in the area in terms of natural and cultural attractions. Case studies could also be conducted across national boundaries. Such studies would expand results and might provide different insights into the findings of the present research. In addition, selecting cases with marked differences in the stage of development of the rural tourism industry would also enlarge the scope of the present study.

In this study it was found that there is a lack of knowledge of the profile and motivations of rural tourists. Market research to explore rural tourists' expectations and motivations could thus provide a useful insight into the

components that should be included in the rural tourism product for each community. This could be useful in matching rural tourism supply and demand and therefore achieving successful development of rural tourism.

Further research is needed into the impact of rural tourism to gain a more complete picture of the benefits and consequences it can have for communities at various stages of its development. This will also provide further useful insight into the various issues that must be considered for sustainable management and planning of rural tourism development, taking into consideration the community and its issues, as well as the environment and the local economy.

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APPENDICIES

Appendix 1: Description of Rural Tourism Government Initiatives

The Chilean government has been undertaking, since 1995, a number of rural tourism initiatives. These have been shaped by different government organisations. This Appendix provides a detailed description of these initiatives.

Foundation for Agrarian Innovation (*Fundación para la Innovación Agraria*)

The Foundation for Agrarian Innovation (FIA) is a government agency which is part of the Ministry of Agriculture. It aims at promoting and incorporating innovation and technology in agriculture in order to increase productivity, product quality and sustainability of systems, and to diversify agricultural activities. While the FIA does not have specific funding for rural tourism, its funding is flexible enough to accommodate farmers' rural tourism initiatives. Since 1999, the FIA has provided funding for four rural tourism initiatives in Chile, with a total spending of US\$189,405 (FIA, 2005).¹ The FIA also has a 'Technology Tour Programme' (*Programa de Giras Tecnológicas*), the main aim of which is to provide funding for groups of people involved in rural tourism ventures, allowing them to visit initiatives similar to their own to create networks and share experiences (FIA, 2003). Between 1999 and 2001, five domestic Technology Tours took place in Chile, with a total of 57 participants. Five international Technology Tours also took place during the same period, with a total of 64 participants (FIA, 2003).

Productivity Promotion Corporation (*Corporación de Fomento a la Producción*)

The Productivity Promotion Corporation (CORFO) is a government agency which is part of the Ministry of Economics. Its main aim is to promote the economic development of the country by fostering productivity, principally of micro- and medium-sized enterprises, including those related to agriculture (CORFO, 2005). In terms of rural tourism, CORFO does not have specific funding available; however, rural tourism enterprises can apply to the following bodies for support:

¹ US\$1=CH\$569 (14 January 2005)

Technical Assistance Fund² (*Fondo de Asistencia Técnica*, FAT), Associations Project for Promoting Productivity³ (*Proyecto Asociativo de Fomento*, PROFO) (CORFO, 2005).

Technical Assistance Service (*Servicio de Cooperación Técnica*)

The Technical Assistance Service (SERCOTEC) is a government organisation which aims to assist small and micro-enterprises in improving their competitiveness and management practices. SERCOTEC provides technical assistance in various areas, including tourism and rural tourism. It offers 100% funding for the technical assistance it provides. It targets associations of enterprises, which have to apply for assistance by sending a proposal which is assessed according to the organisation's criteria (Gobierno de Chile, 2005; SERCOTEC, 2005).

National Service of Tourism (*Servicio Nacional de Turismo*)

The National Service of Tourism (SERNATUR) is a government service part of the Ministry of Economics which aims at promoting tourism. Its main role in the development of rural tourism has been in establishing cooperation agreements with other government agencies such as INDAP (below). These agreements have been mainly for promoting rural tourism products (SERNATUR, 2005). To

² Both individuals and groups can apply to the FAT. The fund covers consultancy in such areas as finance, marketing and commercialisation and planning. The consultancy is carried out based on a diagnostic for which applicants pay US\$91 while the institution provides the balance of US\$517. For group applications, each venture provides US\$60 for the diagnosis phase, and the institution provides US\$152. The fund then provides up to 50% of the total cost of the consultancy, up to a maximum of US\$3,043 (CORFO, 2005).

³ PROFO can be applied to by groups of similar business ventures (minimum of 5). The main aim of PROFO is to help consolidate these enterprises and increase their productivity. It targets medium-sized enterprises with a minimum net profit of between US\$36,527 and US\$3,043,000. Projects have three stages. The first is a diagnosis and preparation phase which is funded up to 80% by PROFO, to a maximum of US\$2,435 per enterprise. Each of the participating enterprises must also provide US\$609 during this stage, which can last up to a year. The second stage usually lasts up to three years. In this stage PROFO provides up to 70% of the cost of the project, gradually reducing its contribution to 50% by the third year. In this stage, its maximum contribution per year for each enterprise is US\$10,958. In the third stage, PROFO funds up to 50% of the total costs, to a maximum of US\$10,958 (CORFO, 2005).

this end, Sernatur has developed a web page where different rural tourism initiatives are promoted.⁴

National Institute of Agricultural Development (*Instituto Nacional de Desarrollo Agropecuario*)

The National Institute of Agricultural Development (INDAP) is a government agency that is part of the Ministry of Agriculture. Its main aim is to promote the social, economic and technological development of the smallholder agricultural sector (INDAP, 2004). In 1995 this agency created the National Rural Tourism Programme (*Programa Nacional de Turismo Rural*, PTR) which is the main rural tourism initiative in Chile (Faiguenbaum, 2001; INDAP, 2004). The main aim of this programme is to assist smallholder farming households in diversifying their livelihoods into rural tourism and obtaining a source of income other than from agriculture (Faiguenbaum, 2001).⁵ The number of rural tourism initiatives that has received assistance from INDAP has increased significantly, from 16 in 1996 to 60 in 2000. INDAP spending on rural tourism also increased significantly over this period, from US\$179,000 to US\$224,000 (Patri, 1999; Faiguenbaum, 2001).

