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Effect of Regulation on Curbing Over tourism in East Africa. A Critical Literature Review Robert

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## ABSTRACT

**Purpose:** Over tourism irritates local people especially in rural areas. Over tourism has sparked a backlash by the local community especially by increasing the costs of living in their cities. The general objective of the study was to examine effect of regulation on curbing over tourism in East Africa

**Methodology:** The paper used a desk study review methodology where relevant empirical literature was reviewed to identify main themes and to extract knowledge gaps.

**Findings:** From the findings identified, and the literature reviewed, the concept of tourism sustainability can be construed to be the preservation of natural capital, economic and sociocultural ecosystems within a three-pillar model that defines the three dimensions of sustainability. This integrated approach to sustainable tourism development is key in efforts to achieve sustainable tourism development in Africa. The concept of regulations to curb overtourism in East Africa has brought striking paradoxes for destination marketers and destination planners alike.

**Recommendations:** The study recommends that there is need to develop a national framework for identifying the physical, ecological, socio-cultural and economic limits and the carrying capacity of visitor activity or tourism development at a given tourism area and time. Institute and enforce tourism regulations and policies to ensure that the physical, social and ecological impacts of overtourism are addressed in East Africa. Enforce tourism certification as a means for advocating for tourism sustainability within the East Africa region.

**Keywords:** *Examine, effect of regulation, curbing, overtourism, East Africa*

## 1.0 INTRODUCTION Background of the Study

Global tourism is experiencing unprecedented growth with global outbound trips increasing by more than 4.1 per cent annually [World Travel and Tourism Council (WTTC, 2016)]. The impacts of this growth in Africa has been quite significant owing to the liberalization measures taken by African countries to promote global trade and tourism. Current projections in terms of tourism growth numbers suggest a projected 1.8 billion border crossing trips by the year 2030 (United Nations World Tourism Organization (UNWTO), 2018; Harrison and Sharpley, 2017). Aggregate data on international aviation growth also indicates a significant growth in international air traffic with estimated traffic of 6.4 billion and 59 million aircraft departures globally (International Civil Aviation Organization, 2014). Nawijn et al. (2008) in Burns and Novelli (2008) note that there has been a strategic focus on growing tourism arrival numbers as well as tourism developments in most countries as they focus on increasing their market shares within the global leisure market.

The opening up of the East African skies to low-cost carriers has made a significant impact in developing mass tourism to the region. The tourism sector has been very important to African economies owing to its expected sectorial connectivity toward improved quality of life (QOL) indices and multiplier effect in the economy (Kolawale et al., 2017). New Partnership for Africa's Development (NEPAD) in its implementation of the African Union (AU)/NEPAD tourism action plan acknowledged the value additive benefits of tourism in terms of supporting the implementation of the sustainable development goals, domestication of the AU 2030 agenda and transforming economies through tourism and hospitality, (NEPAD, 2017). Ever since the Doha UNWTO Ministerial Conference in 2005 under Article XIX of the General Agreement on Trade in Services, there has been greater emphasis on promoting intraregional and inter-regional tourism in Africa. African countries have addressed the opportunities presented by a rapidly growing tourism sector in a variety of ways. First, the AU-Minimum Integration Program, as well as the NEPAD 2004 action plan identifies an integrated regional approach to sustainable tourism development in Africa [AU, 2009; United Nations Economic Commission for Africa (UNECA), 2013]. This regional approach has been coupled with a growth in focus on liberalization and expansion of trade in the service sectors (Gauci et al., 2015)

