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SUSTAINABLE COMMUNITY TOURISM DEVELOPMENT: THE CASE OF TANZANIA

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SUSTAINABLE COMMUNITY TOURISM DEVELOPMENT:
THE CASE OF TANZANIA

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A Dissertation
Presented to
the Graduate School of
Clemson University

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Doctor of Philosophy
Parks, Recreation, and Tourism Management

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ABSTRACT

This dissertation's objective is to understand the constraints to economic participation by indigenous Tanzanians living in and around current and/or future tourism destinations. Using qualitative methods, this study investigated local perceptions and involvement in tourism economies by comparing independent case studies in three destinations differing in land tenure. Fifteen village-based focus groups were employed in villages around Pangani District (Tanga Region), Amani Nature Reserve (Tanga Region), and Arumeru District (Arusha Region). The purpose of the village-based focus groups was to evaluate local access to physical, financial, human, social, and natural capital as a means to encourage economic participation in the areas. The findings indicate that while positive perceptions of increased tourism as a means to reduce poverty are strong, local communities are not currently accessing the tourism market to increase their earnings. Moreover, limited access to physical, financial, and human capital are key concerns that need to be addressed especially in rural areas. In contrast, social capital and natural capital are found to be less of a constraint as Tanzanians believe that local decision making is participatory and conservations efforts across the country have improved farming yields and increased the quality of life.

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CHAPTER 1 – INTRODUCTION

As a tourism destination, Tanzania has some of the world's most sought after natural and cultural resources. Mt. Kilimanjaro looms over the African landscape calling to tourists from around the world. Tanzania's national parks include the expansive Serengeti, the Ngorongoro Crater, the Rift Valley, and the new Saadani National Park, with its white beaches and coral reefs. Wild animals abound where visitors can observe Africa's big five in their natural habitat. It is the land of the first hominids (Reeder, 1997), and tourists are drawn to the cultural resources of Tanzania, especially the indigenous Maasai (Okello & Yerian, 2009). Yet the individuals who live in this striking landscape are some of the poorest in the world, struggling to survive in the face of frequent famine and disease (Lliffe 1979, Reeder 1997, Cooper 2002). Democracy and capitalism have not provided the basic necessities for the many (Leiserowitz, Kates, & Parris, 2006), and the government of Tanzania has begun to promote these key natural and cultural attractions as a means to provide for its citizens (NSGRP 2005, Evans Ngalewa 2003, Kinsella & Brehony 2009).

Tanzania is a growing global tourism destination, with over 740,000 visitors annually that account for 12 percent of the country's gross domestic product (GDP) (World Economic Forum, 2007). The Ministry of Natural Resources and Tourism estimate that 76 percent of the leisure market utilizes organized tours when traveling to Tanzania, and that a majority of their expenditures occur outside the country of Tanzania (TMNRT, 2005). While some of this revenue is returned to Tanzanian tour companies, very little of this revenue reaches local communities surrounding tourism destinations (TMNRT, 2005) resulting in little economic gains at the community level (Cooper 2002, Leys 2005) and increased marginalization through an industry dominated by foreign ownership (Hjalager 2007).

Poverty reduction lies at the heart of the Tanzanian economic expansion through tourism, yet it can only be achieved if the indigenous populations play a key role in the ownership of tourism enterprises.

> "*Poverty cannot be reduced without economic growth, and economic growth cannot take place where millions are trapped in poverty. The poor are key players, and their importance cannot be overlooked. Economic growth must therefore be based on the mobilization of the poor's resources and abilities and on their access to key assets of production.*" (Ahmed quoted in Doswell, 2000, p. 256).

Tourism is being touted as a solution by creating new opportunities for those peoples marginalized by economic changes across Africa. Tourism can provide new income opportunities, but only if locals have access to or ownership in the new tourism ventures. Cater (1994) explains the positive economic repercussions associated with local involvement as local businesses tend to have higher multiplier effects, reduced leakages, and less remittances that send profits outside the country.

The focus of this study is to identify options for local economic involvement through wage-employment and self-employment opportunities by exploring barriers to economic participation at the community level in tourism destinations. By comparing three separate community case studies, common access constraints to physical, financial, human, social, and natural capital will be identified. The information derived from this dissertation will be used to help Tanzanian policy makers guide sustainable developmental resources for the Tanzanian people living adjacent to protected areas and tourism destinations.

1.1   Justification for the Study

Tanzania is facing serious poverty issues that should be addressed in the face of increasing globalization and international economic competition. Tanzania has the twenty-fifth

lowest GDP per capita worldwide and 43% of the population earns less that $1 USD per day (CIA Factbook, 2008). With over 39 million people, of which 44% are under the age of 14 (CIA Factbook, 2008), Tanzania's poverty situation may worsen if economic opportunities are not found within the next decade. Moreover, Tanzania's focus on tourism results from its needs to address its national debt issue through increased foreign earnings and direct foreign investment (NTP 1999, ITMP 2002). Past structural adjustment loans have left Tanzania struggling to offer quality health care and education to the masses (Lang, 2008). These dynamic challenges imply that Tanzania needs to find ways to increase export revenue to facilitate public spending while finding new opportunities for residents in an effort to alleviate poverty in rural areas.

Environmental devastation has prompted Tanzania to expand its parks and protected areas in an effort to prevent soil degradation, desertification, and animal poaching (CIA Factbook, 2007). Upon independence, Julius Nyerere, the first President of Tanzania, set the bar for conservation by committing to the preservation of his country's wildlife. In the Arusha Manifesto, he says:

> *"The survival of our wildlife is a matter of grave concern to all of us in Africa. These wild creatures amid the wild places they inhabit are not only important as a resource of wonder and inspiration but are an integral part of our natural resources and our future livelihood and well being. In accepting the trusteeship of our wildlife we solemnly declare that we will do everything in our power to make sure that our children's grandchildren will be able to enjoy this rich and precious heritage."* (Nyerere, 1961).

Over 24% of the Tanzania landscape falls into some form of protected area, including national parks (14), game reserves (6), the Ngorongoro Conservation Area (1), game controlled areas, partial game reserves, and forest reserves. Three of these sites have been designated Biosphere Reserves and nine have been declared World Heritage Sites. Tanzania does not constrain its animal population within these conservation areas; therefore they roam the entire county freely, often susceptible to poaching outside the controlled areas (Goldstein, 2005).

1.11   Preservation

There are a series of economic engines that fuel growth in the tourism industry for Tanzania. First and foremost the Tanzanian government has made a long-term commitment to the preservation of its natural resources, in particular its unique wildlife. These national parks and protected areas drive the tourism industry in Tanzania, making Tanzania the fifth most visited country in Africa (Wade, Mwasaga & Eagles, 1999). As a major industry in Tanzania, visitation to tourism enclaves thus drives economic participation by local villagers surrounding tourism sites. Therefore it is important to understand these interlocking forces on individual livelihoods. Resource preservation has resulted in the loss of traditional livelihoods through changing land use policy (Ngailo, J., et al., 2003). The loss of hunting, gathering, and grazing rights are limiting the ability for families to survive during times of famine, illness, and economic hardship. Many researchers feel Tanzania's conservation policies are outdated and inappropriate for its indigenous peoples (Schneider, 1957, McCabe, 2003, Goldstein, 2005). Sustainable development, the framework for this study, shows avenues for economic opportunities without further exploitation of the natural resource base (Child 1995, Wily 1996). One such use includes tourism as a nonconsumptive partner in conservation areas (Gössling 2001, Okello & Yerian 2009).

In 1988, Tanzania partnered with the African Wildlife Foundation to begin a number of community benefit sharing schemes to include local populations in their conservation aims. These community-based conservation (CBC) programs have expanded and now constitute a major goal within the National Wildlife Policy. In theory, CBCs provides an avenue for community involvement in preservation issues and allows economic gains to infiltrate villages whose livelihoods are disrupted from protected areas. In practice, often CBCs are used as a means to placate ostracized park neighbors, and "the approach employed by the community-conservation efforts of TANAPA (Tanzanian National Park Authority) involves communities as

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passive recipients of park-outreach benefits. Active participation, on the other hand, actively incorporates communities in the ownership and management of resources" (Goldman, 2003, p. 836). Further criticism has arisen about CBC initiatives including problems with corruption at the local level (Brockington, 2007) and the transfer of transaction costs from the national government to the local community furthering impoverishment (Meshack, Ahdikari, Doggart & Lovett, 2006). Tosun (2000) believes that including local populations in development projects allows individuals employment and business opportunities, while also including people in the tourism decision-making process and ensuring revenue streams for the facilitation of community-based public goods.

1.12   Tourism

Tourism is a growing industry in Tanzania. Tourism accounts for 25percent of total export revenue and is increasing at a rate of 8 percent per year (TMNRT, 2005). However, the measurement of tourism's contribution to the Tanzanian economy is heavily disputed because tourism statistics are fragmented and incomplete (Sharm and Olsen, 2005). Tourism's contribution to the Tanzania economy has recently becoming more clearly understood with the revision of Tanzania's national account system in 2006. Tanzania has positioned itself as Africa's leading upscale safari destination. It is estimated that 750,000 tourists visited Tanzania in 2008 contributing $950 million to the economy (Tanzania Tourism Board, 2008). Most tourists visit the Northern Circuit, including Mount Kilimanjaro, Serengeti National Park, and the Ngorogoro Crater, as well as the Island of Zanzibar. Recent reports claim that tourism contributes three times the GDP as agriculture.

Tanzania has implemented a number of investment incentives to facilitate private investment in the industry and has established a zero percent import duty on project capital goods. It has also eased the resident restrictions, work permit requirements, and trading licenses for

foreign expatriates. By acknowledging the need of foreign investment, Tanzanian tourism policy is favoring foreign ownership of tourism businesses over local involvement.

> *"Within the context of the developing world, in particular, it has been suggested that the economic objectives of increasing earnings, foreign exchange, investment and job opportunities, as well as minimizing adverse social and cultural effects, were not best promoted through inward investment and large tourism enterprise. Instead, the advantages of developing small, medium and microenterprise tourism businesses are stressed"* (Kirsten & Rogerson, 2002)

Tanzania is currently encouraging solutions to poverty under the support of the *National Strategy for Growth and Reduction of Poverty* (NSGRP) which recognizes tourism as viable community-based resolution. The Tanzanian Ministry of Natural Resources and Tourism (TMNRT) has stated its long term goal: "The industry's mission is to develop sustainable quality tourism that is ecologically friendly to the conservation and restoration of the environment and its people's culture. In so doing, the industry is seeking to maximize the net gains/benefits that emanate from the various tourism activities" (TMNRT, 2007). In order to accomplish its long term goals, Tanzania needs to address where it stands today and the hurdles to be overcome in providing benefits to a majority of the population. In particular, it should understand the constraints to wage-employment and self-employment within the tourism sector so that the future of Tanzanian industry lies in the hands of the Tanzanian people. This dissertation will help draw attention to the obstacles facing the Tanzanian public as they try to find their individual place within the global tourism industry and the current Tanzanian tourism policy recommendations.

