Black Economic Empowerment and South African Tourism: The Early Pioneers

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Abstract

The question of Black Economic Empowerment and redressing racial economic balances in South Africa has been a major policy theme since democratic transition in 1994. Amongst many sectors impacted by empowerment and transformation initiatives tourism has been prominent. National government has introduced a series of policy measures seeking to expand Black participation in the national tourism industry. A growing scholarship exists on this issue. It is argued that historical research contributes a fresh perspective on debates relating to Black Economic Empowerment and transformation of South Africa’s tourism industry. Using archival source material the article highlights the activities of two pioneer Black entrepreneurs whose involvement in the tourism industry of South Africa stretches back to the 19th century. It is recommended that further historical investigations are merited concerning issues around Black entrepreneurship in South Africa’s tourism industry prior to the implementation of transformation initiatives.

Keywords: Black Economic Empowerment; transformation; South African tourism industry; historical tourism

Introduction

During the post-apartheid period Black Economic Empowerment has been one of the major policy priorities for South Africa’s national government in its attempt to redress the apartheid legacy (Ponte et al. 2007). The politics and implementation of this policy has been highly controversial and is attracting a growing scholarship (Southall, 2007; Tangri & Southall, 2008). Multiple initiatives have been launched since 1994 to transform the racial complexion of the ownership structure and expand the participation of disadvantaged groups under apartheid across many sectors of the national economy (Williams, 2005; Ponte et al., 2007; Du Toit et al., 2008) and now including the tourism sector. In terms of targeted racial groups the policy of Black Economic Empowerment applies particularly to the country’s Black (African) community which largely was excluded from participation in the mainstream economy during the apartheid period.
Transformation of the economic complexion of South Africa’s tourism economy has been a central thrust of national government so as to redress past wrongs. This issue has moved up the tourism agenda in particular since 2000 when after a visit to the Tourism Indaba (the major tourism trade fair in South Africa) in Durban the Minister identified that a core problem of the tourism sector was that it was massively dominated by white entrepreneurs (Rogerson, 2003, 2004a, 2004b, 2004c). Over the past two decades national government has innovated a series of measures to address white domination and to promote a progressively greater involvement of Black entrepreneurs in the tourism economy. Among others Adinolfi et al. (2018: 89) argue that “tourism is a sector that ideally provides outstanding opportunities to support transformation”.

Much policy intervention has surrounded initiatives for encouraging and supporting Black small enterprise development in the South African tourism industry. Examples include the activities of the Tourism Enterprise Programme, the funding support programmes offered by national government for Black entrepreneurs, the establishment of tourism business incubators, and of attempts to nurture particular tourism niches, such as township tourism, in which opportunities exist for Black entrepreneurship. These expanding policy initiatives have attracted a notable scholarship (Goudie et al., 1999; Rogerson, 2003, 2004a, 2004b, 2004c, 2007, 2008; Magi, 2010; Rogerson & Rogerson, 2019a).

The focus on Black involvement in tourism small enterprises has been a particularly strong theme of investigations. The most recent contributions have sought to examine, for example the factors either limiting and promoting Black-owned tourism SMMEs in tourism value chains (Adinolfi et al., 2018; Harilal & Nyikana, 2019). Specific attention has been accorded also to questions relating to transformation within the South African accommodation industry (Rogerson, 2004b; Mofokeng et al., 2019). Further, in new policy interventions South Africa’s national Department of Tourism has been exploring the possibilities for using public procurement to leverage the greater involvement of Black entrepreneurs into the tourism landscape (Rogerson & Rogerson, 2019a, 2019b). Research works on the latter initiatives once again are concerned with the value chains of tourism enterprises (cf. Adinolfi et al., 2018).

The common denominator in all of this emerging stream of scholarship about Black Economic Empowerment and transformation in the tourism sector is the contemporary focus of these investigations. It is against the above backdrop of research around Black Economic Empowerment and economic transformation that this paper adopts an historical perspective. The article seeks to offer a modest contribution to the burgeoning literature and debates around the transformation of the South African tourism industry. More specifically, by utilising a range of archival sources it seeks to argue that Black ownership of tourism enterprises in South Africa is not an entirely new phenomenon and that an earlier undocumented phase of Black involvement in the tourism economy merits some attention. The particular focus is on documenting the participation of two Black entrepreneurs whose involvement in the tourism industry of South Africa stretches back to the 19th century. The analysis is situated as a contribution both to the literature on Black Economic Empowerment and tourism as a whole and as well to the small body of scholarship that seeks to investigate historical issues and questions about the evolution of tourism and the tourism industry in South Africa.