International tourist arrivals from 2009 to 2016 of regional economic communities in Africa show that North African states within the Community of Sahel-Saharan States (CENSAD) have had significantly higher arrivals in the past compared with the other regional economic blocs in Africa as shown by Figure 1 below. Regional tourism arrivals to Economic Community of West African States countries such as Nigeria, Senegal, the Gambia, and Ghana have grown marginally. Tourism to this region largely gravitates heavily toward coastal tourism (Seth, 2008). However, this region has witnessed a significant number of tourism visits that are driven by diasporic visitors from African descent seeking their original ancestry from the ages of slave trade (Mensah, 2015). West Africa has one of the most unexplored cultural contexts and is a special interest tourism destination for the international tourism market with unique potential for development. For instance, the

contributions of wood carving, the textile design sector and dance rhythms have been a critical facet of the social fabric in West Africa. However, the Ebola outbreak in West Africa has had very high cost to most of the tourism destinations in the region in term of decline in tourist numbers and revenues (WTTC, 2017c). Tourism in South African Development Countries is based on a much more diverse outlook with a mix of both wildlife, scenic, and beach tourism destinations. The South African region receives most of the international tourist arrivals within Sub-Saharan Africa with a record of 10 million visitors in 2016 (Government of South Africa, 2017). Bodies such as the UNWTO have declared South Africa as one of the most outstanding tourism destinations in Africa (Allen and Brennan, 2004). Neighboring countries such as Namibia, Botswana, and Zambia share some of the most famous attractions in Southern Africa e.g. the Victoria Falls. However, South Africa exhibits overtourism as the tourism load at certain times of the year is concentrated in major tourism hotspots such as Table Mountain, Robben Island, Cape Point, and the Kruger National Park. Much of this tourism is driven by low-cost carriers, domestic tourism, and the meeting and events sector. The effects of this phenomena are human/wildlife conflicts, diminished visitor experience as well as posing a threat to cultural heritage. Tourism in CENSAD North African countries has been reported by the UNWTO to be among the fastestgrowing tourism regions in the World with an average growth rate of 2.6per cent in 2017 (WTTC, 2017b) and with Egypt accounting for about 8 million visitors, and Morocco and Tunisia visitor numbers ranging from 5.3 to 10 million.

That said, most of this region has been affected by terrorism and political instabilities for some time alongside with the oil pricing crisis in the Middle East. However, despite its great potential to contribute to the economic regeneration of the African continent, tourism has contributed to structural imbalances that have had adverse effects on the development of tourism regions globally. Studies conducted by the European Tourism Futures Network and International Council on Monuments and Sites (ICOMOS) highlight that these structural imbalance cause resource use conflicts and adverse environmental impacts in a destination (Postma et al., 2017; Gossling and Peeters, 2015). Studies globally have also shown mounting concerns about the irreparable damage arising from overtourism and escalating pressures for more development within some of the extraordinary and fragile world heritage sites – for example, China’s Mount Taishan, Malaysia’s Kinabalu Park and Indonesia’s Komodo National Park (Demas et al., 2015; Hitchcock et al., 2008; Fierz, 1993; Straitstimes, 2017).

Global Tourism destinations provide different products which satisfy tourists with different interests, needs and wants (WTTC, 2017). The size and reach of this economic sector make it basically significant from a worldwide resource point of view. From statistics, tourist sites worldwide attracted 369 million international visitors (medium-term guests) in the first quarter of the year 2016, which was 21 million more visitors than around the same duration in year 2017 (UNWTO, 2017).

Regional tourism destinations across the globe have recorded improved tourists’ arrivals indicating a positive growth, however, this is with some specific cases (WTTC, 2017). A large portion of year 2016 outstanding achievers maintained trackable progress, while tourist sites that were low in earlier years rose back in the first quarter of 2017. This is particularly reflected in the outstanding



outcomes of the Middle East (+10%), Africa (+8%), Europe (+6%). Asia and the Pacific (+6%) and America (+4%) kept on getting and enjoying strong growth (UNWTO, 2017). Whilst various Tourism regions in the world received positive growth, the situation in Kenya was and is almost similar despite the challenges experienced during the year 2016 such as Insecurity and political uncertainty.