1.2   The Research Project

In partnership with the University of Dar Es Salaam and the Tanzanian TMNRT, this research is consistent with Tanzania's tourism expansion mission and will provide guidelines for sustainable community tourism development near tourism attractions.

The purpose of this study is to investigate the constraints to economic participation by indigenous Tanzanians living near current or future tourism destinations. Using the sustainable development framework, it is hypothesized that globalization, high national debt, resulting in poor social services (i.e. education, health, and infrastructure), and the limited ability to accumulate physical, financial, human, social, and natural capital are a major limitation to economic involvement in the tourism industry. Increased focus on the tourism industry by the Tanzanian government, as a means to reduce poverty and marginalization, can only be successful if constraints to economic participation are recognized and remedied.

Under the umbrella of tourism policy in Tanzania, the goal of this dissertation is to determine the constraints to economic participation by Tanzanian nationals in tourism-based communities. Stonich (2000) conducted a study of the Bay Islands in Honduras to determine how economic gains at the macro level affect livelihoods at the local level. She has developed a framework to determine what constitutes local participation in tourism in light of economic power structures that undermine tourism development. Using Stonich's frameworks of key issues that apply to tourism development directed at social equity, I have investigated: land-use and tenure policy; the power structure among industry stakeholders; the linkage between development strategies, local participation and conservation; international interests including NGOs, donor agencies, local formal and informal leadership and private investors; the relationship of class, ethnic and gender structures as they apply to access of developmental resources; and the relationship among various social actors at various levels of analysis.

The research questions of this study are as follows:

Question 1: **What is the role of tourism and its relevance to poverty alleviation in Tanzania?**
Question 2: **What is the range of economic opportunities for indigenous communities derived from the tourism industry in Tanzania?**
Question 3: **What are the barriers to accumulating physical and financial capital for indigenous Tanzanians?**
Question 4: **How does access to human, social, and natural capital influence economic participation in tourism economies by indigenous Tanzanians?**

The common themes discovered in this study can provide direction on three fronts. First it will help development organizations understand the local business and employment environment in which they operate so that they can address key cultural and political constraints that may be unique to indigenous Tanzanians. This knowledge can help guide NGOs and MF organizations in the reduction of barriers to economic participation in future tourism expansion plans. Secondly, these themes can steer policy formation and developmental resources of the Tanzania government towards local involvement and empowerment within tourism expansion strategies. Thirdly, this research can improve the theoretical construction of sustainable development as it relates to tourism expansions in developing countries. As Tanzania increases their reliance on tourism, decreasing leakages through local business ownership can improve the quality of life for many Tanzanians.

1.3   Organization of the Dissertation

This dissertation proposal is divided into ten chapters. The first chapter provides an overview of Tanzanians reliance on tourism as a contributor to poverty alleviation along with the goals of this dissertation. Chapter 2 provides a literature review of economic constraints facing indigenous communities and develops an overview of the sustainable development theoretical framework used for this research. Chapter 3 looks at the historical reasoning behind past economic development approaches, and imparts the current tourism industry, tourism related policies, and the disconnect between the strive for self-reliance and the need for international private investment. Chapter 4 lays out the methodologies for this dissertation. Using a comparative case study framework, this dissertation compares three distinctly different communities near tourism destinations. Data collection was conducted through a series of interviews and/or focus groups in each community.

The data from over 25 person to person interviews with government officials, policy makers, and nongovernmental organization are presented in chapter 5. The themes from these interviews were used as guidelines in developing focus group questions with in the villages. Chapter 6 presents the data from Pangani District, a relatively new beach destination along the Indian Ocean coast of Tanzania. Chapter 7 looks at the villages within the Amani Nature Reserve, an ecotourism and research site for many conservation researchers visiting the area. Chapter 8 concludes with data from the urban villages of Arumeru District in Arusha. As a major thoroughfare between Kilimanjaro International Airport and Arusha Town, and the gateway to Arusha National Park, Arumeru has a well established history with tourism and tourism establishments. Chapter 9 brings together all the information as a means to addresses the research questions guiding this study. Chapter 10 applies the results of this study to the sustainable development framework as a means to expand the theoretical model.

1.4   Definition of Terms

Bottom-up - A development or planning strategy of information processing and knowledge ordering where the individual base elements of the system are first specified in great detail. (Reid, 2003)

Business Development Services - Programs designed to help businesses through promoting, facilitating, subsidizing or otherwise assisting businesses to provide services to other businesses. (Harper M. & Tanburn J., 2005).

Community - People living within a geographic region that are affected by tourism development either through their participation or lack of participation for whom tourism benefits are sought. (Reid, 2003)

Community Development - The practice of civic leaders, activists, involved citizens and professionals used to improve various aspects of local communities. (Reid, 2003)

Economic Development - The development of economic wealth in countries or regions for the well-being of their inhabitants.

Entrepreneur - A person who operates a new enterprise or venture and assumes some accountability for the inherent risks.

Globalization - The integration of economic, political and social cultures.

Gross Domestic Product - The total market value of all final goods and services produced within a country in a given period of time (usually a calendar year). It is also considered the sum of value added at every stage of production (the intermediate stages) of all final goods and services produced within a country in a given period of time, and it is given a money value.

Host Communities - A group of any size who resides in a specific tourism region and has a historical heritage.   (Dei, 2000)

Indigenous - Having originated in, living, or occurring naturally in a particular region or environment. (UNDP, 2004)

Informal Economy - Wage or self employment activities that fall outside the reach of government regulation. (ILO, 1972)

Least Developed Country - Countries which according to the United Nations exhibit the lowest indicators of socioeconomic development, with the lowest Human Development Index ratings of all countries in the world.

Micro-finance - financial capital in the form of micro-loans and credit options that are aimed at the world's lowest income groups. (Yunus, 1999).

Modernization - The process in which society goes through industrialization, urbanization and other social changes that completely transforms the lives of individuals. (Rostow, 1960)

Pro-poor Tourism - Tourism that generates net benefits to the poor. Economic benefits are only one component to this, as social, environmental and cultural costs and benefits also need to be taken into account. (DFID, 1999)

Sustainable Development – Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. (WCED, 1983)

Sustainable Tourism – Tourism development that meets the needs of the present tourists and host regions while protecting and enhancing the opportunity for the future. (UNDP, 2004)

Structural Adjustment - A term used to describe the policy changes implemented by the International Monetary Fund and the World Bank in developing countries with the goal of reducing the borrowing country's fiscal imbalances.

Top-down - A development or planning strategy of information processing and knowledge ordering that formulates an overview of the system of interest. (Reid, 2003)

1.5   Abbreviations

ANR – Amani Nature Reserve

CBC – Community-based Conservation

CD – Community Development Era

CED – Community Economic Development Era

GDP – Gross Domestic Product

HIV – Human Immunodeficiency Virus

HTTI – Hotel and Tourism Training Institute

ILO – International Labor Organization

IMF – International Monetary Fund

ITMP – Integrated Tourism Master Plan

MF – Microfinance

TMNRT – Ministry of Natural Resources and Tourism

NGO – Nongovernmental Organization

NSGRP – National Strategy for Growth and Reduction of Poverty

NTP – National Tourism Policy

PA – Protected Areas

PCCT – Pangani Coast Cultural Tourism Program

PPT – Pro Poor Tourism

SACCOS – Savings and Credit Cooperative Union League of Tanzania

SAP – Structural Adjustment Programs

SCIP – Support for Community Initiated Projects

SNV – The Netherlands Development Group

ST-EP – Sustainable Tourism for Eliminating Poverty

TANAPA – Tanzanian National Park Authority

TCT – Tourism Confederation of Tanzania

TMNRT – Tanzanian Ministry of Natural Resources and Tourism

TPST – Tourism Policies and Strategies in Tanzania

TTB – Tanzania Tourism Board

UNDP – United Nations Development Program

UNWTO – World Tourism Organization

USDM – University of Dar es Salaam

WB – World Bank

WCED – World Commission on the Environment and Development

WTO – World Trade Organization

WTTC – World Travel and Tourism Council

CHAPTER 2 – SUSTAINABLE DEVELOPMENT AND TOURISM SOLUTIONS: A THEORETICAL REVIEW

Tourism is being utilized as a key economic development tool of the 21st century. Serious concern over tourism's benefit to the poor has brought new light to community involvement and community participation in contemporary literature. In particular, sustainable development has become a way to address the long-term viability of income and employment in LDCs while attempting to preserve traditional customs and culture in the face of globalization. This literature review will set the stage for the sustainable development framework used throughout the research project. First, it will look at the dominant economic development paradigms over the past sixty years to show how they have influenced the sustainable development framework as it relates to Tanzania. Subsequently, sustainable development is defined as the theoretical framework for this dissertation. Discussion on community development within the framework of indigenous populations explains the selection of a community-based emphasis within this research. Using content analysis from the following journals: the Journal of Sustainable Tourism, the Journal of Ecotourism, Current Issues in Tourism, Annals of Tourism Research, Economic Development and Cultural Change, Development Entrepreneurship, Development Southern Africa, and the Journal of Development Economics, seven constraints to economic participation are identified and discussed. Lastly, tourism as a sustainable development option is presented.

2.1   Economic Growth and Development Paradigms

Economic growth and economic development are often mistakenly used interchangeably to represent a nation's movement towards increased economic production, modernization, and increases in quality of life for citizens (Schnaiberg 1980, Quiroga 1994, Bhattacharyya 2004).

Economic growth is defined as "the increase in value of goods and services produced per person, or at an aggregate level, by an economy from one year to another" (Matarrita-Cascante, 2008, p. 4). It is a quantifiable measurement of gross domestic product, personal income, and levels of industrialization, usually calculated per capita (McMichael 2004, Sen 1999). Conversely, the concept of development emerged post World War II as a means to remain in control of former colonies under the pretext of increase standards of living in emerging nations (Cooper & Packard 1997). The philosophy behind development has evolved over the years to represent a set of desired outcomes and an ideal future state (Gartner, 2008). Today, development looks at the distribution of the benefits of economic growth through increased equity to all members of society, the provision of social services to all communities, poverty reduction, and increased self reliance (Morris, 1980). There are significant differences between economic growth and development. The former is represented by job creation, increased incomes, and enhanced services (Wilkinson, 1991). The latter is associated with capacity building at the local level, allowing individuals the freedom to control their own destiny (Wilkinson, 1991).

2.11   Economic Development Paradigms in Tanzania

Historically, Tanzania's economy has been influenced by the pervading philosophies of the time through influences from international development agendas and international involvement in policy formulation (Reeder, 1997). Reid (2006) recognizes three periods of capitalist development since the end of WWII: 1) the community development (CD) era; 2) the community economic development (CED) era; and 3) the economic and social development era. While the lines between these developmental phases is somewhat blurred, the academic literature reflects the changing dynamics of these different eras.