The programme targets smallholder farming households. Those that have diversified are described as households seeking a new source of income. Usually they are families with grown-up children who do not live at home, because they have migrated to urban areas or because they have formed their own families (Faiguenbaum, 2001).

Those who apply for assistance can do it individually or as part of an association of rural tourism providers (Faiguenbaum, 2001). The most common type of

⁴ <http://www.sernatur.cl>

⁵ Farmers who want to diversify into rural tourism can apply for three forms of assistance (Faiguenbaum, 2001): **1) Feasibility Study:** INDAP will fund a feasibility study to identify rural tourism activity at the local and regional level. This also includes assistance in designing a potential rural tourism product. Studies are 100% funded by INDAP; **2) Technical Assistance:** INDAP subsidises technical assistance of up to US\$500 per farmer per year, with farmers having to cover up to 15% of the total cost of the assistance; **3) Financial Assistance:** INDAP has a number of assistance tools for smallholder farming households. However, the facility most used for rural tourism is long-term credit (more than one year). In 2001, this offered a maximum of US\$6,700 to individual farmers at an annual interest rate of 7.8% (Faiguenbaum, 2001).

diversification into rural tourism in Chile is through associations; currently there are about 30 rural tourism associations (*Redes de Turismo Rural*) (Faiguenbaum, 2001). Rural tourism associations are formed by a group of people from a particular locality. These associations have an active board, a democratically elected structure that meets regularly. The associations aim to increase access to financial institutions and reduce the costs of marketing and promotion of rural tourism products and services. They are also useful for obtaining permits for commercialising tourism products (Faiguenbaum, 2001). Table A.1. gives a summary of the number of individual rural tourism initiatives in Chile and those connected to associations.

Table A.1. Summary of the number of rural tourism initiatives assisted by INDAP

| Region | Projects | |
|--------------|------------|----------------------|
| | Individual | Through Associations |
| Region I | 1 | |
| Region II | 6 | 1 |
| Region III | 2 | |
| Region IV | 2 | 2 |
| Region V | 1 | 1 |
| Region VI | 1 | |
| Region VII | | 1 |
| Region VIII | 7 | 2 |
| Region IX | 11 | 23 |
| Region X | 13 | 65 |
| Region XI | 1 | 1 |
| Region XII | 1 | |
| Total | 46 | 96 |

Source: INDAP (2004)

Table A.1 shows that the main form of diversification is through an association. It also shows that the majority of these projects are located in Regions IX and Region X. These regions rely principally on traditional agriculture and also have significant landscape diversity and cultural richness, which have contributed to the development of rural tourism (Patri, 1999; Faiguenbaum, 2001).

Appendix 2: Semi-structured Interviews Checklists

Checklist of interviews at the Household level

| <i>Question objective</i> | <i>Potential questions</i> |
|--|---|
| To obtain information to describe the household | <ul style="list-style-type: none"> • How many people live in your house? • What is your primary occupation? • How many hectares do you have? |
| To obtain information to describe motivations of the household to diversify into rural tourism | <ul style="list-style-type: none"> • Why did you decide to diversify into rural tourism? • How long ago? • Can you describe the process? |
| To describe local rural tourism initiatives | <ul style="list-style-type: none"> • Are there any rural tourism initiatives in this area? • Have you participated in any rural tourism initiatives? • How did you know about the initiatives? • Which were the requirements to participate? • What have been the good and bad things about these initiatives? <p><i>Force Field Analysis</i></p> |
| To obtain information about the rural tourism products provided by the household | <ul style="list-style-type: none"> • What kind of rural tourism products and services do you offer? • How many tourists can you receive? • How many tourists are you receiving? • Do you keep a record? • How do these numbers change according to the season? • What are the factors that influence the number of tourists? • Do you need any particular permit to provide rural tourism? • Do you have those permits? • Are you part of any rural tourism association? • What are the advantages and disadvantages of being part of an association? |
| To obtain information to describe rural tourists | <ul style="list-style-type: none"> • Can you describe rural tourists? • What types of people are coming to your place? |
| To describe the marketing of rural tourism products | <ul style="list-style-type: none"> • How do tourists know about your products? |
| To identify the factors that influence rural tourism development | <ul style="list-style-type: none"> • What are the 'success' factors in rural tourism? • What are the constraints you have found in the diversification process? • How have you overcome those? |

| | |
|---|--|
| | <ul style="list-style-type: none"> • Who has helped you in overcoming them? • Are you able to satisfy rural tourists' demands? • What are these demands? • What would you like for the future of rural tourism at your household? How can you achieve this? |
| To obtain information about the economic impacts of rural tourism at the household level | <ul style="list-style-type: none"> • How is rural tourism regarding income generation in your house? • What kind of things can you do now that you couldn't do before? • Are the benefits extrapolated to the whole community? • How many members of your family work in rural tourism? • What types of activities do they carry out? • How has this influenced your family? • Do you hire any non-family members during the summer season? |
| To obtain information about the economic impacts of rural tourism at the household level | <ul style="list-style-type: none"> • Has rural tourism caused some changes in your household? • Describe these changes? • How have these changes been for your family? • Do you like tourists coming to your place? Why? • How is rural tourism for your culture? |
| To obtain information about environmental impacts of rural tourism at the household level | <ul style="list-style-type: none"> • Has the development of rural tourism led to any changes in the natural environment of your house? • Have you noticed any particular changes in the natural environment of your house? • How has rural tourism been for the environment? • Has rural tourism caused any positive or negative changes in the natural environment? |

Checklist of interviews with government organisations

| <i>Question objective</i> | <i>Potential questions</i> |
|--|--|
| To describe the role of the institution in rural tourism development | <ul style="list-style-type: none">• What is the role of the institution in rural tourism development?• What types of rural tourism initiatives has the institution carried out? |
| To obtain information to describe the initiatives | <ul style="list-style-type: none">• Who are the beneficiaries of the initiatives?• How do they know about them?• What type of assistance do you offer?• Do you monitor the initiatives? How?• Do you evaluate the initiatives?• What are the lessons learned? |
| To explore relationship with other institutions | <ul style="list-style-type: none">• Does the institution work with other institutions?• What are the roles? |
| To identify the factors that influence rural tourism development | <ul style="list-style-type: none">• What are the factors the institutions has observed as success factors?• What do the successful initiatives have that others don't?• What are the limitations for the successful development of rural tourism?• How can these be overcome?• What are the future expectations for rural tourism?• What is the role of the institution in this future? |

Appendix 3: Written Consent and Ethical Approval

Consent Form

THIS CONSENT FORM WILL BE HELD FOR A PERIOD OF FIVE (5) YEARS

I have read the information sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I agree/do not agree to the interview being audio taped.