The importance of viability in the tourism industry has been characterized and reclassified by a few events and occasions among them the creation of the International Ecotourism Society (1990) just as the United Nations statement of 2002 as the International Year of Ecotourism. Additionally, 2017 was proclaimed as the International Year of Sustainable Tourism (IYST). The optimum indication of the sustainable development was the creation of the Global Sustainable Tourism Council (GSTC) (Sustainable Tourism Report, 2016). Sustainability therefore is a product of diversification in the today's world. Notwithstanding, the idea of tourism diversification has been generally investigated by scholars from economic and strategic definition perspective, with little association being made to tourist visitations, (Farmakis, 2011). Diversification can be characterized as the demonstration of presenting assortment by expanding business endeavor into related or unique fields. For tourism sustainability to be enhanced, tourism products should be diversified. Tourism product diversification involves the introduction of substitute tourism products to the traditional/conventional tourism products (Benur & Bramwell, 2015). These may consist supplementing the existing tourism products with alternatives such as forest tourism product, new and unique cultures, adventure tourism and sports (Douglass, 2016).

Terrorism has become an important and recurring topic in the public discourse over the last decades due to the increased frequency of terrorist attacks witnessed (National Consortium for the Study of Terrorism and Responses to Terrorism, 2019). Since the beginning of the century, and particularly over the last 10 years, several developed and stable countries have witnessed high levels of terrorist events (Lanouar & Goaid, 2019). New York, United States (2001), Madrid and Barcelona, Spain (2004, 2017), London and Manchester, United Kingdom (2005, 2017), Tuusula, Finland (2007), Apeldoorn, Netherlands (2009), Utoya, Norway (2011), Paris and Nice, France (2015, 2016, 2017), Brussels, Belgium (2016), Sousse, Tunisia (2015), Berlin, Germany (2016), Istanbul, Turkey (2016, 2017), Christchurch, New Zealand (2019), Colombo, Sri Lanka (2019) were some of the places that have experienced terrorist attacks, but the list goes on (National Consortium for the Study of Terrorism and Responses to Terrorism, 2019). Revolutionary and destructive groups carry out attacks all over the world every single day, transforming terrorism into a constant in modern life (Coca-Stefaniak & Morrison, 2018).

According to the "Prospect Theory" (Tversky & Kahneman, 1992), tourists are rational consumers who, when confronted with two different options, tend to choose the option that will bring them more potential gains and lower risk (Seabra, Kastenholz, Abrantes, & Reis, 2018). When tourists perceive the existence of any risk of terrorism, they become more careful as they plan their travel and tend to adopt risk-reducing strategies (Fuchs & Reichel, 2011). Tourists are sensitive to terrorism threats and can be flexible in their destination choices (Neumayer & Plümper, 2016), so they will avoid destinations they believe to be connected with that sort of threat (Rittichainuwat & Chakraborty, 2009).

Markets are increasingly global due to a combination of economic, socio-cultural, political, and technological factors. The world is turning into a single market, which leads to the standardization of consumer lifestyles and the rising of “Global Consumers” (Hollensen, 2011). Tourism is one of the most global economic activities and is, therefore, vulnerable to risks that affect any other global business (Fennell, 2017). The world has become interdependent and tourism crises in one part of the world can have strong repercussions on other locations (Lanouar & Goaied, 2019; Ritchie, 2004). When tourists realize that a destination is unsafe, they replace it with others they consider safer and, in doing so, may damage entire regions that are affected by violence or that tourists consider threatened by terrorism (Beirman, 2003; Gu & Martin, 1992; Lutz & Lutz, 2018; Mansfeld, 1996; Sönmez, 1998). This fact draws attention to the spatial patterns of terrorism impacts caused by spillover effect on destinations/regions (Öcal & Yildirim, 2010).

As the market develops and consolidates, local and foreign investors develop facilities within the area. For instance notable tourism destination areas that have recorded a decline in ecological, social and (or) economic impacts include the Shanzu beach on the coastline north of Mombasa, Kenya that has witnessed wide controversy and annoyance within the communities as a result of sex tourism along the beach (Njenga, 2018), as well as the encroaching of sea-based developments along the coastline (Business Daily, 2018).