The first period began shortly after the war and focused on community and country building in theory and resource extraction in practice (Britton, 1982). The CD approach initially

focused more on social capacity building through education and social programs at the community level and attempted to establish a "floor beneath which no citizen should fall in order to enjoy a reasonable quality of life" (p. 89). However, it quickly resulted in imperial nations' intimate involvement in their former colonies as a means to support increased consumption trends in their home nation (Cooper & Packard 1997). Great Britain, who owned Tanganyika (mainland Tanzania) at the time, passed the Colonial Development and Welfare Act that focused metropolitan resources for quality of life programs, such as health care and education (Cooper, p. 30). The goal was to establish a healthier, thus more efficient, workforce and to reduce tensions between the colonizers and the 'natives' (Lliffe, 1979). What resulted was a continued demand for Tanzanian labor resulting in inflation, migration, urban overcrowding, and poor social services. In reality, resource extraction became the motivation for increased involvement (Britton, 1982), and environmental problems worsened. The Bretton Woods Agreement of 1944 attempted to both control the world economy through the creation of the International Monetary Fund (IMF) and the World Bank (WB), and initially promoted national interests over international capital (Methan, 2001). Development encouraged strong national economies through fixed exchange rates, state economic control, monetary aid, and import substitutions (Leys, 2005) and Tanzania's economic progress fell into the hands of the global community.

Academics and practitioners began to see clear patterns in the distribution of resources and the economic repercussions of the CD era. The mindset of development as a science into one of philosophy occurred in the early 1950s when discussion moved from how a society should be into how a society actually was (Gartner, 2008). Theories, such as modernization theory, dependency theory, and world systems theory critically accessed the interaction among developed and developing countries. Modernization theories were introduced in the mid 1950s and arrived in Tanzania with independence in 1961 and the creation of a free state. The premise of

modernization theory lies in the belief that traditional societies progress into developed societies and will eventually reach the same economic level as the Western world. Although Tanzania was a socialist country after independence, the need for international investment funds for infrastructure development led Tanzania's economy to be controlled by the international financing agencies, particularly the World Bank (WB) and the International Monetary Fund (IMF) which promoted pro-market economies (Cooper, 2002). International investment did not materialize, so Tanzania relied on foreign direct aid as a means to modernize (Cooper, 2002).

Increases in technology, fiscal budget constraints, and corporate globalization in the 1980s refocused development onto the individual through CED. CED programs sought economic solutions to all social issues. In the west, these programs lead to 'restructuring' or the 'new economy' and to the structural adjustment programs (SAP) in the developing countries such as Tanzania. Lead by the IMF and the WB, SAP programs enforced tight restrictions on governments if they wanted loans from the international community (Table 1). Tanzania's appetite for foreign aid allowed the international community to enforce strict economic restrictions including the bolstering of export industries, the devaluation of national currencies, the privatization of state run industries, and the removal of state supported social services (Mowforth & Munt, 2003). The objectives included reduced state involvement in economies and liberalized trade congruent with the free market ideologies of the time. Modernization theory attempted to give Tanzania the 'big push' as a means to increased infrastructure, a quality workforce, and capital.

Table 1: Structural Adjustment Program Restrictions for LDCs
· Removing restrictions on foreign investment.
· Reorienting the economy towards exports in order to earn foreign exchange.
· Reducing wages or wage increases to make exports more competitive.
· Cutting tariffs, quotas, and other restrictions on imports, to grease the way for global integration.
· Devaluing the local currency against hard currencies such as the US dollar in order to make exports still more competitive.
· Privatizing state enterprises, thereby providing further access for foreign capital.
· Undertaking a deregulation program to free export-oriented corporations from government controls that protect labor, the environment, and natural resources, thereby cutting costs and further increasing export competitiveness.
Source: Bello (1996), p. 286

The postmodern philosophies have criticized the way industrialization has leveraged development projects (Leys, 2005) resulting in the economic and social era. The increase in the role of NGOs has provided developing governments with support in dealing with new social welfare programs and has shifted the focus towards community participation and empowerment. The emphasis on local involvement is prevalent in sustainability paradigms, such as sustainable development, sustainable tourism, and the sustainable livelihoods framework.

2.2   Sustainable Development and Its Application in Tanzania

It is through the realization that resources are finite that attention turned towards a more maintainable partnership between development and environmentalism and placed attention on community development rather than national development (Cooper & Vargas, 2003). The concept of sustainability became streamlined in 1987 with the formation of the United Nation's World Commission on the Environment and Development (WCED) and the publication of *Our Common Future*, better known as the Bundtland report. It was the increases in economic growth in developed countries and the lack of growth in least developed countries, as well as the environmental degradation across the globe, which brought the environmental movement to the

international forum (Hardy, Beeton, & Pearson, 2002). There were two veins of thought within this movement. First, the ecology movement that pushed for a return to the pristine environments unhindered by mankind, and a second that believed increased technology could build a new relationship between human economic needs and conservation of the natural environment (Bramwell & Lane, 1993). This second approach gave rise to the sustainable development paradigm.

The most common definition of sustainable development comes from the Bundtland Report: "development seeking to meet the need of the present generation without compromising the ability of future generations to meet their own needs," (WCED, 1987, p. 8) and includes five major principles: environmental preservation, economic wellness, social justice, institutional reform, and the balancing of opportunity (de Boer, & Hueting 2004, Hall 2000) (Figure 1). Transitions to sustainable development require strategic natural, man-made and socio-cultural capital, secure property rights, precaution and adaptation to local/regional conditions and limits, environmental and social stability, diversity and redundancy, democratic governance, sectoral coordination, and policy integration (Briassoulis, 2007). Dietz et al. (1989) first used sustainable development as a means to reduce environmental conflict which he believed was derived from four sources: differential knowledge as environmental knowledge is complicated and not well understood by the majority of the public; value differences that arise as a result of policy choices; mistrust of expert knowledge whom abide by the directives of their employers; and vested interest in the political struggle over those who will lose and those who will win. Chambers and Conway (1992) introduced the sustainable livelihoods framework in 1998 as means to assess the way people's assets and endowments support livelihood outcomes (Mubangizi, 2003). These convertible assets include physical, financial, human, social, and natural capital (Ellis, 2000) and can determine income opportunities by individuals and households. There is increasing

discussion not only on the role locals can play in sustainable development, but on the long term participation of such involvement.

Figure 1: Sustainability Principles

Living within environmental limits
Respecting the limits of the planet's environment, resources and biodiversity – to improve our environment and ensure that the natural resources needed for life are unimpaired and remain so for future generations.

Ensuring a strong, healthy and just society
Meeting the diverse needs of all people in existing and future communities, promoting personal wellbeing, social cohesion and inclusion, and creating equal opportunity.

Achieving a sustainable economy
Building a strong, stable and sustainable economy which provides prosperity and opportunities for all, and in which environmental and social costs fall on those who impose them (polluter pays), and efficient resource use is incentivised.

Using sound science responsibly
Ensuring policy is developed and implemented on the basis of strong scientific evidence, whilst taking into account scientific uncertainty (through the precautionary principle) as well as public attitudes and values.

Promoting good governance
Actively promoting effective, participative systems of governance in all levels of society – engaging people's creativity, energy and diversity.

Source: UK Government 'Securing the future' (2005)

Over the past twenty years, Tanzania has implemented community-based natural resource management as a strategy to reduce centralized management systems and ease open-access use of the country's natural resource base (Fabricius et al. 2004, Jones & Murphree 2004, Kull, 2002). The structural adjustment programs of the 1970s and 1980s restructured Tanzania's economy around large scale crop production which disrupted traditional resource use and resulted in increased environmental degradation (Reed, 1996). In the mid 1990s, Tanzania began a series of successful pilot programs to transfer forest management from the central government to village governments (Blomley & Ramadhani, 2006) as well as a partnership with the African Wildlife Foundation to begin a number of community benefit sharing schemes involving wildlife resources. Together with policy economic and political reforms, a new legal environment

emerged for advancing participatory forest management that emphasized conservation and sustainable use of forest reserves (Blomley & Ramadhani, 2006). Community Based Conservation (CBCs) programs were to provide an avenue for community involvement in preservation issues and allow economic gains to infiltrate villages whose livelihoods are disrupted from protected areas. For example, the three main policy objectives of participatory forest management in Tanzania are (1) improved forest quality through sustainable management practices, (2) improved livelihoods through increased forest revenues and secure supply of subsistence forest products, and (3) improved forest governance at village and district levels through effective and accountable natural resource management institutions (TMNRT, 2003).

Bromley et al. (2008) provided the first assessment of the success of these programs and found that while these programs have rapidly expanded in Tanzania, there is still a major investment in the areas with the highest national value in biodiversity and water catchment, such as the Eastern Arc Mountains. Less effort has been put into forests and woodlands with lower biodiversity values but with higher utilization potential for local communities (Bromley et al., 2008). In regards to wildlife benefit sharing, Goldman (2003) found that in practice, often CBCs are used as a means to placate ostracized park neighbors, and "the approach employed by the community-conservation efforts of TANAPA (Tanzanian National Park Authority) involves communities as passive recipients of park-outreach benefits" (p. 836). Goldman argues that the emphasis of the new Wildlife Policy was to protect wildlife and enlarge the protected area network and to transform communities from enemies to facilitators of conservation. Igoe (2001) argues that the same practice is employed by NGOs who utilize communities to promote the integrity of the national park system in Tanzania.

Research has shown that increased economic opportunity can increase a community's commitment to conservation initiatives (Belsky 1999, Goodwin 2000, Kontogeorgopoulos 2005).

In Tanzania, these benefits have been derived from nonconsumptive uses of conservation land, such as wildlife ranching (Child, 1995), bee keeping (Wily, 1996), and tourism (Gössling 2001, Okello & Yerian 2009). Sustainability requires rewarding employment that is made available to all members of a community (Kontogeorgopoulos, 2005). Walpole & Goodwin (2001), for example, found that economic incentives can motivate communities to reduce their exploitation of wild plant and animal species, to help control poaching by outsiders, or to set aside part of their farm or grazing land as conservation areas. Furthermore, economic involvement fosters local control over resources, participation in decision making, and empowerment for local people, especially the under privileged (Lele, 1991). In a pilot project developed in response to forest degradation in the Duru-Haitemba and Mgori ecosystems of Tanzania, local communities achieved significant results in ecosystem conservation and income diversification. Villagers saw improvements in returning wildlife and bees reoccupying hives, as well as generated enough revenues through fines to start a number of community development projects (Mazur & Stakhanov, 2008). However, some theorists believe that programs designed towards sustainability must distinguish carefully between efficient allocation of resources and socially desired outcomes including intergenerational equality (D'Hauteserre, 2005). D'Hauteserre (2005) reminds us that focus on integrating economic development with environmental stewardship is not necessarily synonymous with material enrichment. Sustainability requires managing the conflicts and struggles that arises over material and ideal interests. It also requires a democratic ethos, social relations between consumers and producers, spatial relations between the local and global, and collective action between traditional and new social movements (Mooney, 2004).