I agree to participate in this study under the conditions set out in the Information Sheet.

Signature:.....**Date:**.....

Full name – printed.....

Information Sheet

Researcher: Ignacia Holmes

Ignacia.Holmes.1@uni.massey.ac.nz

Supervisors: Anton Meister, Janet Reid, and Ganesh Rauniyar

J.I.Reid@massey.ac.nz

This research project is being carried out in partial fulfilment of the requirements to obtain the degree of Master of Applied Science in Rural Development. This research aims to provide useful information to policy makers for assisting farming households in their diversification into rural tourism. The objectives of this research are to describe the factors influencing rural tourism development, and the impacts of rural tourism at the household level.

Participant recruitment

Participants were selected from a range of farming households that have diversified into rural tourism and were identified through key informant interviews and other participants.

No discomfort or risk is expected to occur to the participants as a result of the interview process.

Project procedures

The data collected during the interviews will be used by the researcher (with input from the project supervisors) to answer the research questions. Data will be collected largely by audio tape recorder and participant observation, with the researcher making additional notes as required. Once the data have been obtained they will be transcribed from tape to paper for the purposes of analysis. Data will be stored on tape and in hard copy in secure storage at all times. Following completion of the research project data stored on tape and paper will be destroyed by incineration at the end of 2008 by Institute of Natural Resource administration staff.

A summary of the project findings will be made available to the participants prior to finalising the thesis draft.

Confidentiality and anonymity will be preserved. No names will be used in the final report.

Participant involvement

Participants will be involved in semi-structured interviews. The time limit of this interview will be at the discretion of the participant. Participatory methods will be used in order to facilitate discussion about particular issues.

Participant's rights

You have the right to:

- ◆ decline to participate;
- ◆ decline to answer any particular question;
- ◆ withdraw from the study at any point;
- ◆ ask any questions about the study at any time during participation;
- ◆ provide information on the understanding that your name will not be used unless you give permission to the researcher;
- ◆ be given access to a summary of the project findings when the project is concluded.

I understand I have the right to ask for the audio tape to be turned off at any time during the interview.

Project contacts

The participant is welcome to contact the researcher and supervisors if s/he has any questions regarding the project. The researcher and supervisors can be contacted at the above address.

Ethical Approval

This project has been reviewed and approved by the Massey University Human Ethics Committee, PN Protocol NO/NO. If you have any concerns about the conduct of this research, please contact Professor Sylvia V. Rumball, Chair, Massey University Human Ethics Committee: Palmerston North, email S.V.Rumball@massey.ac.nz.

Ethical Approval Document



Massey University

17 March 2004

Luz Cheyre
1-109 Te Awe Awe Street
Hokowhitu
PALMERSTON NORTH

OFFICE OF THE ASSISTANT
TO THE VICE-CHANCELLOR
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humanethics@massey.ac.nz
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Dear Luz

Re: Socio-economic impacts of rural tourism on farming households and local communities: A case study of two communities in Chile

Thank you for the Low Risk Notification that was received on 17 March 2004.

You may proceed with your research without approval from a Campus Human Ethics Committee. You are reminded that this delegated authority for approval is based on trust that the Screening Questionnaire to Determine the Approval Procedure has been accurately filled out. The delegated authority is valid for three years. Please notify me if situations subsequently occur which cause you to reconsider your initial ethical analysis.

Please ensure that the following statement is used on all public documents, and in particular on Information Sheets:

"This project has been reviewed, judged to be low risk, and approved (note to applicant: include the process below that is most appropriate to practice within your Department, School or Institute)

by the researcher

by the researcher and supervisor

by peer review (if you followed that process)

by other appropriate process (outline the process appropriately)

under delegated authority from the Massey University Human Ethics Committee. If you have any concerns about the conduct of this research, please contact Professor Sylvia Rumball, Assistant to the Vice-Chancellor (Ethics & Equity), telephone 06 350 5249, email humanethics@massey.ac.nz".

Please note that if a sponsoring organisation, funding authority, or a journal in which you wish to publish requires evidence of Committee approval (with an approval number), you will have to provide a full application to a Campus Human Ethics Committee.

Yours sincerely

Professor Sylvia V Rumball, Chair
Assistant to the Vice-Chancellor (Ethics & Equity)

cc Dr Ganesh Rauniyar
INR, PN433

Massey University Human Ethics Committee
Accredited by the Health Research Council