**Historical Research on Tourism in South Africa**

Since 1994 the volume of scholarship about tourism in South Africa has expanded markedly. The overwhelming majority of that literature has examined, however, a range of contemporary issues about the tourism and hospitality sector. Grundlingh (2006: 104) correctly observed the general state of ignorance of developments that preceded the current phase in the South African and remarked “the history of tourism in South Africa has remained a largely uncharted field”. In common with the broad corpus of tourism scholarship as a whole the bulk of tourism
writings in South Africa can be described using the language of the eminent tourist historian, John Walton, as ‘present-minded’ (Walton, 2009a).

In terms of international historical tourism scholarship Walton’s many works are highly influential (1997, 2000, 2002, 2005a, 2009a, 2009b, 2016, 2017). Indeed, Walton has been a major advocate of the multiple benefits of undertaking further historical research about tourism. In the wake of the underdevelopment of historical tourism research Walton (2005b, 2009a, 2009b, 2017) continuously relays a message of the need for scholars to engage more seriously with the past in tourism research. For example, in one reflection he argued strongly that tourism scholarship “should begin to pay serious attention to the relevance of historical research” (Walton, 2005: 3).

Likewise, in a parallel call for further historical excavations in tourism, Karen Harris (2017: 223) argues for “taking history on tour”. This lacuna in knowledge concerning tourism history is particularly great in the context of sub-Saharan Africa (Walton, 2017). In a number of recent contributions made by Jayne Rogerson (2017, 2018) it is pointed out the need for South African scholars to devote greater attention to historical aspects of tourism development. In particular, she challenges the limited existing body of research which has been produced by South Africa’s community of tourism geographers and issued a call for greater understanding of ‘tourism geographies of the past’ (Rogerson, 2016, 2017).

Only a small number of research studies so far have been undertaken in terms of applying an historical lens to tourism development issues in South Africa. This said, one must note the seminal account of South Africa’s tourism industry produced in the 1930s by Norval (1936). In addition, one must acknowledge the pioneer works of Jane Carruthers (1989, 1994, 1995) on the making and political history of South African national parks especially of Kruger National Park and Pilanesberg National Park (Carruthers, 2011). From the perspective of a historical geographer Shirley Brooks (2005) explored further historical issues of nature tourism in the context of Hluhluwe Game Reserve during the period 1930-1945. Other scholarly works around historical nature tourism include that by Brett (2018). A useful overview of the extended history of tourism in South Africa is provided by Sanders and Barben (2007).

In an early contribution about historical tourism in the country Wolf (1991) recounts the encounters of American tourists visiting South Africa during the interwar period. The geographer, Gordon Pirie (2009, 2011, 2013) has authored a number of influential contributions variously on the early development of drive tourism, cruise tourism and of the development of British imperial air travel in the 1930s. Foster (2003) draws attention to the vital role played by the railways and of South African Railways and Harbours in the development of tourism in South Africa. Extending this field of work relating to transport mobilities, Gupta (2015) has examined port spaces and early leisure development around South Africa’s coastal centres in association with tourism passenger cruise liners. The value of using postcards in historical tourism studies was highlighted by Jeanne Van Eeden (2011, 2012, 2014) who shows that for many years the object of the tourism gaze was ‘empty landscapes’. Further, in an alternative focus, Van Wyk (2013) provides a valuable account of the development of health tourism in South Africa by exploring the country’s reputation as a health resort with its network of thermal mineral springs such as at Caledon or Montagu in the Western Cape Province.

In a classic article Albert Grundlingh (2006) directs attention to the very limited scholarship about tourism in the apartheid period and highlights the general neglect of tourism by South African historians. From a geographical viewpoint Jayne Rogerson (2016, 2017) uncovers and discloses the struggles around beach apartheid in South Africa’s major coastal centres during the apartheid yeas. Further shedding light on the apartheid period is the work by Teversham on the segregated leisure spaces allocated to Africans in the apartheid period. Historical urban tourism research has been undertaken on Cape Town by Bickford-Smith (2009). This has been followed up by studies on the changing nature of the hotel industry development in South Africa as a whole and especially its linkages with the liquor industry (Rogerson, 2011).
More focused investigations have been undertaken on urban tourism and hotel development histories also in the case of Johannesburg (Rogerson, 2018; Rogerson & Rogerson, 2018, 2019c). Of particular note during the apartheid period was the expansion of the conference industry and the rise of business tourism which was particularly important in Johannesburg, South Africa’s leading economic centre (Rogerson, 2019).