Social justice, such as an equal opportunity for all members of society and the equitable distribution of benefits, helps reduce conflict over resource use and further enhances the

sustainability of environmental and economic advancements (Briassouli 2001, Mooney 2004, Gebremedhin 2007). Social capital stems from trust and reciprocity between community members which is embedded in traditional social network and is often the result of obligations, threat of censure and exchange (Coleman, 1988). A high level of social capital can lead to good governance, improve management of public resources, the diffusion of information, brings access to resources, and lower transaction costs (Adler and Kwon, 2002). Van der Ploeg et al. (2000) utilized rural actors in the determination of development options through the local control of development processes and the retention of benefits associated with it. For example, Mbaiwa (2008) found that high levels of social capital by indigenous populations in Botswana led to conservation ethics and practices of resource use almost similar to those used before modern approaches were introduced in the area. These include observing hunting seasons and harvesting thatching grass at specific seasons. Torell (2002) argues that Tanzania has maintained a long history of strong social ties that translates into high social capital at the local level. However, the centralization of resources in recent years has drastically reduced social capital in relation to national conservation policies and programs. Therefore, including local populations in resource management decisions is a key focus in current institutional reforms across Tanzania (Kajembe & Rutatora, 1999)

Tanzania is undergoing institutional reforms as a means to better facilitate sustainability objectives in country-wide development. While these reforms appear promising, the reality lies in continued centralized control of natural resources and local economic control is limited (Kallonga et al., 2003). Currently, policy making is increasingly characterized by dynamic multi-actor interactions, complex power gaps and uneven resource and information exchange between actors and institutions (Truly, Sautter & Leisen, 1999). Problems are primarily interpreted as poor implementation of existing planning frameworks rather than being linked to the power

struggles embedded in the changing political and economic landscapes of development (Bianchi, 2004). Duda & Roche (1997) used sustainable development principles to sort out the institutional fabrics as a means to keep open sustainability options. They argue that bequeathing sustainable institutions rather than environments to future generations facilitate development objectives. One of the key challenges in Tanzania is the sheer number of different institutions that govern resource use in the country, each with their own set of policies, implementation strategies, and levels of community involvement (Table 2). Furthermore, transparency throughout these agencies has increased conflict between institutions and village-based development projects (Nshala 1999, Majamba 2001) and rural diversification has been undermined resulting in increased poverty in rural economies (Kallonga 2003).

Table 2: Tanzania Protected Areas by Managerial Unit			
Agency	**Division**	**Protected Area**	**Area**
Tanzania National Parks	Parastatal	National Parks (12)	42,000 km2
Ministry of Natural Resources and Tourism	Fisheries	Marine Parks (7)	223,000 km2
Ministry of Natural Resources and Tourism	Wildlife	Game Reserves (34)	50,000 km2
Ministry of Natural Resources and Tourism	Forestry	Forest Reserves	33.5 m hectares
Ngorogoro Conservation Area	Parastatal	Conservation Area (1)	8,288 km2
WD Regional		Game Controlled Areas (43)	unknown
Regional		Open Areas	unknown

There is currently a lack of consensus on the practicality of sustainability principles (Schwartz, 2005). Many theorists believe there is no concrete definition of sustainable development and that the goals within the framework are unrealizable (Sharpley & Telfer, 2002). The concept of appropriate levels of sustainability is also often disputed (Figure 2). Strong

sustainability implies that the economy must be constrained by basic ideology and institutional changes in regards to economic growth, the environment, culture, and society. Weak sustainability focuses on flows and observable impacts on the environment and believes the environment can be controlled through carrying capacity and thresholds (Hamilton & Harper, 1994). In other words, is sustainability based on an appropriate investment levels and strategies, such as greening the economy, or is it based on reducing populations and economic activities that deplete natural resources, such as reaching a steady state with zero economic growth (Turner, Pearce and Bateman, 1993)? Either way, the prevalence of sustainability principles in policy formulation, institutional goals, and theoretical constructs shows the continued need to evaluate development initiatives from a sustainability perspective (Greenwood, 2006).

Figure 2: Weak versus Strong Sustainability

Strong Sustainability   Weak Sustainability

Source: J. Opio-Odongo (2003)
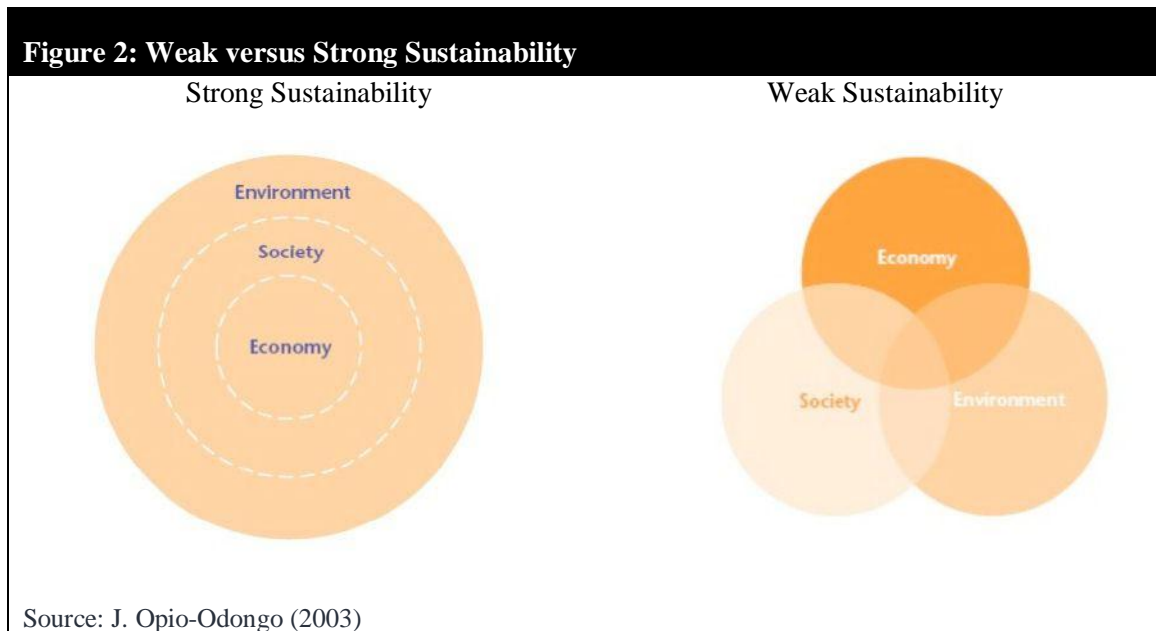
Sustainable development has been embraced by Tanzanian policy makers and is reflected in current policy documents. In theory, sustainable development preaches against cookie cutter approaches to development (Beeton, 2006). As a broad concept, sustainability requires

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participatory approaches to development as a means to capture diversity in populations and livelihoods (Simpson, 2007). Therefore, community based participatory methods of data collection are required to assess unique environmental, economic, social, institutional, and distribution issues as a means to address regional and cultural differences (Brock 2002, Mosse 1994).

2.3 Tanzania: Community and Indigenous Peoples

Community development theories are attempting to focus progress at the local level. One of the key dominate themes to emerge from past theoretical models is the sense that locally beneficial projects must move away from mass markets and move into a more diversified, fragmented approach to development that flows from a localized or indigenous base (Methan, 2001). Sustainable development shifted the spotlight from a commercial, profit perspective to emphasize locally based developmental strategies that "empower those who have the most to lose from unsustainable approaches" (Reid, 2003, p. 7). The goal becomes building community capacity which provides for skill advancement and allows people to become more self-sufficient and less dependent on the outside world. Thus the focus changes from strictly economic development to social and environmental improvements.

2.31 Community Defined

Community is derived from the Latin word *communitas* referring to the process when "a whole group of people cross a threshold and together enter a liminal time and space – that is, an in-between that is neither past nor present, and a space that is neither here nor there" (Turner 1969: vii). Beeton (2006) defines community as "an amalgamation of living things that share an environment" and that "all individual subjects in the mix have something in common" (p. 6). These commonalities range from intent, belief, resources, preferences, needs and are continually

changing, evolving and developing over time. Wilkinson (1991) suggests that community

consists of three elements: a locality, a local society, and a process of locally oriented collective

actions. Community is a dynamic concept that changes over space and time.

Host communities within a specific geographic region provide a more conventional

definition of community. Dei (2000) specifically defines a community as a group of any size who

resides in a specific region and has a historical heritage. "In Africa, these groups are led by

village heads, chiefs, and kings and are the owners of land" (p. 285). Tourism Concern on the

other hand, references executive potential by defining community as "a mutually supportive,

geographically specific, social unit, such as a village or tribe, where people identify themselves as

community members and where there is usually some form of communal decision-making"

(Smith, 2003, p. 121). They stress that consensus and control are key issues in community and all

members should have equal opportunity to participate in the political process. Reid (2003) refers

to community within tourism studies as "the smallest political unit which makes collective

decisions on a day to day basis…that affects the lives of all citizens and is instrumental to tourism

analysis" (p. 22). The first type of community for this paper is thus defined as people living

within a geographic region that are affected by tourism development either through their

participation or lack of participation for whom tourism benefits are sought. They are referred to

as the micro-community (Reid, p. 22).

The second type of community under analysis is the community of global and local

tourism organizations. They range from international associations, such as the World Tourism

Organization (UNWTO), national and state sponsored tourism support, such as Tanzania's

Ministry of Natural Resources and Tourism (TMNRT), and local development agencies such as

non-governmental organizations (NGOs), financial assistance programs and other voluntary

associations involved with the administration and management of geographic based communities

(Hall, Kirkpatrick, & Mitchell, 2004, p. 20). These organizations, referred to as the macro-communities (Reid, p. 22), provide the resources to empower the micro-community in tourism development.

When examining communities to assess development consensus, it is important to acknowledge that individuals do not exclusively belong to one community and that differing communities may hold contrary positions in regards to community development (Theodori, 2005). "Community response to tourism (development) is partly determined by prior access to local resources, the level of consensus and cohesion in the community, and the degree to which they are able to work with outside institutions" (Harrison, p. 38). Each community, both micro and macro, consists of multiple interests and differing values and views. Because of these multiple identities, Reid suggests dividing micro-communities into more homogenous groups based on characteristic such as gender, race, and class in order to "understand the community in all its complexities" (p. 23). This research divided communities into economic groups in an attempt to discover consistencies among social groups that participate in differing levels of tourism. In particular, current business owners, tour guides, and seasonal, part-time tourism employees may have distinguishably different insight into employment and self-employment constraints within the industry. Macro-communities were analyzed based on public-private status, size, and international-national-local affiliations.

2.32   Indigenous Defined

Members of the Tanzanian communities and residents in LDCs in general, are frequently referred to as 'indigenous' peoples. The United Nations Development Program (UNDP) and the International Labor Organization (ILO) developed two criteria when defining indigenous peoples: 1) they must be descended from groups present in a given area and occupied by them prior to the creation of the modern state and the definition of modern borders; and 2) they must possess

maintained cultural and social identities and institutions separating them from the dominant or mainstream society.