Appendix 4: Force Field Analysis Results

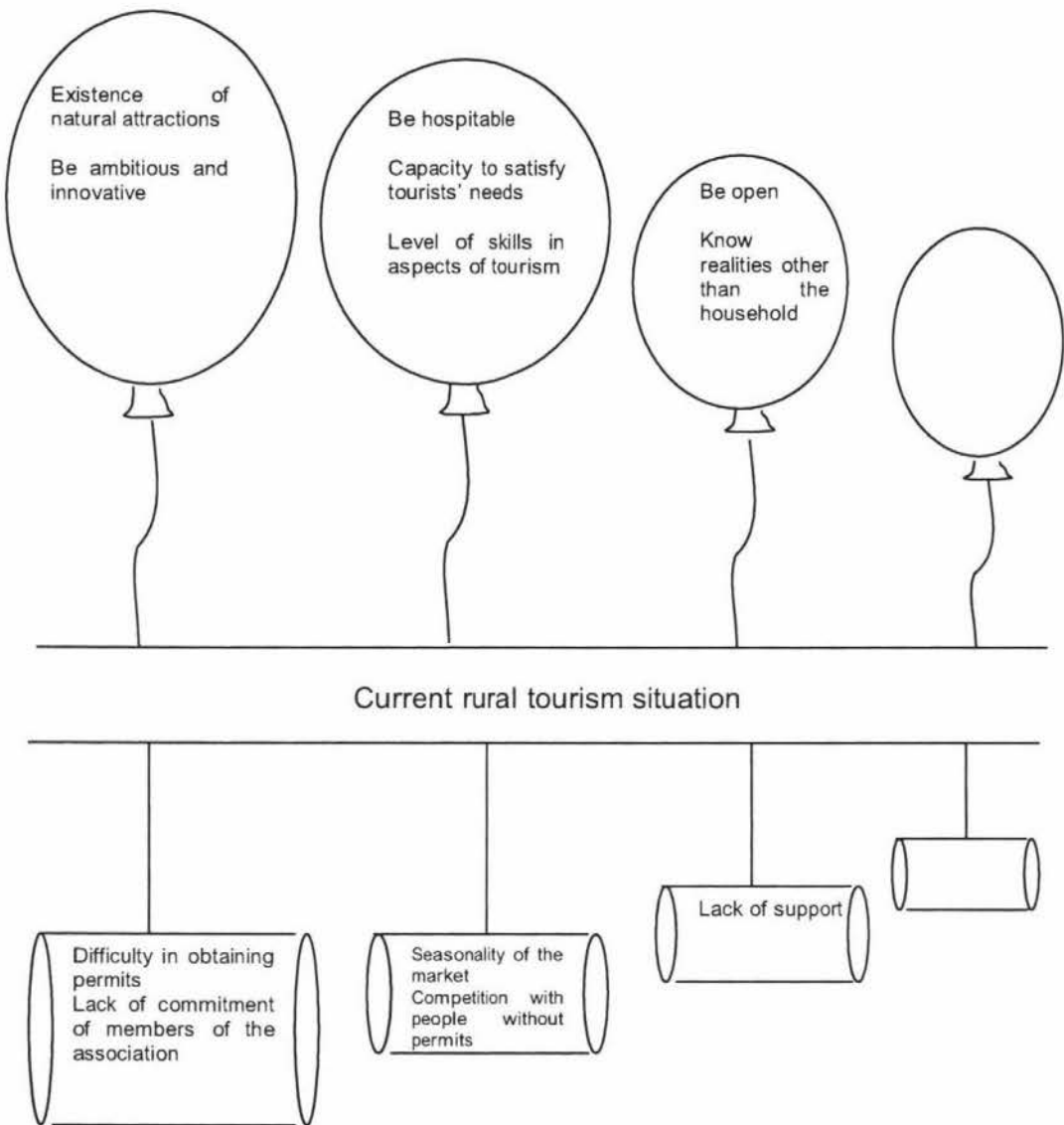


Figure A.1. Force Field Analysis Completed by Male farmer from Pucón

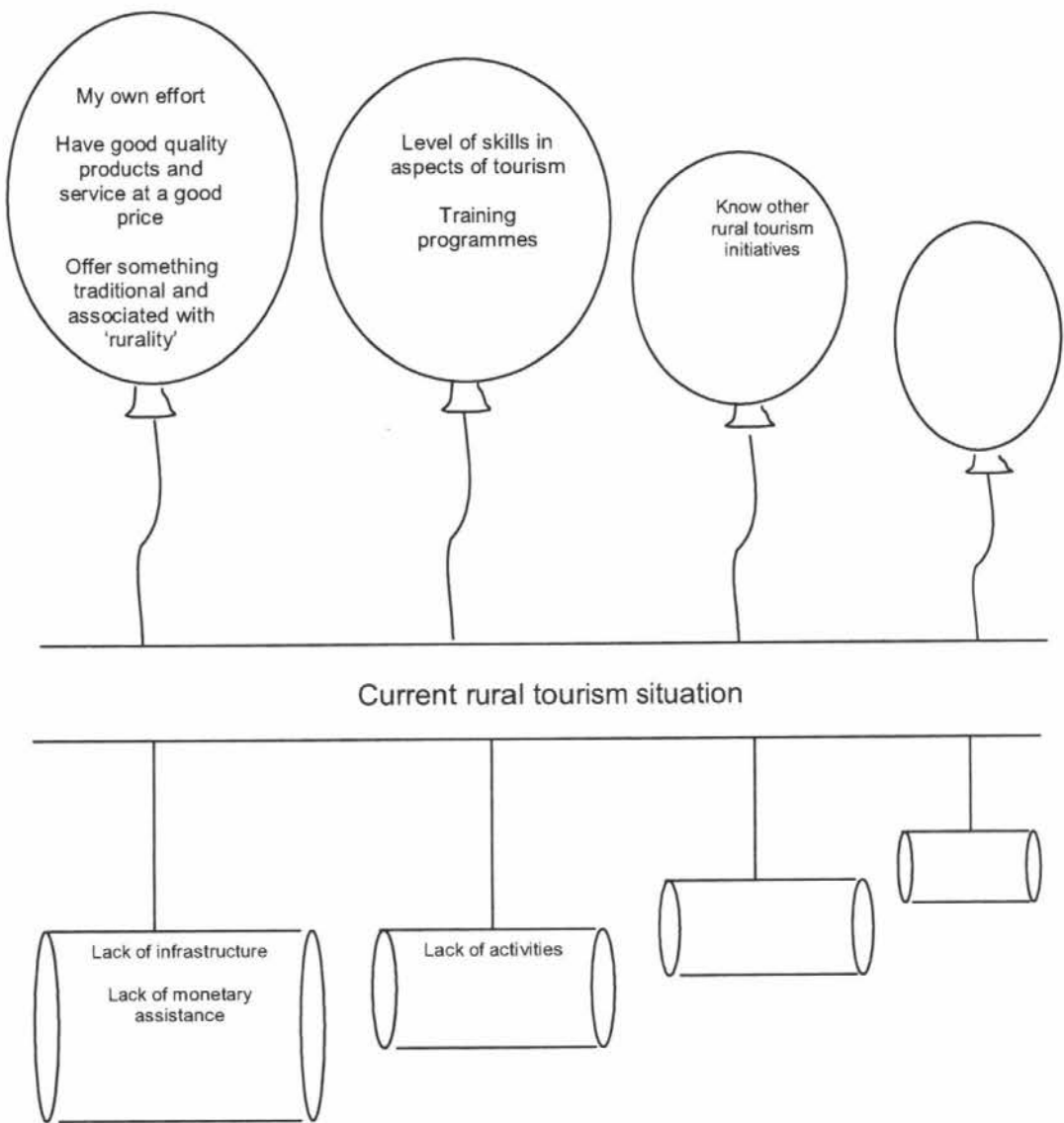


Figure A.2. Force Field Analysis Completed by Woman farmer from Pucón

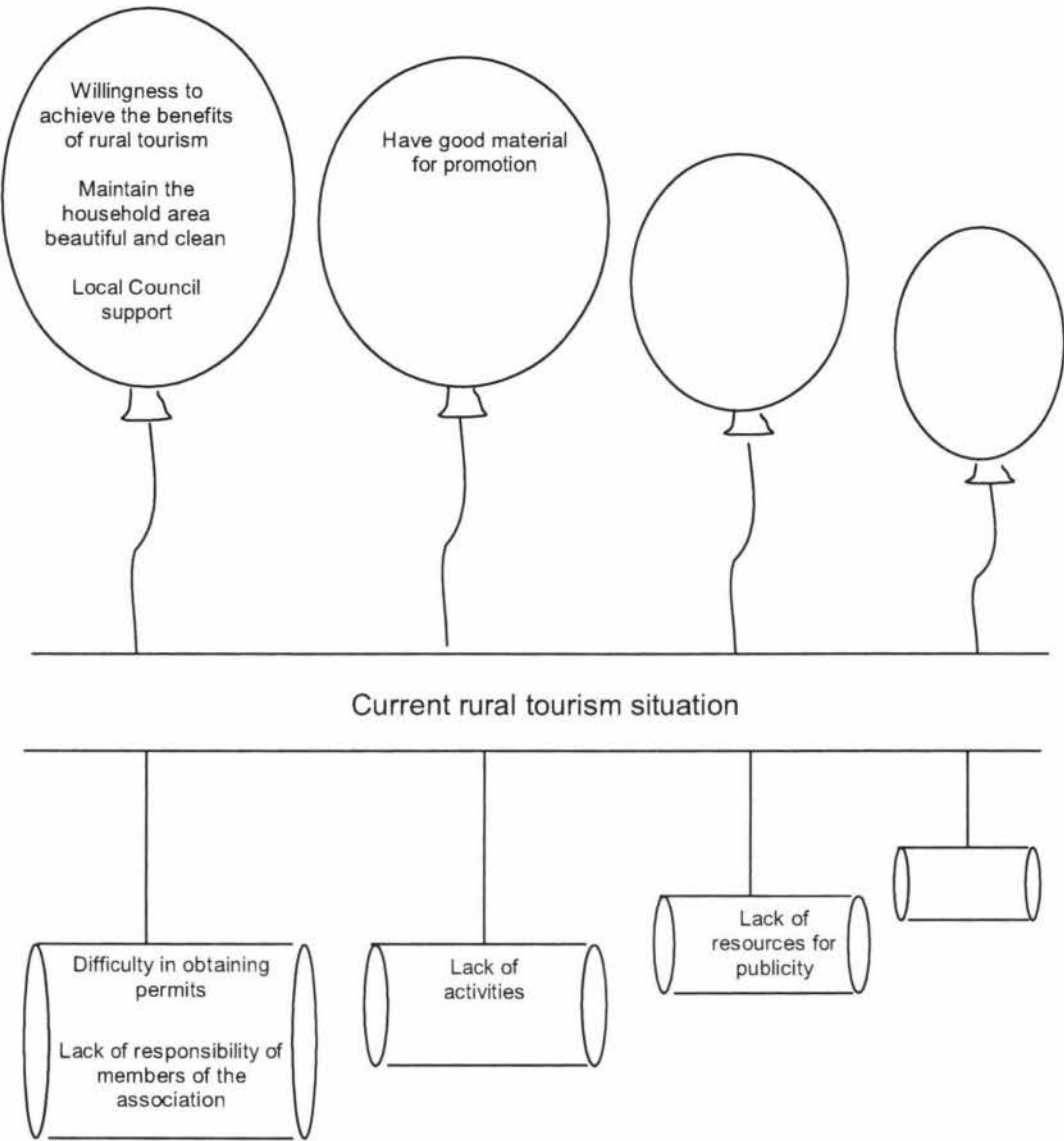


Figure A.3. Force Field Analysis Completed by Woman farmer from Pucón

Appendix 5: Impact Ladder Results

This appendix presents the results of the impact ladder method carried out with different participants. This method was carried out for obtaining information on the household income level before rural tourism and after rural tourism.