It is within this emergent scholarship using an historical approach that this paper contributes by investigating pioneer Black entrepreneurs in the tourism industry. In terms of sources the research is based on archival work and draws from material obtained from historical collections of material housed at the National Library in Cape Town and at the Amatola Museum in King William’s Town.

**An Historical Perspective on Black Economic Empowerment in Tourism: A Tale of Two Pioneers**

This section profiles some of the Black entrepreneurs operating in the 19th century Cape Colony, later Cape Province, and specifically in areas which now are part of the province of Eastern Cape. Historically, it is documented that Black people have for a long time been excluded and marginalised in participating in the mainstream economy. In particular, as a result of segregation and apartheid legislation multiple constraints were imposed on Blacks to either acquire businesses or become entrepreneurs especially in urban areas and the so-called space of what was deemed ‘White South Africa’ (see Beavon & Rogerson, 1990).

It should be stressed that under apartheid due to the fact that Blacks were deemed as ‘temporary sojourners’ they were encouraged to develop businesses only in the space of the designated Homelands which were territories set aside for black inhabitants of South Africa and South West Africa (now Namibia), as part of the racial segregation policy of apartheid. Such legislation did not apply in the colonial period of the late 19th century when we have records of the existence of tourism businesses – accommodation establishments – which were owned and operated by Black (African) entrepreneurs. The two pioneer Black entrepreneurs in tourism in South Africa who established and operated their businesses in the Cape Colony were Paul Xiniwe and Meshach Pelem.

**Paul Xiniwe**

Paul Xiniwe was a well-known African entrepreneur of his time. Skota (1930) describes Xiniwe as an entrepreneur that had high regard for the welfare of his people. Xiniwe was married to Eleanor Xiniwe (Miss Ndaway) who later took an interest in entrepreneurship when Paul Xiniwe died (Skota, 1930). Paul Xiniwe was known to have purchased several properties in East London, Port Elizabeth and King William’s Town. His businesses included owning a number of trading stores and – of critical interest - a hotel (Skota, 1930). Indeed, elsewhere Xiniwe is described as a pioneer of Black business and an esteemed African intellectual (Webb, 1993).

Prior to Xiniwe’s involvement in business he worked as a teacher. He ventured into business in 1885, when he was known to have been persuaded by J.T Jabavu, the founder and editor of the first Black owned newspaper known as *Imvo Zabantsundu* in King William’s Town. It was at this time when Xiniwe moved to King William’s Town that he purchased the property of the hotel in 1895. Xiniwe was also a political activist and an advocate for equal rights amongst all races. In his commitment to politics in 1887 he was an executive member of a political organisation known as *Imbumba Iliso Lomzi Zabantsundu* (Union of Native Vigilance Association). In later years Paul Xiniwe left this association and instead became part of the formation the South African Native Congress which had opposing views to that of *Imbumba Iliso Lomzi Zabantsundu*.
Xiniwe was the owner of the Temperance Hotel, a double storey building that was situated at the Market Square in King William’s Town (Plate 1). During the late 19th century it is evident that King William’s Town “was an important urban centre” (Webb, 1993: 47). Indeed, it is recorded that The Temperance Hotel was a popular place throughout the Cape Province (Skota, 1930). Certainly, the Temperance Hotel must be recognised as the first Black owned hotel in the Cape Colony and thus for South Africa as a whole. It was known to be a place where Black people could make use of without experiencing discrimination (Webb, 1993). The Temperance Hotel was recognised as a major attraction that catered for Africans travelling in the area and in need of accommodation (Webb, 1993). It is apparent that the hotel was a space that had significant meaning for African people at the time and could be interpreted as a social space. Indeed, Z.K Matthews (1961a) identifies it as a ‘centre of culture’ and ‘home away from home’ for many Africans.

Throughout its lifetime, many Africans were known to frequent the hotel often spending one or more nights there. Others would use the hotel as a social space and just go there for meals or rest after a day of shopping in King William’s Town (Matthews, 1961a). Further, it is known that the Temperance Hotel was popular among students. Many students from Lovedale, St Matthews and Healdtown were accommodated at the hotel or spent time there “because of the railway timetables” (Webb, 1993: 48). One can gather also that the hotel played a significant role for Black political gatherings and engagements at the time and was a space where Blacks could freely hold meetings and discussions. It is claimed even that political figures such as Bantu Stephen Biko were known to be regulars at the hotel. The Temperance Hotel is also featured in the T.V series Ingqumbo Yeminyanya by A.C Jordan; in one scene the Prince of the Mpondomise clan is seen entering into a building namely the Temperance Hotel as illustrated in the series. The Prince was at the hotel to meet his fellow countrymen and to discuss his Kingship.