> *"Additional characteristics often ascribed to indigenous peoples include (i) self-identification and identification of others as being part of a distinct indigenous cultural group, and the display of desires to preserve that cultural identity, (ii) a linguistic identity different from that of the dominant society, (iii) social, cultural, economic and political traditions and institutions distinct from the dominant culture, (iv) economic systems oriented more toward traditional systems of production than mainstream systems, and (v) unique ties and attachments to traditional habitats and ancestral territories and natural resources in these habitats and territories"* (United Nations Development Programme, 2004)

To further identify indigenous as it relates to tourism, Ryan and Aicken (2005) claim that indigenous tourism depends on three things: 1) the degree to which the culture of the indigenous peoples pervade the product; 2) the duration and/or intensity to which visitors become immersed in the cultural production; and 3) the degree to which the activity, site, or performance is owned by indigenous people. A common mistake made in cultural studies is to assume that nation-states contain a homogenous ethnicity across its borders. This is not the case in Tanzania. 'Tribalism' or ethnicity varies across the country and there is an estimated 120 distinct tribes in Tanzania. Ethnic diversity within the Tanzanian society gives rise to a lack of trust between individuals (Tillmar, 2005). Trulsson (1998) argues that building trust is a deliberate strategy in negotiating the institutional environment. Without trust, an economic class structure between indigenous groups is formed which can marginalize ethnic minorities (Trulsson, 1998). Tillmar's study found that the most common used principle for determining trustworthiness by Tanzanians was gender and ethnicity.

Indigenous communities face additional challenges when existing within a different, dominant global culture (Beeton, 2006). "The level and degree of complexity of the issues they face are multiplied…in terms of the various power relations and notions of empowerment" (p.

11). Communities exist in relation to other communities and the exercise of power and counter power becomes a central aspect of social life (Hall, Kirkpatrick, & Mitchell, 2004,). Therefore, this study implements three distinctly different areas as a means to understand differing cultural perspectives on economic benefits and perceived influences of tourism in Tanzania.

2.4   Constraint to Economic Participation by Indigenous Communities

Sustainable development theorists have been researching constraints to indigenous economic participation across the globe. Sustainability refers to finding solutions to poverty without compromising the natural and cultural resource base needed by future generations to pursue their own economic goals. This task requires attention to economic, cultural, and social needs of all groups while focusing on solutions that are also viable for the long term. It is impossible to appease all parties, but economic involvement through employment and local business ownership within the tourism industry is a viable solution to local participation (Yunus 1999, Ashley et al 2001, Satta 2003, Hampton 2003, Mfaume & Leonard 2004, Mbaiwa 2005, Bramwell 2005, Davidson 2007).

A content analysis was conducted within a number of tourism and economic development journals (dated 1995 to 2007) to find previously discussed constraints to economic participation. Journal articles that particularly referred to Tanzania and Africa were used. Content analysis is a social science methodology used to analyze communications for repetitive words or concepts (Denzin, & Lincoln, 2005). Forty-seven articles and were reviewed from the following journals: the Journal of Sustainable Tourism, the Journal of Ecotourism, the Current Issues in Tourism, Annals of Tourism Research, Economic Development and Cultural Change, Development Entrepreneurship, Development Southern Africa, and the Journal of Development Economics. Additionally, a number of academic tourism books and NGO publications were used. The review

of relevant literature revealed seven recognized constraints to participation, many of which are similar and overlap in practice, but are derived from differing economic and social forces and require different approaches in assessment. These constraints are organized based on their occurrence in the literature and include: 1) finance; 2) education; 3) governmental; 4) economic; 5) community-based; 6) property rights; and 7) social, political, and cultural exclusion. These constraints were then used to analyze the data collected in this study. Table 3 provides an overview.

Constraints to economic participation by indigenous populations and the poor are prevalent throughout the tourism and development literature, however on closer inspection these constraints remain vague on unsubstantiated. While authors frequently mention constraints faced by their study populations, these constraints remain unreferenced and loosely defined. For example, the lack of formal business training appears in numerous documents, yet a clear understanding of 'business knowledge' is never defined and how the author determined this 'lack of knowledge' is rarely explained. It appears that this common knowledge has yet to be empirically tested or measured and the helpful details that define the constraints are repeatedly assumed. To continue the example further, a series of questions quickly develop as to the meaning behind 'lack of business training'. Is the lack of business knowledge attributed to the remote location and lack of market exposure by a community? Is there a lack of formal educational opportunities either locally or nationally? Perhaps business schools are available but cost prohibited for local residents. Has industry traditionally been managed by a cooperative that has handled business negotiations in the past? An even longer list of questions can be derived when addressing the constraint of business financing or government bureaucracy. As Dieke (2000) writes, "the barriers to cross for new entrepreneurs in LDCs seems almost

insurmountable" (p. 198), and it appears that researchers have also been shaken by the daunting

task of clarifying this mountain of barriers.

Table 3: Constraints to Economic Participation in LDCs
· Financial Constraints
Lack of financial resources
Lack of borrowing capital
Regulatory restrictions
· Educational Constraints
Basic secondary education including literacy and mathematical skills
Lack of business skills including management and marketing skills
Lack of knowledge about the tourism industry or tourist expectations
· Governmental Constraints
Incomplete policy or lack of policy harmonization
Tax structures
Bureaucratic business start-up procedures
· Economic Constraints
Inflationary pressures from foreign investment
Lack of capitalistic (middle) class
Lack of access to tourism infrastructure
Volatility of the tourism industry
Local competition
Foreign-owned monopolies/oligopolies
· Community-based Constraints
Remoteness from tourism enclaves
Lack of economies-of-scale or limited supply of goods and services
No market access
· Property Rights
Physical exclusion from natural and cultural resources
Lack of defined property ownership
· Social, Political, and Cultural Exclusion
Loss of sovereignty and local decision making
Lack of consultation by governments, international development agencies, and the private sector
Ethnic and gender discrimination
Cultural norms
Lack of social capital

<u>2.41</u>   <u>Finance</u>

Financial constraints include a lack of financial resources, a lack of borrowing capital, and financial regulatory restrictions and are the most constraining factor in the development of small businesses (Davidson 1996, Yunus 1999, Satta 2003, Hampton 2003, Ahmed 2007). Satta concluded that 94% of small entrepreneurs surveyed in Tanzania depended on personal resources or family loans to fund their start-up businesses (p. 65). Muhammad Yunus (1999), the founder of the Grameen Bank, refers to the lack of credit for the poor as a form of 'financial apartheid'. He writes, "In economic theory, credit is seen merely as a means with which to lubricate the wheels of trade, commerce, and industry. In reality, credit creates economic power which quickly translates into social power" (p. 150) and the poor are excluded from this command structure. He claims that poor people are poor because they cannot retain the returns from their labor and must work for those who control the productive assets. Without inheritance, education, and personal assets, poverty becomes a downward cycle generation after generation. The FinScope Tanzania Survey, conducted in 2006, showed that 91% of those surveyed knew of loans, but only 9% had access to formal banking institutions, 2% had access to semi-formal institutions (NGOs and Credit Cooperative Organizations), and 35% had access to informal services. A majority of the participants still used friends, family, and money lenders for credit (USAid, 2008) as many credit agencies require collateral as a means of securing financial capital.

Micro-finance is seen as a major market solution to poverty alleviation (Ahmed, 2007). MF comes from a number of sources; banks, NGOs, and private enterprises, and consists of small loans, usually between $100 and $1500, given directly to the poor (Yunus, 1999). The key to the success of MF is in the social structure surrounding the recipients. Groups of likeminded peers join together (approximately 5) and a few will receive loans which must be paid back within one year. The other members of the group are motivated to support the recipients as their loan cannot

be issued until a majority of the first loans are reimbursed. The program also builds in savings accounts, insurance payments, and other forms of finance which help reduce moral hazard for the poorest of the poor. Grameen Bank, the founding institution, loans almost exclusively to women as a means to ensure that the financial benefits trickle throughout the family unit. Other institutions have adopted a variety of strategies to reach the poor, some programs are geared towards both genders and some programs are industry specific.

2.42   Education

Educational limitations for impecunious populations appear in many different forms throughout the literature (Davidson 1996, Dieke 2001, Ashley 2001, Mfaume & Leonard 2004, Mbaiwa 2005). The most fundamental form of educational constraints lies in the basic public educational system in many LDCs. School fees, such as books, uniforms, and transportation to and from school, limit many children from advancing beyond a primary education level. Furthermore, girls are often excluded in educational opportunities due to cultural values, early marriage or responsibilities at home, especially if illness is prevalent in the extended family.

Many families living on the financial cusp of poverty and destitution are unable to send their youth to school full time to learn a trade or further their professional education (Doswell, 2000). Young adults, particularly in Africa, engage in multiple livelihoods, balancing their time between farming and wage labor (Fadahuns 2000, Francis, 2000). Depending on their access to resources such as land, money, skills, and livestock, a family member may participate in a variety of formal and informal economic endeavors (Muller, 2005). Francis (2000) recognizes that "the way they decide to use these resources depends on their values and beliefs, their estimation of how risky these different activities are likely to be, and whether they must think short-term or long-term" (p. 7). Going to school requires time away from other economic contributions that may be required by a person's family or community.

The educational environment is changing in many LDCs (Davidson 1996, Doswell 2000, Suzuki 2002, Barret 2007). The nature of tourism employment includes low skill requirements, seasonality, and high turnover, making tourism appeal to policy makers dealing with low human capital restrictions (Davidson, 1996). In many ways, contemporary tourism employment fuels the demand for a low level of societal edification rather than encouraging high standards that break citizen out of the poverty cycle (Dieke, 2001). Yet, public/private partnerships and donor funding are increasing the capacity of vocational education and training centers in LDCs. The goal is to develop people's capacity through the teaching of specific skills and preparing workers to perform jobs to given standards. Suzuki (2002) found that private training accounted for 60% of Tanzania's Vocational Education and Training enrollments from 1980 to 1990 and that during the same time period, private trainers in Harare, Zimbabwe taught three times as many students as government vocational trainers. Downfalls to private training include bilateral and multilateral educational agreements that are funding projects guided by western values, rather than local culture, as imported trainers are bringing curriculums from home (Doswell, 2000). Business training centers are increasing, yet their physical distribution is geographically skewed, particularly in Africa (Dieke, 2001).

2.43   Government

Business enterprises are dependent on the support of federal governments for success and are businesses are often hindered by uncoordinated governments (Tolentino 1995, Dieke 2001, Richter 2001, Kristiansen 2002, Hampton 2003, Bramwell 2005, Davidson 2007). Governments can hinder or facilitate economic participation in many ways, both intentionally and unintentionally. Kristiansen (2002) argues that African countries have made great progress in opening business opportunities within the private sector, however bureaucratic procedures have continued to hindered access. Policy affects all seven of the constraints being discussed.

Disconnects in federal governments can lead to contradictory courses of action even though the end goals may be the same (Hampton 2003). Bureaucratic obstacles, such as licensing or tax structures, can become cumbersome and place extra burdens and expenses on potential entrepreneurs (Tolentino, 1995). Governments help encourage or discourage outside investment in both capital and labor, and provide access to loans, donor funds, and NGO support organizations. Governments become a constraint to economic participation when there is a divide between the policy instrument used and a specific policy objective (Richter 2001). Only an overview of governmental constraints will discussed here as specific Tanzanian policies are discussed in section 3.21 and 3.22.