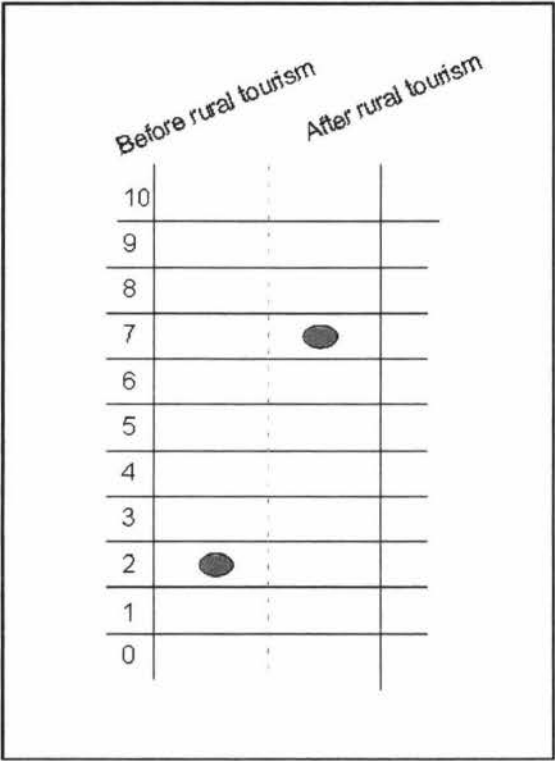


Figure A.4. Impact Ladder completed by a woman farmer from Pucón case community

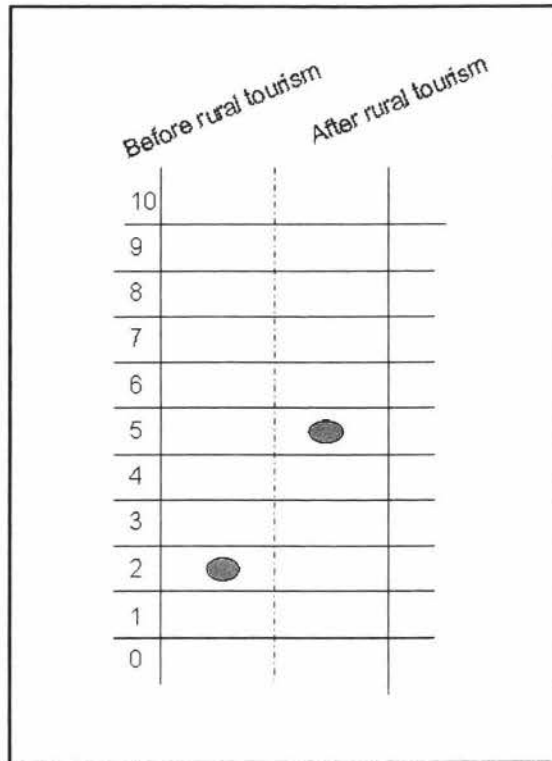


Figure A.5. Impact Ladder completed by a man farmer from Pucón case community

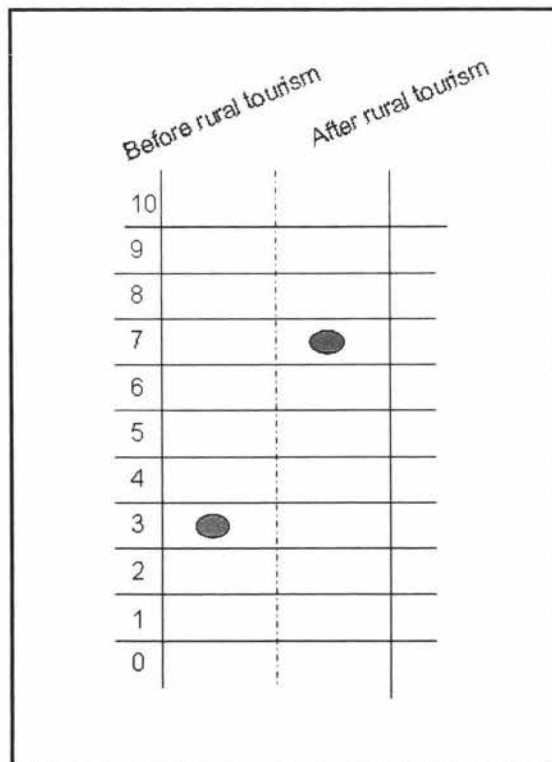


Figure A.6. Impact Ladder completed by a woman farmer from Pucón case community

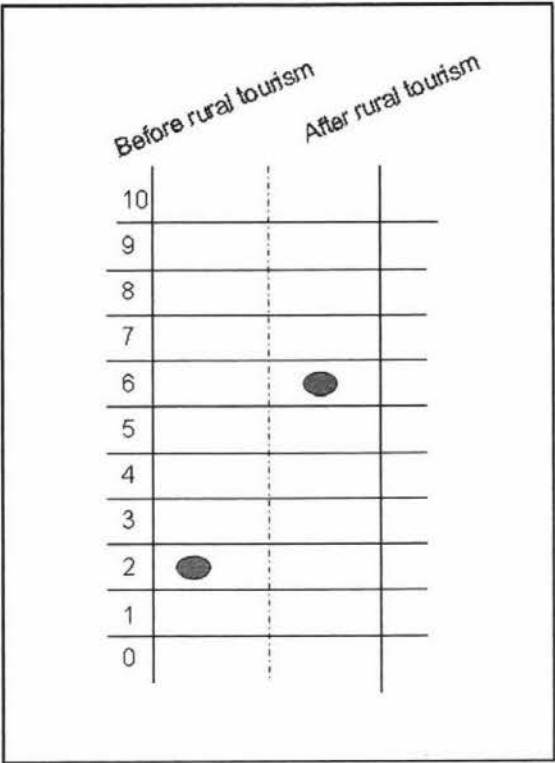


Figure A.7 Impact Ladder completed by a woman farmer from Pucón case community

Appendix 6: Venn Diagram Results