Studies on alternative models in tourism globally have shown that tourism in Africa has been going through an identity crisis coupled with a lack of credible institutions, enforceable codes of conduct and quality standards. African heritage studies have documented this identity crisis as a result of the nationalization of colonial institutions and identities (Giblin, 2018). The World Economic Forum (WEF) 2017 Travel and Tourism Competitive Index report 2017 observes that institutional governance and the business environment are key components of African tourism’s global competitiveness. Such that, tourism in Africa has lacked the essential local character and qualities that define the ingredients of the destination’s competitiveness. To some extent, such preservation in an African context has been problematic, owing to the irresponsible actions of stakeholders (World Bank, 2016). Some of the externalities from tourism in East Africa include negative impacts on natural and built heritage, degradation and pollution of the natural environment, disturbance to wildlife ecosystems, landscapes and heritage, promotion of enclave tourism, infringement of fundamental rights, and poverty. Paskova and Zelenka (2016) notes that these unaccepted responsibilities and irresponsible actions for negative tourism externalities have been the greatest contributors to tourism unsustainability. To address the negative externalities emanating from tourism, focus has shifted toward regulations, policy, codes of conduct, certification and other instruments (Black and Clabree, 2007). This in a sense, preserves the natural and (or) cultural heritage and identities of a place to mutually acceptable social and environmental standards.

## **1.2 Statement of the Problem**

Notwithstanding the fact that tourism sector is one of the fastest-growing and most interconnected sectors in the global economy, Overtourism may pose negative threats to a destination. Studies in East Africa have shown that if tourism is uncontrolled in the longrun, most of the tourism

attractions may be threatened by their popularity in terms of environmental, social, cultural and aesthetic terms, (WTTC, 2017a; World Bank, 2010). Pons et al. (2009) evidence the uncontrolled effects of overtourism in an African context by arguing that the banal nature of mass tourism denies the community its authentic and exotic image as a tourist destination. Even though tourism sustainability is of grave concern, there are real issues especially in an African context in relation to local communities' quality of life, quality of visitor experience, tourism local governance, and environmental impacts of tourism, as well as economic sustainability of overtourism in the East African context. Turner and Ash (1975) vilify overtourism as uncultured, uncaring and alienating. There is the potential for irreversible damage to attraction sites as a result of overtourism and overcrowding [National Environmental Management Authority (NEMA), 2015]. Further, fragility of ecosystems and developmental pressures continue to pose the greatest threat to East Africa's tourism potential (UNECA, 2015). East Africa's tourism development trajectory is currently clouded by a number of key challenges, which include unsustainable tourism, security concerns, rising poverty levels, and growing global competition. Despite the unique economic potential in East Africa, QOL indices seem not to be improving and unemployment is at its highest compared with global indices at 8.5 per cent, [African Development Bank (AFDB), 2019]. Rogerson et al. (2018) notes that local communities' QOL, economic inclusivity, and community development are real issues that East African countries within Indian Ocean Rim Association states are still grappling with following independence from colonialism. This paper realizes the underlying fact that the future of tourism in East Africa is inextricably linked to current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment, and vulnerable host communities (United Nations Environmental Programme, 2011). Based on this analysis, the study seeks to examine effect of regulation on the performance of tourism industry.

### **1.3 Objectives of the Study**

The general objective of the study was to examine effect of regulation on the performance of tourism industry.

### **1.4 Justification and Significance of the Study**

The research results may be of great significance to different stakeholders in tourism industry. Thus, the study will add to the existing literature and ongoing studies on terrorism and security studies. The rationale of the study will be to create an understanding of the reforms in the tourist sector and their subsequent implications in curbing terrorism globally. At a time the world, and in particular Kenya, is grappling with terror threats, this study would help the government, especially intelligence to decipher the trends and influence policy formulation in counter terrorism response. The study would be beneficial to scholars as it would contribute to plugging knowledge gap in line with the effect of terrorism on the performance of tourism industry.