Bramwell (2005) lists four types of policy instruments that promote sustainable tourism, including indigenous involvement, in the tourism industry. Government encouragement increases the dissemination of information, provides education, and general persuasion for more local involvement. Government financial incentives can alter the prices facing businesses through tax incentives, subsidies, fees that protect the tourism resources, and protectionism for startup enterprises. Government expenditures can provide the infrastructure needed by the tourism industry, help create the site-specific attractions visited, and assist in the ease of operation with improvements in tourism infrastructures. Government regulations are usually backed by laws and can regulate growth, decrease foreign competition, and provide the environment in which businesses operate.

Policy occurs at many levels and it is important to recognize that multilateral organizations create policy that often contradicts national policy and the needs of local communities. The WB, IMF, WTO and UN are often concerned with macroeconomic policy that focuses on free trade, open markets, and global advancement. The repayment of structural

adjustment loans requires federal governments in LDCs to reduce social spending as a means to lower debt payments. This contradiction often becomes a burden locally.

<u>2.44   Economic</u>

Economic constraints can come in many forms (Cater 1997, Richter 2001, Ashley, et al 2001, Sumich 2002, Smith & Duffy 2003, Torres & Momsen 2004, Hill et al 2004, Mbaiwa 2005, Hjalager 2007). Foreign owned assets create inflationary pressures on the market, often driving prices beyond the reach of the local population (Cater, 1994). The inability to own the expensive productive resources limits the LDC's ability to form a middle class, which results in the inadequate involvement of auxiliary or complementary industry development, which in turn, encourages leakages in the economy as tourism operations import their needed inputs (Smith & Duffy, 2003). Infrastructure, such as roads and telecommunications, are developed to benefit the tourist, further barring access from isolated communities who are unable to transport their commodities to locations frequented by tourists (Sumich 2002, Mbaiwa 2005). Coupled with the industry's ability to relocate as a means to adjust to volatility in the tourism market, these trends create insecurity and vulnerability on the part of residents who relinquish traditional means of production in favor of participating in the tourism industry (Dieke, 2000).

Existing economic elites often benefit from economies of scale, regulations, and incentives that favor large operators (Ashley, et al 2001). Tax breaks, investment incentives, and capitalization loans may favor foreign investment (Davidson, 2007). Through established social networks, a few tourism businesses may have a majority of the economic power and form economic enclaves. Depending on the size or number of such businesses, monopolies or oligopolies form and may participate in collusionary behaviors that limit the possibility of new entrants into the market (Torres & Momsen, 2004). Antitrust laws may be weak or hard to enforce, resulting in a closed society of international business owners. Furthermore, excessive

local competition may further limit opportunities (Hjalager 2007). Often an excessive number of suppliers provide similar goods or services, such as crafts and guide services, flooding the market and resulting in lower prices and excessive surpluses.

2.45   Community-based

Some community-based constraints can be overcome, however some are based on physical attributes or the social make up of a village or town (Richter 2001, Ashley, et al 2001, Torres & Momsen 2004, Hill et al 2004, Hjalager 2007, Davidson 2007). Proximity to tourism destinations may leave a community isolated from participation. Furthermore, the ethnic make-up, as compared to neighboring communities, may result in further exclusion and less opportunity to access resources. For example, Botswana has implemented a community-based tourism project specifically aimed at including the marginalized Barsarwa. While the project's goals were to increase rural development and natural resource management, conflicts arose through the exclusion of other local ethnic groups in the area (Mbaiwa, 2005). In other words, projects designed to support one ethnic group, by definition, are discriminatory to neighboring ethnic communities.

Tourism development is wrought with stories of foreign-owned enterprises competing with locally owned businesses (Richter 2001, Hjalager 2007). Often these corporations command increased economies of scale, a larger marketing reach, and intensified capital investment in the luxuries that tourist prefer (Ashley, et al, 2001). This crowding-out effect leaves local groups unable or afraid to go head-to-head against these tourism giants. Once established, corporate enterprises are reluctant to leave.

2.46   Property Rights

Common property theory discourages open-access to natural resources (Pearce 1989, Bromley 1991, Briassoulis, 2002). The *tragedy of the commons* is a theory used to explain the

over use of common pool resources at the expense of the general good. Open access occurs when each user gains a large benefit from a resource's use, but the resource incurs a minimal cost, therefore, each and every user consumes an unwarranted amount. Only after a large number of users impact the resources is the full extent of exploitation felt. Tourism resources are no exception:

> "These resources are used, on the one hand, by tourists in common with other tourists and, on the other, for tourist in common with other activities by tourists and locals. As a consequence, they possess the characteristics of "common pool resources (p. 1066). In addition, consumption by one user reduces the quantity of resources (of the same quality) available to others" (p. 1068). (Briassoulis, 2002)

By assigning property rights to natural resources, theoretically, the owner behaves sustainably, ensuring that a long-term flow of benefits ensue, using only what is needed and saving some for future use (Bromley, 1991). Tourism is a means through which the preservation of the natural environment can be sustained, as it is an attraction that draws tourists, over time (Briassoulis, 2002). The formation of national parks and protected areas are a means to reduce the overuse of these valuable common pool resources. However, discrepancies arise when the preservation of the resource supersedes the needs of the local communities (Briassoulis, 2002). In Tanzania, protected areas and wildlife reserves are the key tourism attraction and create new barriers to economic participation if the production of goods and service revolve around the use of protected resources.

Often tourism development occurs without local participation, leaving communities angry and isolated from this increasingly important industry (de Kadt 1992, Cater 1994, Wanitel & Sipple 1998, Gossling 2002). These controversies may arise over access restrictions to natural resources that were once a part of traditional economies. Often these resources suffer from limited use as tourism attractions due to high entrance fees (Cater, 1994). Furthermore, entry into Tanzania's national parks is restricted mainly to game viewing tourists (Wanitzek & Sipple,

1998). When local communities are cut-off from the economic benefits these resources provide, illegal activities ensue that jeopardize the resource. Hunting and gathering rights, once removed, result in the need to purchase food, housing supplies, and everyday wares, further connecting local communities with the global marketplace (Gossling, 2002). If income streams do not follow the protective measures, local communities have no other means to sustain their everyday existence (Cater, 1994).

2.47   Social, Political and Cultural Exclusion

Social, political and cultural constraints refer to the processes of exclusion by community members. Social constraints involve social constructions that encourage or limit certain groups from economic endeavors. These exclusions could be based on ethnicity, gender, and/or social status. Political constraints differ from government constraints in that political constraints involve decision making dynamics through public, private or nongovernmental involvement in local decision making processes. Government constraints involve the policies, programs and bureaucracies of formalized governments discussed in section 2.43.

Community-based tourism attempts to include the poor as stakeholders rather than passive recipients (Arnstein 1969, Wilkenson 1989, Rocha 1997, Tosun 2000, Ashley et al., 2001, Beeton 2006). Increased communication between the poor and governmental, non-governmental, and private sector organizations is critical in creating a participatory role for residents (Tosun 2000, Beeton 2006). Moreover, a general attitude change about the role of communities is needed by development organizations (Ashley et al., 2001). Continued disregard discounts the poor and creates animosity towards tourism projects. Hopelessness results when local communities feel powerless to control their own destiny, and villages may refuse to support the existing tourism industry or conservation policies Cater, 2004). Traditional social organizations may create special problems in incorporating the poor in development initiatives. Women may

find it exceptionally difficult to participate in income generating activities if they receive little support from the male dominated community (Smith & Duffy 2003). Additionally, programs ear marked for one specific ethnic group, such as the Maasai, may discriminate against other groups who require assistance as well.

Social capital is defined as "endearing social relationships of trust and reciprocity that enhances a group's capacity to coordinate actions of its members as they work towards a collective good" (Montgomery & Inkles, 2001, p. v). Social capital is cooperation. It exists between community members and can achieve certain ends that are not possible with its absence. These social networks may be formalized, such as cooperatives, religious affiliations, business organizations, or informalized such as ethnic ties, indigenous practices that extend collective rights, or access to traditional knowledge (Wilkenson, 1989). All of these commonalities unite people to further the cause of the group. Horizontal social capital encourages vertical coordination that can affect policy and economic development which mobilizes further support based on existing relationships (Montgomery & Inkles, 2001). Power struggles can disrupt social capital, especially when values are being challenged by economic and social change (Sumich 2002, Beeton 2006).

Culture influences the way communities interact with their social, political, and natural environment. It dictates meanings, individual behaviors, and world views (Salazar, 2005). With increased exposure to globalization and foreign travelers, culture can hinder or encourage innovation and economic participation.

2.5   Tourism in Sustainable Development

The World Travel and Tourism Council (WTTC) claims that tourism is the largest industry world-wide and accounts for 10 percent of the global economic output and employment

(WTTC, 2003). Tourism is rapidly being adopted by developing nations as a form of economic growth and development. The United National World Tourism Organization (UNWTO) promotes tourism as a poverty alleviation strategy for developing countries because of its potential to create employment, contribute to the national balance of payments, provide capital for investments in infrastructure, help to create inter-sectoral linkages within the economy, and produces multiplier effects (Sharpley & Telfer, 2002). Additionally, the UNWTO recognizes the comparative advantage developing countries have in tourism commodities such as their cultural and natural attractions desired by travelers.

Sustainable development through tourism is neither a new concept, nor a universally agreed upon process. Globalization has increased the speed and accessibility of tourism destinations across the globe, furthering the need for sustainable tourism development in light of environmental degradation and cultural assimilation (Nyamnjoh, 2003). Buzz words such as ecotourism, sustainable tourism, and pro-poor tourism all focus on increasing benefits for the local communities, preserving the region's natural resources for future generations, and creating a sustainable industry that continues to draw travelers and provides economic benefits long into the future. Yet, there does not seem to be a clear solution within tourism to continually empower communities while sustaining the five pillars of sustainable development: economic wellness, social justice, institutional reform, environmental preservation, and the balance of opportunity (Hall, 2000).

Key attention has been given to the economic, socio-cultural, and environmental impacts of tourism on host communities. In the case of economic benefits, tourism brings foreign exchange earnings, contributes to government revenues, generates employment, and contributes to regional development (Lickorish, 1994). The negative economic impacts include inflation, increased opportunity costs, and an over dependence on tourism (Pearce, 1989). Socio-cultural

impacts include the renewal of tradition, rekindled social identity, internal collaboration, and empowerment (Weaver & Lawton, 2007) but also create discrepancies in class and gender roles, behavioral norms, and cause overcrowding (Mason, 2003). Institutions, in the form of policy administrators, frequently operate under modernization principles, believing that increases in government revenue will translate into improved livelihoods at the local level. In fact, the trickledown effect of macroeconomic reforms often has little impact at the local level (Wall & Mathieson, 2006). Environmental impacts include increased motivation behind environmental protection as a means to preserve the tourism base as long as host communities maintain control over the natural resources (Kallonga et al., 2003). Multinational corporations, or other outside involvement, have actually shown increased destruction in some environmentally sensitive areas (Cater, 1994). Lastly, the balance of opportunity is directly affected by the initial wealthy disparities resulting in little correlation between economic growth and poverty reduction (Ravallion, 2004).