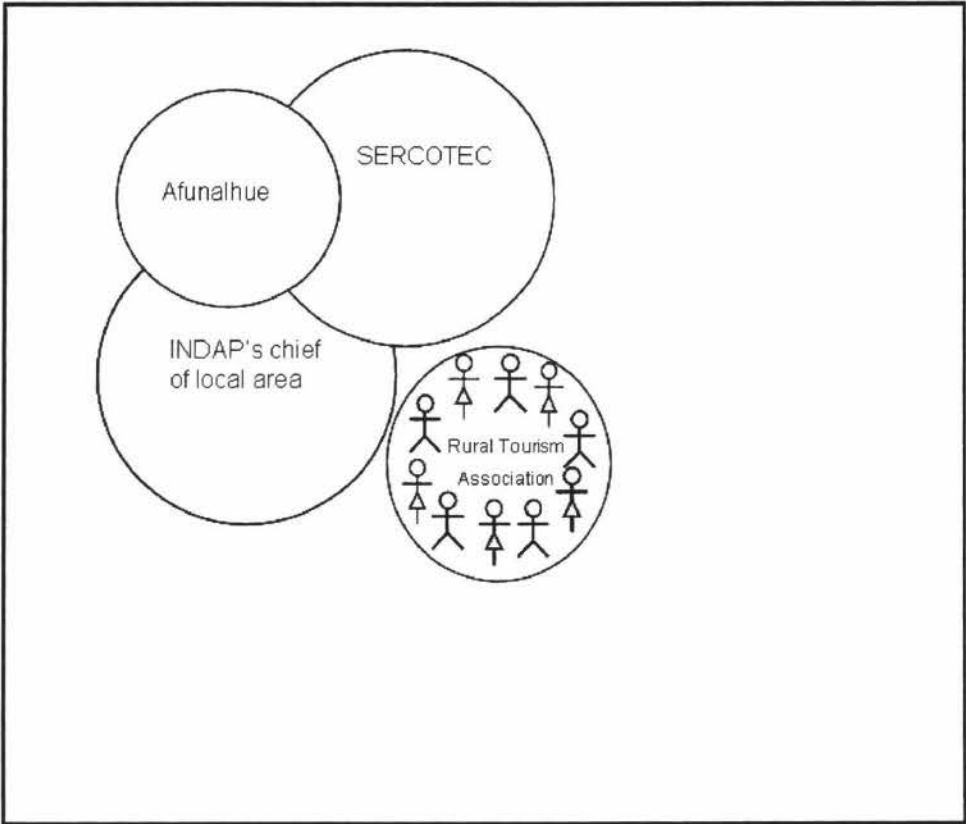


Figure A.8. Venn diagram completed by a woman farmer from Pucón case community

Figure A.8 represents the institutions involved in rural tourism since its inception in the Pucón case community.

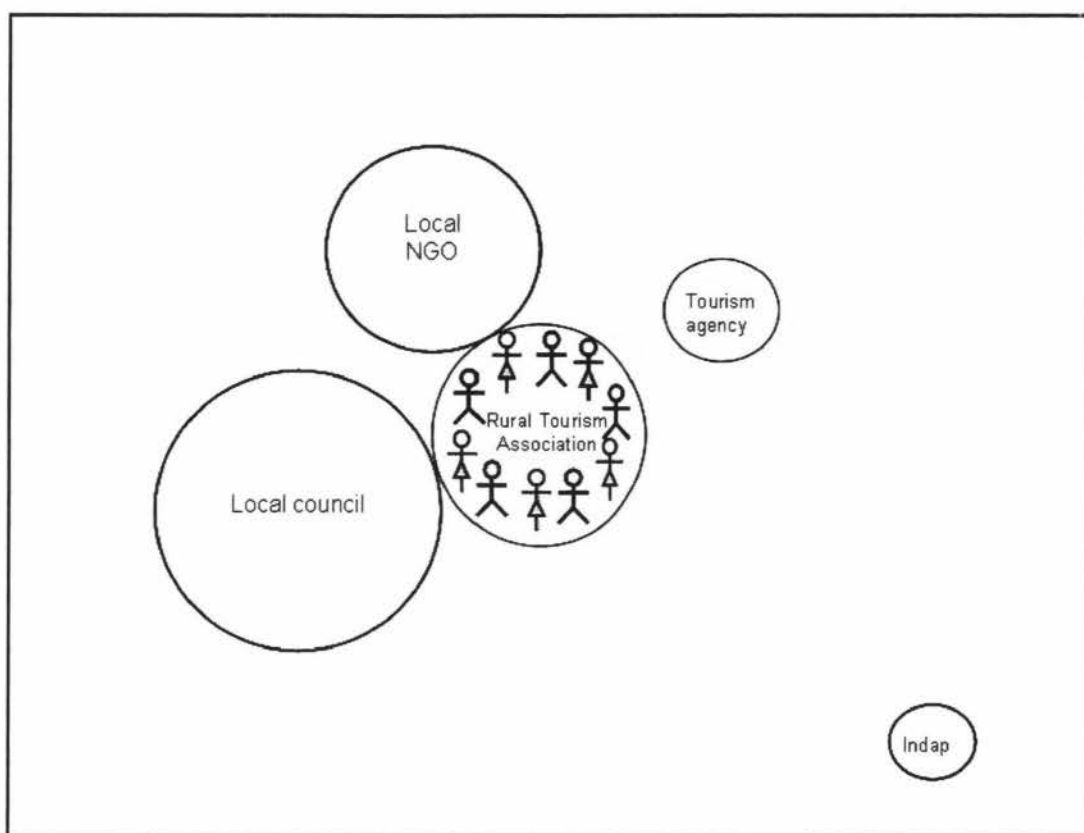


Figure A.9. Venn diagram completed by a woman farmer from the Pucón case community

Figure A.9, Illustrates the organisations that are currently involved in rural tourism development in the Pucón case community.