## **2.0 LITERATURE REVIEW 2.1 Theoretical review**

Two theories were found to be relevant in examining effect of terrorism on the performance of tourism industry. The theories that were found to best inform the research constructs are the stakeholder theory (Turnbull, 1994) and economic regulation theory (Diamond, 1983).

### **2.1.1 The Stakeholder Theory**

Stakeholder concept was advanced by Ian Mitroff in 1983. In operation of any business, shareholders and management are not only the important ones in the running of business. Miles (2012), Stakeholders theory considers wider group which affects the organizational objectives and policies as compared to agency theory which consider only two groups, shareholders and management. This theory recognizes both the internal and external stakeholders. Internal stakeholders is composed of employees, executives and owners while outside stakeholders are composed of suppliers, government, creditors, customers, society and environment from which the business is operating in. Other stakeholder involvement in organizational decision making can help to reduce conflict hence smooth business operation (Turnbull, 1994). There are three important approaches in stakeholders' theory, descriptive, instrumental and normative approach. Descriptive approach is used to show characteristics and behavior on how firm is managed. Instrumental approach shows connection that exists between stakeholder's management group and the organizational goals. Normative approach identifies morals for good organizational operation and management (Donaldson & Preston, 1995).

Tourism regulation recognizes all the above stakeholders as they play a central role in tourism' performance. McDonald and Puxty (1979) states, company's no longer concentrates with shareholders only, this is because every business operates within a society which it has to be recognized. The issue of social and environment accounting has been for the last few years gaining an important in the modern business world. Starik and Rands (1995) suggested environment as key important stakeholder in the running of a business. Information about business operating environment is becoming important to both the business and information users as it provides information which helps to discharge accountability to the society. It also helps in demonstrating responsiveness of the firm to certain ethical issues in that community. some business which supports the issue of community environment are becoming 'greener' in their business operation (Gray, Collison & Bebbington, 1997). The postulates of Stakeholders Theory support the variable performance of tourism which is a function of various stakeholders.

### **2.1.2 Economic Regulation Theory.**

This theory, which has been around in one form or another since Adam Smith, regarded market failure as the motivating reason for the entry of regulation. Once established, regulatory bodies were supposed to lessen or eliminate the inefficiencies engendered by the market failure (Sam Peltzman, 1985). Economic Regulation theory offers two, complementary rationales for regulating entertainment institutions. This theory treats rules as governmental instruments for increasing fairness and efficiency across the society as a whole (Diamond and Dybvig, 1983).

The theory assigns regulation to governmental entities that search for market failures and correct them. According to Jensen and Michael, (1994), economic regulation theory portrays regulation as a way to raise the quality of financial services by improving incentives to perform contractual obligations in stressful situations. Stiger 1. G (2009) argues that the fundamental flaw in tourism regulations is that it is based on assumptions that regulators are self-interested individuals like the rest of us. He further says that we think about regulation only in terms of how to engineer the incentives of the regulated and ignore the fact that the regulators themselves rarely have a stake in



doing the job well, which in any other occupation would limit the motivation and type of individuals a position attracts (Edward, 1997). Two assumptions seem to have typified thought about economic policy. One assumption was that economic markets are extremely fragile and apt to operate very inefficiently (or inequitably) if left alone. Secondly, the government regulation is virtually costless (Richard A. P, 1974). Richard A. P (1974) further observes that with these assumptions, it was very easy to argue that the principal government interventions in the economy; trade union protection, public utility and common carrier regulation, public power and reclamation programs, farm subsidies, occupational licensure, the minimum wage, even tariffs were simply responses of government to public demands for the rectification of palpable, and remediable, inefficiencies and inequities in the operation of the free market. Economic regulation theory underpinned this study by explaining the need for regulations in the tourism subsector for the purposes of fairness and competitiveness..