As a relatively new approach to tourism development, sustainability implementation is occurring from the top-down by assessing the tourism value chain and seeking support from governments, NGOs, and international tourism operators. McDonald (2009) writes, "Interpretations of sustainable tourism development are highly focused and sector-specific, thereby limiting understanding of the complex inter-relationships between tourism components and other components within a system" (p. 455). He argues that a multidisciplinary approach is needed to understand the complexity of tourism influences and impacts. It is important to remember that international, national, and regional stakeholders direct tourism policy and may continue to operate under modernization philosophies. Globalization is a reality in many of these struggling communities and small, community based development is still in its infancy. Harrison (2003) writes:

"The moral, perhaps is that we should no longer seek to know how far 'development' is either 'top-down' or 'bottom-up' but rather ask which institutions, local and outside, are involved in tourism and how they participate with one another" (p., 38).

Progress has been made through pro-poor initiatives in the development of complementary tourism enterprises, such as crafts sales and cultural display, but less has been accomplished in developing enterprises that supply the tourism industry itself (Ashley et al., 2001). Many scholars and practitioners have seen small business development as a step towards economic freedom and empowerment for individuals in developing countries (Spenceley & Goodwin 2007, Harrison & Schipani 2007, Phillips 2003). Phillips (2003) writes, "Market development is a key part of economic development and pro-poor strategy, but markets don't supply goods to those who cannot afford them. Markets circumvent and exclude the poor; it is part of the market distortion" (p. 135). While theories abound about community, economic, and social development, many developing countries, Tanzania included, are turning to tourism as a means to provide that 'quality of life floor' for its citizens. Small business ownership and employment help put control back into the hands of those impacted by the tourism industry. But in order to help facilitate business ownership and wage opportunities, area specific constraints must be addressed so that they can be overcome.

CHAPTER 3 – TANZANIA: HISTORY OF ECONOMIC DEVELOPMENT

INFLUENCES ON COMMUNITIES

This section will briefly outline Tanzanian development history as a means to understanding the historical situations that have brought Tanzania into the realm of underdevelopment and social and economic marginalization. In particular, it is important to understand the development efforts that have led Tanzania to become the 25th poorest country in the world (GDP per capita) (CIA Factbook, 2008) and find solutions within tourism that do not repeat the mistakes of the past. While the diverse and often complicated history of Tanzania cannot be fully explained in such a broad document, it is useful to provide an overview so the reader can begin to comprehend the centuries of struggle and marginalization faced by the Tanzanian people. Furthermore, colonization has had lasting repercussions on the economic and political challenges facing the Tanzanian government and its poverty alleviation objectives.

3.1   Tanzania Development History

The African continent has commanded unique, often demanding, struggles on the people that have occupied it. Agriculture has always been the main stream economic industry, developed indigenously but expanded by colonization and modern economic development. Yet, the poor soil and sporadic rainfall only provided an adequate living for small populations and extended agricultural industries have resulted in a losing battle (Reader, 1997). In particular, the amount of work needed to toil the soil exceeds a family's ability to satisfy its needs. Reader explains, "Producing enough food to sustain the existing work force is the first principle of sustenance agriculture. When production consistently fails to keep a community well nourished … farmers produce less and are trapped in a weary struggle to prevent the circle becoming a downward spiral" (p. 253). While ensnared in this seasonal cycle of abundance and famine,

nutrition, pregnancy, central leadership, and ultimately innovation were lacking in ancient African societies. Work animals were unrealistic due to the dietary requirements of such animals, leaving Sub-Sahara Africa without the traditional advancements, such as the wheel.

Trade began to change the African economy. Salt from the Sahara Desert was a highly valued commodity and "ultimately…broke the barriers of self-sufficiency" (p. 269). The first mention of trade along the East African coast occurs in *Periplus,* a ship's manifest written approximately 40 A.D. (Reader, 1997). The document specifically mentions the trade of ivory, slaves, and cinnamon through the port of Rhapta, believed to have been located close to the current city of Dar es Salaam. Gold became the medium of exchange along the Mediterranean coast in the 3rd century and was exchanged for iron and copper by the Africans (Reader, 1997). The Arabs, in particular, monopolized the Sub-Sahara gold trade, requiring full-time labor and the specialization of production. Increased trade lead to the first complex societies and allowed the Arab influence to infiltrate throughout Africa.

Due to frequent migration and hardship, Africa had developed a unique social structure based on the principle of 'being first' (Reader, 1997). Within an established community, the principle of gerontocracy ensued, where prestige and governance progressed with age. New comers to a region were forced into a 'second-class' status serving those whose ancestors had arrived previously. During periods of frequent famine and as the need for labor increased with the trade routes, forced labor practices evolved into a form of slavery where people "bought food with anything they possessed, including their own freedom, voluntarily making themselves slaves of those who would give them sustenance" (p. 293). What began as a system for universal survival in the harsh African environment evolved into the international slave trade and created economic ties to the global community.

Capitalism arrived to Tanzania through the Arab trade routes, already believed to have been established during the writing of *Periplus*. Trade began on the island of Zanzibar, but quickly spread throughout the mainland area known as Tanganyika. With the growing European presence in the Indian Ocean, "Tanganyika experienced a transformation more intense than any other region of tropical Africa at that time" (Lliffe, 1979, p. 40) resulting with "Tanganyika economies gradually (being) restructured around the export trade" (p. 67). The dependence on ivory and slaves initially deteriorated other traditional economic activities through the growing dependence on human labor. In particular, male labor, in the form of porters used to carry tradable goods to the coast, became heavily demanded. This transportation method began a long history of labor migration across the region which still exists today. Tanganyikans became accustom to working for labor wages, leaving agriculture and other necessities sparsely manned, resulting in increased environmental degradation, disease, and famine (Lliffe, 1979).

When Germany arrived in Tanganyika in the 1870s, they brought a new economy consisting of cash crop agriculture, including cocoa, sorghum, millet, rice, and maize (Lliffe, 1979), and new exposures to the global world, including disease. Rinderpest brought deprivation and death, followed by smallpox, locust, and finally drought which finished off what was left of the agriculture industry creating the largest famine in Tanzania's recorded history (Lliffe, 1979). Tanganyika turned to rubber and beeswax to boost its colonial economy, especially after the outlawing of slavery and the reduction of slave exports to Europe in the late 19th century. The German colonists, and later the English colonists "built their railways and roads to bring out … cocoa and send in European manufactured goods, and they directed the movement of goods, people, and ideas to the metropole, not outward to the world in general" (Cooper, 2002, p. 14). This dependency on the German home market and later, the British Empire, began Tanganyika's long dependence on the world economy and brought with it fluctuating world export prices.

England acquired Tanganyika after World War I and began 35 years of 'indirect rule'[1]

(Liffe, 1979) until 1961. The British expanded cash crop production, such as coffee, which

further integrated Tanganyika into the world economy (Llife, 1979). Plantation owners brought

in migrant labor to work the agricultural estates so that "capitalism and peasant societies evolved

together" (p. 273). By 1940, the colonial economy experienced diminishing returns including soil

erosion that threatened agriculture and the lack of investment in society, particularly the decrease

in education funding and falling wages during the post WWII inflation (Lliffe, 1979).

Additionally, environmental problems worsened as the colonizers introduced 'modern'

agricultural techniques inappropriate for the dry African landscape.

> *"When colonial agriculture agents in the 1940s…coerced farmers into following what officials regarded as proper techniques for cultivating the soil – disregarding the social and spiritual implications of entering a domain of land, rain, and people – tensions mounted. The post war agricultural regime clumsily intruded into the way people conceived of their relationship to the environment…good relationships among people were indicative of good relations with nature, and visa versa" (Cooper, P. 60).*

The international decline in colonization around the world led to Tanganika's

independence in 1961 and the unification with Zanzibar in 1964 to create the independent country

of Tanzania. President Julius Nyerere was the first democratically elected president. He quickly

reorganized Tanzania's colonial economy into a state run socialist society with support from both

the USSR and the Scandinavian countries. However, in practice Tanzania's policies were not all

that different from other emerging African nations boosting democracies or pro-market

economies (Cooper, p. 176). Due to the spread-out nature of the Tanzanian geography, the

meager natural resources, and frequent drought and famine cycles, international investment was

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[1] Indirect rule originated in the British misunderstanding that Tanganyikans belonged to tribes. By utilizing the "tribal" chiefs as the liaison between the federal government and the people, the colonial government attempted to create a single sovereignty. The development of provinces across Tanganyika and by choosing to compensate the local native administration through community paid tribute instead of government salary defined the policy of indirect rule (Lliffe, 1979:320).

slow to materialize. President Nyerere turned to *vijiji uya ujamaa*, better known as social

villagization. The focus was "on bringing people who were living in scattered homesteads into

villages that could be provided with school and clinics – and party offices" (Cooper, p. 178).

These villages resulted in a pattern of development that eventually led Tanzania to become the

world's single largest consumer of foreign aid (Cooper, 2002).

Since 1963, development in Tanzania, as in most of Sub-Sahara Africa, has been

fashioned after the western economic model and orchestrated by 'experts' as a means to provide

clean water, education, health facilities, large harvests, more manufactured goods, and to have

access to a consumer lifestyle (Cooper, 2002). Table 4 lists the main industry contributors to

Tanzania's gross domestic product (GDP) today. Many scholars feel that 'development' has

allowed for the internationalization of colonialism as "the colony was transformed into a

generalized economic subordination of South to North, of Africa … to Europe and North

America" (p. 91). However, unique differences in the makeup of African economies, compared

to their Western counterparts, combined with the colonial institutions left behind after

independence lead to the creation of "gate keeper states", a phenomenon still prevalent in

Tanzania today.

Table 4: Tanzanian Economy (2006)	
Industry	**% of GDP**
· Agriculture	28.6%
· Mining	3.5%
· Manufacturing	8.5%
· Transportation, Communication	7.0%
· Construction, Utilities	10.6%
· Public Administration, Business Services	25.1%
· Retail, Wholesale	12.4%
· Hotels and Restaurants	4.3%
Source: National Bureau of Statistics, Ministry of Planning, Economy, and Empowerment, (July, 2007)	

Cooper (2002) uses the term 'gatekeeper' to refer to a government whose revenue is dependent exclusively on exports. Tanzania in particular, has both low income households and a culture that opposes the taxation of citizens, historically making exports the only means of foreign currency earnings and funds for social services. Thus, the government's role becomes one of gatekeeper, imposing taxes and levies on goods passing through the export/import gate. Since these taxes have the potential to lower Tanzania's competitiveness in the open market, levies become indirectly imposed on the producers in that they receive a lower portion of the profit from the sale of exported goods furthering the cycle of dependency and poverty. Cooper adds, "Global conditions which gave rise to gatekeeper states in the first place have not fundamentally been altered, and the political economy of an African state cannot necessarily be remade by an act of will or even the most enlighten leadership" (p. 183). As Tanzania turns to tourism to supplement its economic base, policies must address the reoccurring issues surrounding gatekeeper states to ensure that benefits reach the population of Tanzania.