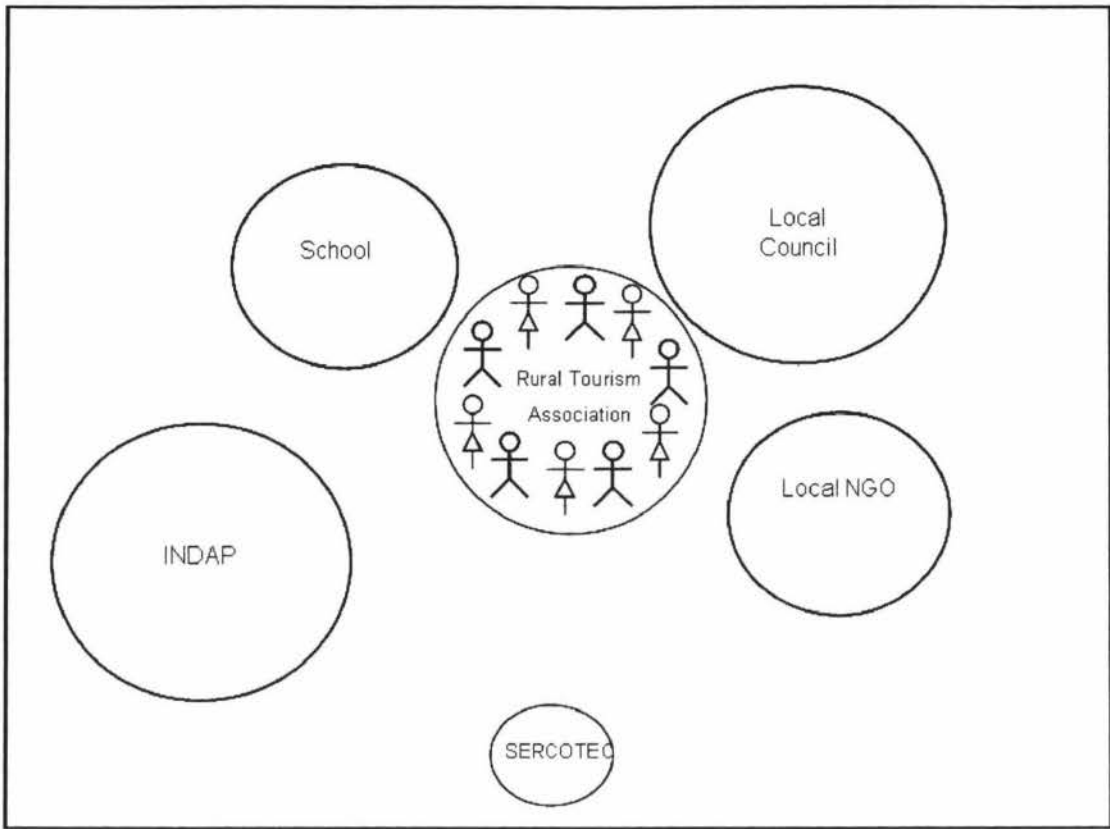
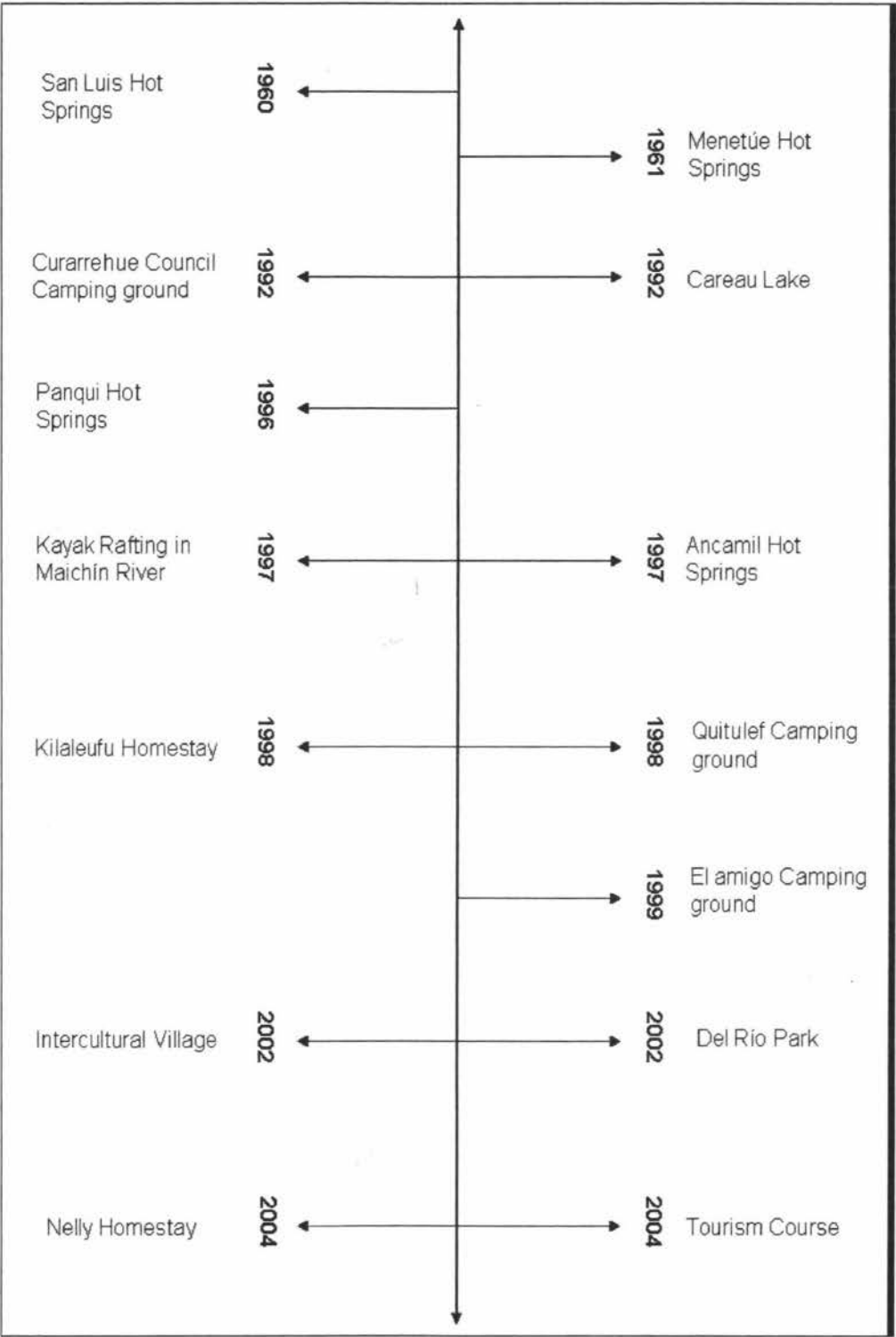


Figure A.10. Completed by a male farmer from Pucón case community

Figure A.11. Time Line completed by a group from Curarrehue case community



Appendix 7: Time Line results