## **2.2 Empirical Review**

Maingi (2019), conducted a study to understand the causes and effects of overtourism within the East African region. The paper examines how national governments address the problem of overtourism in East Africa and determines underlying principles and best practice in sustainable tourism certification, local governance and management in dealing with overtourism. To address the objectives, the researcher conducted an exploratory experience survey research design. The study examines the different articles in the subject area and interview findings of practitioner respondents. Based on a review of the existing dimensions of overtourism, the effects of overtourism and local governance, the study sought to derive a holistic (systemic and integrated) perspective on the subject matter. The paper presents valuable evidence from industry practitioners on the effects of overtourism in East Africa by classifying the effects as psychological, physical, economic and socio-cultural. Further, the paper examines how East African governments address the problem of overtourism and gives recommendations on ways to enforce, govern and coordinate implementation of tourism regulations and policies in East Africa.

Mugo (2016), conducted a study that examined the moderating effect bank size on the interlink between prudential regulations and financial performance of banks. Stakeholder Theory, Liquidity Preference and Market Power theory was of guidance. Causal design of research was utilized in the study. The population target was 42 banks operational from 2013 up to 2018. Census was the approach of gathering data. The data to be collected was secondary in nature. The analysis involved the application of both descriptive and panel regression analysis. In analyzing, STATA software was used. The findings revealed regulation of capital adequacy had a statistically significant influence on the financial performance of banks at p value ( $p=0.0000.05$ ) and its interaction with capital adequacy, liquidity and credit risk did not have any significant effect on ROE. The study recommends that Central Bank of Kenya should tighten regulation on capital adequacy, to create more balance in the core capital and total assets of banks. This would bridge the huge gap identified between banks with high capital and total assets and those with minimum core capital and total assets. The Central Bank of Kenya should also put more effort to regulate the liquidity of the industry to ensure that the huge gap in liquidity is minimized to promote equal growth in the

industry. Tight regulations on credit risks should be put into effect to ensure that banks bear less risks

Gathing (2013), conducted a study, to assess the impact of these regulations on the performance of the deposit-taking Saccos in Kenya. The study aimed at providing valuable information to the key players in the co-operative movement about how the performance of the deposit-taking Saccos was affected by these regulations. The objective of this study was to determine how licensing, capital adequacy, governance and reporting requirements impacted the performance of deposit-taking Saccos in Kenya. Previous related studies, theories and other literatures were reviewed to support the study. On collection of data, questionnaires with both structured and unstructured questions were used. Face-to-face interview was also carried out where the researcher needed to clarify or to probe for more information. The study was a census and the population was 34 respondents each drawn from all the 34 registered deposit-taking Saccos in Nairobi County. The collected data was then analyzed using descriptive statistics and the results presented using frequency tables, charts and graphs. A linear regression model was also used to determine the nature of impact that the independent variables had on the dependent variable. From the presented information, conclusions on whether and how these regulations affected performance of deposit-taking Sacco societies was drawn and recommendations made from there.

Agbu (2019), conducted a study on examine recreational behaviour in relation to domestic tourism participating in Nasarawa State, Nigeria. The specific objectives were to profile recreation behaviour of resident, examining antecedent factors influencing residents' recreation behaviour and evaluating residents' perceptions and attitudes towards domestic tourism. Data was collected using qualitative method. The research instrument was structured questionnaire for the public servants with a stratified simple sampling procedure where 388 questionnaires were administered, 371 were filed and returned which were physically checked, coded and entered into computer and analyzed and the response rate was 96%. Descriptive statistics were used to measure intervals and tendencies test. Ordinary least square model was used to respond to the hypothesis, Pearson correlation was used to measure the relationships between variables while multiple regression analysis was used to reflect all the independent variables. The findings from the study reviewed that the residents' high income means a positive motivation for participation in domestic tourism in Nasarawa State. The findings also revealed that participation in domestic tourism are influenced by hindrances which must be addressed as it is the case in Nasarawa State. In addition, the study provides that residents' perception and attitudes toward domestic tourism were positive and indicate that how a people perceive the concept and activities of domestic tourism has an influence on whether to participate in tourism or not. Moreso, the result shows that the participation of residents in Nasarawa State, Nigeria can bring more positive than negative to the local economy of the state. so also, the findings revealed that public servants in Nasarawa state, Nigeria engage more in business, visit friends and relatives and wine and dine out during their leisure time and preferred friends, co-workers and family as travel companions when they engage in recreation and tourism activities. Friends and internet media were their sources of information about recreation and tourism activities. Recommendations are given on how government and policy makers in Nasarawa State, Nigeria can make contributions to develop domestic tourism. Finally, the study suggests further studies including conducting same research in Nasarawa State to involve all