It is important also to observe the participation of Black women in the tourism business Mrs Xiniwe was described as having the necessary qualities to run a business. And, when Paul Xiniwe died in 1902, Mrs Xiniwe managed and successfully controlled all the businesses including the hotel (Skota, 1930). It is thus that Mrs Xiniwe emerges as one of the first Black women who managed extensive business interests in South Africa at the time (Skota, 1930). After Mrs Xiniwe’s death the second son became the owner of the hotel but it was later transferred to the youngest son (Skota, 1930).
Meshach Pelem

A second Black pioneer tourism entrepreneur was Meshach Pelem. He was another prominent figure in Black South African history, part of the educated elite and missionary educated. Pelem was a teacher by profession and later ventured into entrepreneurship as well as becoming politically active. He was known to be a preacher of equality amongst Blacks and Whites (Matthews, 1961b). He was part of the formation of Imbumba Yaba Mnyama (South African Native Congress) (SANC) in 1882 (Switzer, 1993) and subsequently became the President of the Bantu Union from its formation in Queenstown during 1919 (Switzer, 1993). In addition, Pelem became the first vice-president of the ANC when it was established in 1912 (Amatola Museum Curator Archives). In the archival records it is mentioned that Pelem was motivated to become an entrepreneur because he did not want to be a wage earner (Matthews, 1961b). Motivated to start his own businesses Pelem was known as always offering words of support to other members of the African community who wanted to become entrepreneurs (Matthews, 1961b).

Pelem got involved in business and was able to qualify for mortgage bond in Queenstown from the Queen’s Town Mutual Building Society in 1909. The archive records show that he made monthly payments of two hundred pounds and acquired land in the central business district of Queenstown. With this property Pelem was able to open a boarding house in Queenstown for Xhosa people passing through to the Transkei by horseback, foot or cart. The boarding house was known as Pelem’s Khaya. This boarding house proved to be a major success and where Pelem made a name for himself (Matthews, 1961b). The settlement of Queenstown was described by Matthews (1961b) as “a centre from which Africans travelled into the Transkeian Territories on foot or by ox wagon or by cart”. As there were no buses at this time Matthews (1961b) observes that Pelem’s Khaya proved a boon to the African travelling public in that area”. But with improved modes of transport and mobilities Queenstown lost its role as an overnight stop for individuals or groups travelling to the Transkeian territories.

As a result the accommodation business in Queenstown started to decline. Pelem moved from Queenstown to King William’s Town, his birthplace, and established there the Pelem Hotel in 1919. This hotel was also acknowledged as a popular hotel for Africans in the Cape Colony (Imvo Zabantsundu, 1961; Title Deed). The Pelem Hotel was known also as a space of political engagements for local organisations. After Pelem’s death his wife continued to manage the hotel for many years, and for 25 years the hotel remained within the Pelem family. Mrs Pelem was described as being a good hostess who made the hotel a success until the property was eventually sold off in 1944 (Amatola Museum Curator Property Title Deed).

Conclusion

This paper represents a contribution to literature and debates about Black Economic Empowerment and tourism in South Africa. Although there is a growing scholarship around this topic the extant material deals only with the contemporary situation. It is shown in this analysis that historical research contributes a fresh perspective on debates relating to Black Economic Empowerment and transformation of South Africa’s tourism industry. Using archival source material the article highlights the activities of two pioneer Black entrepreneurs whose involvement in the tourism industry of South Africa stretches back to the 19th century. Quite evidently, Black engagement with the tourism sector is not merely a phenomenon of recent years. Overall, the archival records disclose that the operations of these two early tourism entrepreneurs – Paul Xiniwe and Meshach Pelem - made significant economic as well as social contributions to life in Queenstown and King William’s Town. Their place in South African tourism history and in debates around tourism and Black Economic Empowerment must this be acknowledged.
The operations of these pioneer Black tourism entrepreneurs point to an unwritten and unresearched history of Black involvement in South Africa’s tourism economy. It is recommended that further historical investigations should be pursued concerning issues around Black entrepreneurship in South Africa’s tourism industry prior to democratic transition and the implementation of transformation initiatives. Potential issues for research include for example the apartheid era when in spaces such as ‘independent’ Transkei and Ciskei there was a considerable growth in Black involvement and ownership of tourism products especially of accommodation establishments.

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References