segment of the population as this focused in the public servants which income can be easily measured. The study concluded that recreation behaviours poses challenges in the rural and urban areas in Nigeria as in the case of Nasarawa State, Nigeria are yet to embrace the values of active recreation participation, despite knowledge of the recreation and tourism. Therefore, the only way to sustain domestic tourism participation is through the assessment of residents behaviors toward domestic tourism. **2.2 Research gaps**

Geographical gap is a knowledge gap that considers, the untapped potential or missing/limited research literature, in the geographical area that has not yet been explored or is under-explored. For instance Agbu, (2019) conducted a study on examine recreational behaviour in relation to domestic tourism participating in Nasarawa State, Nigeria. Data was collected using qualitative method. The research instrument was structured questionnaire for the public servants with a stratified simple sampling procedure where 388 questionnaires were administered, 371 were filed and returned which were physically checked, coded and entered into computer and analyzed and the response rate was 96%. Descriptive statistics were used to measure intervals and tendencies – test. The study concluded that recreation behaviours poses challenges in the rural and urban areas in Nigeria as in the case of Nasarawa State, Nigeria are yet to embrace the values of active recreation participation, despite knowledge of the recreation and tourism. The studies presented a geographical gap as they were conducted in Nigeria while our current study focused on examining effect of regulation on the performance of tourism industry.

Methodological gap is the gap that is presented as a result in limitations in the methods and techniques used in the research (explains the situation as it is, avoids bias, positivism, etc.). Gathing (2013), conducted a study, to assess the impact of these regulations on the performance of the deposit-taking Saccos in Kenya. The analysis involved the application of both descriptive and panel regression analysis. In analyzing, STATA software was used. The findings revealed regulation of capital adequacy had a statistically significant influence on the financial performance of banks at p value ( $p=0.0000.05$ ) and its interaction with capital adequacy, liquidity and credit risk did not have any significant effect on ROE. The Central Bank of Kenya should also put more effort to regulate the liquidity of the industry to ensure that the huge gap in liquidity is minimized to promote equal growth in the industry. The studies presented a methodological gap as it used descriptive survey research design while our current study adopted a desktop literature review method

Conceptual gap arises because of some difference between the user's mental model of the application and how the application actually works. Mugo (2016), conducted a study that examined the moderating effect bank size on the interlink between prudential regulations and financial performance of banks. Stakeholder Theory, Liquidity Preference and Market Power theory was of guidance. Causal design of research was utilized in the study. The population target was 42 banks operational from 2013 up to 2018. The findings revealed regulation of capital adequacy had a statistically significant influence on the financial performance of banks at p value ( $p=0.0000.05$ ) and its interaction with capital adequacy, liquidity and credit risk did not have any significant effect on ROE. The study presented a conceptual gap as it focused on effect bank size on the interlink between prudential regulations and financial performance of banks. Stakeholder Theory, Liquidity

Preference and Market Power theory was of guidance, while the current study focused on examining effect of regulation on the performance of tourism industry.

### **3.0 METHODOLOGY**

The study adopted a desktop literature review method (desk study). This involved an in-depth review of studies related to effect of regulation on the performance of tourism industry. Three sorting stages were implemented on the subject under study in order to determine the viability of the subject for research. This is the first stage that comprised the initial identification of all articles that were based on effect of regulation on the performance of tourism industry from various data bases. The search was done generally by searching the articles in the article title, abstract, keywords. A second search involved fully available publications on the subject on effect of regulation on the performance of tourism industry. The third step involved the selection of fully accessible publications. Reduction of the literature to only fully accessible publications yielded specificity and allowed the researcher to focus on the articles that related to effect of regulation on the performance of tourism industry which was split into top key words. After an in-depth search into the top key words (effect of regulation on the performance of tourism industry), the researcher arrived at 4 articles that were suitable for analysis.

The 4 articles were findings from Agbu, (2019) who conducted a study on examine recreational behaviour in relation to domestic tourism participating in Nasarawa State, Nigeria. Data was collected using qualitative method. The research instrument was structured questionnaire for the public servants with a stratified simple sampling procedure where 388 questionnaires were administered, 371 were filed and returned which were physically checked, coded and entered into computer and analyzed and the response rate was 96%. Descriptive statistics were used to measure intervals and tendencies – test. The study concluded that recreation behaviours poses challenges in the rural and urban areas in Nigeria as in the case of Nasarawa State, Nigeria are yet to embrace the values of active recreation participation, despite knowledge of the recreation and tourism.

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Maingi (2019), who conducted a study to understand the causes and effects of overtourism within the East African region. To address the objectives, the researcher conducted an exploratory experience survey research design. The study examines the different articles in the subject area and interview findings of practitioner respondents

## **4.0 SUMMARY, CONCLUSION AND POLICY IMPLICATION FOR FURTHER STUDY**

### **4.1 Summary**

The effects of overtourism on the costs of living within East African countries arises as a result of increases in the prices of housing, transportation, utilities, rent, food commodities, etc., associated with the rise in international demand for these services by international tourists. However, different researchers have come up with different perspectives on this phenomena. A study by Tse (2014) qualifies the hypothesis that tourism ironically changes the lives of the tourists economically and does not necessarily change the lives of the residents. The researcher used the attributes of life perception to examine QOL indicators. Further, according to a value chain analysis conducted by the WTTC, Tanzania's higher earnings per visitor compared to Kenya is further attributable to lower congestion levels and its ability to attract travelers who are prepared to pay a higher price for a more authentic and exclusive wilderness experience provided by foreign-owned tour companies and hotels (WTTC, 2016; World Bank, 2019)..

### **4.2 Conclusion**

From the findings identified, and the literature reviewed, the concept of tourism sustainability can be construed to be the preservation of natural capital, economic and socio-cultural ecosystems within a three-pillar model that defines the three dimensions of sustainability. This integrated approach to sustainable tourism development is key in efforts to achieve sustainable tourism development in Africa. The concept of regulations to curb overtourism in East Africa has brought striking paradoxes for destination marketers and destination planners alike. The balance between the economic, social and ecological integrity of tourism resources has been a key concern for the sector. East Africa is still conceptualized as a region with a rich heritage and cultural identity, which is subject to external marginalizing factors that affect the sustainable development of the continent. To address the impacts of overtourism in East Africa, as well as improve local communities' QOL, local governance, as well as enhance the economic sustainability of overtourism in East Africa. Indeed, to realize the key aspirations of the AU Agenda 2063, which is to develop a prosperous Africa based on inclusive growth and sustainable development, it is important to address sustainable tourism regulations in dealing with overtourism in East Africa.

### **4.3 Recommendations**

The study recommends that there is need to develop a national framework for identifying the physical, ecological, socio-cultural and economic limits and the carrying capacity of visitor activity or tourism development at a given tourism area and time. Institute and enforce tourism regulations and policies to ensure that the physical, social and ecological impacts of overtourism are addressed in East Africa. Enforce tourism certification as a means for advocating for tourism sustainability within the East Africa region. Encouraging tourism accountability as a means for monitoring

sustainability indicators within East Africa. Collaborate with governments, tourism industry stakeholders and local communities to identify the LAC and the QOL indicators within which overtourism levels and effects can be identified in East Africa. Develop national tourism education programs within the diverse tourism areas to sensitize visitors to the effects of their activities on tourism communities in East Africa.

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