Table 5: Country Facts (2006)	
· Balance of Payments	
Exports	1,967 billion
Imports	5,495 billion
· International Debt	27.8% of GDP
· Economic Aid Received	$1.505 billion (2005)
· GDP per Capita	$800
· Population Below Poverty Line	36% (2002)
· Inflation Rate	6.1%
· GDP Growth Rate	5.9%
Source: CIA Factbook (2008)	

3.2   Tanzania's Tourism Industry

Tanzania has made a long-term commitment to tourism as a main economic driver in poverty reduction (NSGRP, 2002). The Tanzanian Ministry of Natural Resources and Tourism (TMNRT) has stated its long term goal as: "The industry's mission is to develop sustainable quality tourism that is ecologically friendly to the conservation and restoration of the environment and its people's culture. In so doing, the industry is seeking to maximize the net gains/benefits that emanate from the various tourism activities" (TMNRT, 2007).

Tourism in Tanzania is a relatively new phenomenon. While visitors frequented Tanzania during the colonial period, Julius Nyerere reduced dependence on tourism as it did not fit the socialist ideologies of self-reliance (Wade, Mwasaga, & Eagles, 2001). Tourists continued to arrive in the 1960s and 1970s via the Kenyan border and in 1977, the Kenya-Tanzania border was closed, partnered with the Uganda-Tanzania war, and tourism became virtually non-existent. It was not until 1985 that Tanzania recognized the benefits from tourism and they reopened the border and began investing in tourism infrastructure (Wade et al., 1999). Kulindwa (2002) acknowledges that "increased tourism has its roots in the economic liberalization" resulting in an 82% increase in tourism throughout the 1980s and a 215% increase between 1990 and 1998 (p. 397).

The latest data shows that Tanzania expected to receive over 747,000 tourists in 2008 with an annual growth rate of 8 percent (Table 6). The tourism statistics for Tanzania show that 88 percent of all arrivals are for leisure, with just 5 percent visiting friends and relatives, 4 percent coming for business, and 3 percent for other purposes (TMNRT, 2007). According to the TMNRT 2005 Visitors Survey, leisure travel to Tanzania is dominated by western travelers seeking wildlife experiences within the Tanzania National Park system (TMNRT, 2007). Sixty-nine percent of travelers purchased package tours before their arrival in Tanzania, although with

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the removal of business travelers and those traveling to stay with friends, 76 percent of the leisure market utilized organized tours when traveling to Tanzania. Most visitors stayed 14 nights in-country. Tourism accounts for 12 percent of the country's GDP contributions and 25 percent of its export revenues (EP Media Limited, 2007).

Table 6: Tourism Visitor Numbers to Tanzania	
Year	Number of Visitors
2008	747,184 (estimated)
2006	644,124
2005	612,754
2004	582,807
2000	501,669
Source: Nkwame (2008), Arusha Times	

Tourism in Tanzania revolves around wildlife viewing, resulting in the majority of leisure travelers remaining in Tanzania's Northern Circuit (Okello & Yerian, 2009). The Northern Circuit consists of six protected areas all within a day's drive of each other: Serengeti National Park, Ngorogoro Crater, Lake Manyara National Park, Tarangire National Park, Mount Kilimanjaro, and Arusha National Park (Kahyarara & Mchallo, 2008). The Northern Circuit has some of Tanzania's most famous physical features and cultural attractions such as Mt. Kilimanjaro, the highest free standing mountain in Africa, Mt. Meru, Olduvai Gorge, and the East African Rift Valley (Okello & Yerian, 2009). While Okello & Yerian found that only 23 percent of tourists considered indigenous cultures as an attraction, of those interested, 83 percent valued the Maasai culture, found in the Northern Circuit, compared to other cultures in Tanzania. Nevertheless, while non-wildlife attractions were not the prime factors for a Tanzania visit, Okello & Yerian found that exposure to cultural attractions enhanced the overall quality of tourist experiences.

The Southern Circuit of Tanzania is much less traveled and houses some of the largest game reserves in Africa: Selous Game Reserve, Usangu Game Reserve, Rungwa Game Reserve, Kizigo Game Reserve, Muhesi Game Reserve, and Rhuaha National Park. The primary attraction in the south is tourist hunting within these reserves (Baldus & Cauldwell, 2004). While accurate statistics on the number and demographics of tourist hunters in Tanzania could not be found, Rogers (2006) believes legalized hunting generates $80 million a year for the Tanzania government.

Tanzania has recognized their cultural heritage as a tourism attraction and has begun to market community-based cultural day tours as an add-on to their safari offerings. The Tanzanian Tourist Board, along with the Netherland Development Group (SNV), have begun training local personnel and marketing the Tanzanian Cultural Tourism Program as an avenue to bring tourism revenue to the community level (TTB, 2010). With 27 villages involved, there have been over 3,000 visitors participating in the program and the money earned goes to community development projects (TTB, 2010). While this program is mostly concentrated in the Northern Circuit, there are plans to expand participation in the Southern Circuit and Western regions.

3.21   Tourism Policy in Tanzania

Policy is a dynamic construction that often creates unintended by-products, such as participatory constraints for potential business owners (Branwell, 2001). In particular, policy derived under the influence of the WB and IMF's SAPs may favor international investment in the form of international business ownership for the Tanzanian tourism industry (Hall & Jenkins, 1995). A review of specific policies shows exactly that. Tanzania is attempting to create a 'self-reliant' society, yet is still encouraging extensive direct foreign investment, especially in the provision of public goods. The repercussions of this strategy results in the under provision of the social services desperately needed by the Tanzanian people (Thomas and Davis, 2004).

The Tourism Act of 1991 established a number of regulatory bodies within the Tanzanian tourism industry. The Ministry of Natural Resources and Tourism's (TMNRT) Tourism Division is comprised of three main sections (Figure 3). The Licensing and Control Department is in charge of licensing and inspecting tour operators and travel agencies to ensure policy compliance. Per an interview with the licensing department, Tanzania had no licensing fees for hotel operations and there was no active body to license hotels. The Research, Training, and Statistics Department is actively involved in the collection of tourism statistic, however there has been no activity in its training role (Integrated Tourism Master Plan, 2002). The Tourism Development Department is currently responsible for the tourism development zones and facilitating the projects within each zone. They have developed a new cultural tourism program discussed more fully in chapter 6 and 8. The role of the Tanzanian Tourism Board (TTB) is to "to promote and develop all aspects of the tourist industry" (Integrated Tourism Master Plan, 2002, p. 30) and concentrates on tourism marketing. The Hotel and Tourism Training Institute (HTTI) focuses on training and has recently been relocated to Bandari College at Temeke in Dar Es Salaam. Private sector tourism development has also launched a number of trade associations, such as the Tanzanian Tour Operators Association, the Tanzanian Travel Agents Association, the Hotelkeepers Association, and Tanzanian Hunters Association.

Figure 3: Tourism Department, Ministry of Natural Resources and Tourism

TOURISM DIVISION ORGANIGRAM

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                    ┌──────────────────────────┐
                    │ TOURISM DIVISION DIRECTOR │
                    └──────────────────────────┘
        ┌───────────────────┴───────────────────┐
┌──────────────────┐                    ┌──────────────────┐
│ HOTEL AND TOURISM│                    │ TANZANIA TOURIST │
│ TRAINING INSTITUTE│                   │   BOARD (TTB)    │
│    PRINCIPAL     │                    │ MANAGING DIRECTOR│
└──────────────────┘                    └──────────────────┘
                                      ┌──────────────────────┐
                                      │  ADMINISTRATION &    │
                                      │  ACCOUNTS SECTION    │
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    ┌──────────────────┬──────────────────────┐
┌──────────────┐ ┌──────────────────┐ ┌──────────────────┐
│ LICENSING AND│ │ RESEARCH, TRAINING│ │ TOURISM DEVELOPMENT│
│ CONTROL SECTION│ │ & STATISTICS     │ │     SECTION      │
│ ASSISTANT     │ │ SECTION          │ │ ASSISTANT        │
│ DIRECTOR      │ │ ASSISTANT DIRECTOR│ │ DIRECTOR         │
└──────────────┘ └──────────────────┘ └──────────────────┘
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│ SCHEDULE     │ │ SCHEDULE OFFICERS │ │ SCHEDULE OFFICERS│
│ OFFICERS     │ │                  │ │                  │
└──────────────┘ └──────────────────┘ └──────────────────┘
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Source: CHL Consulting Group (1996)

Tanzania has developed a number of policies and strategies designed to guide tourism development. The first document is the National Tourism Policy (NTP), updated in 1999, as a beginning regulatory framework for the industry. The second document, the Integrated Tourism Master Plan (ITMP), was furbished in 2002 and combines the renewed policy goals and specific development objectives within a market analysis. Finally, the Tourism Policies and Strategies in Tanzania (TPST) was amended in 2005 and modifies the formalized policies and strategies undertaken by the TMNRT.

In reviewing these policy documents, there is a lack of direction regarding sustainable tourism objectives. The NTP focus is clearly infrastructure and product development, with an underlying attempt to minimize local costs (Table 7). In particular, new tourism opportunities are highly regarded as a means to make tourism a sustainable industry. The community focus is as a means of support to the industry rather than active members directly participating. The document goes on to emphasize the need for enhanced marketing, environmental sustainability, improved multilateral relations, and increased tourism land holdings.

Table 7: National Tourism Policy Objectives	
Economic Objectives	· Increase revenues and contribution of tourism to foreign currency earnings and the GDP · Create employment, promote human resource development and investment opportunities through the development of private entrepreneurship in the tourism sector · To stimulate the development of the infrastructure, support institutions, and linkages among the institutions related to tourism · To stimulate the transfer of technology and the development of local industries that produce goods and services for the tourism industries · To enhance regional and international linkages in order to boost the Tanzanian economy
Social Objectives	· To encourage cross cultural exchange and to enhance local and international understanding · Create public awareness within the public, of the importance and role of tourism · Provide recreational opportunities for locals and international tourists · To establish and maintain a competitive, transparent and effective legal and regulatory framework for the tourism sector
Environment Objectives	· To promote and develop tourism that is ecologically friendly and environmentally sustainable · To promote and develop land for tourism in a coordinated manner so as to attract private investment and ensure sustainable tourism development
Cultural Objectives	· Develop cultural values, create cultural awareness, and promote community participation as a form of product diversification in the tourism industry · To develop and strengthen industries engaged in the manufacture of products that portray country's rich and diverse cultural and artistic heritage in order to increase the benefits accruing from the tourist sector · To preserve and better manage the country's rich cultural and natural heritage as tourist attractions and for the benefit of present and future generations · To develop and maintain museums, theaters and cultural exhibition centers · To encourage the further development of a national identity and the maintenance of pride in our culture
Source: National Tourism Policy, TMNRT (1999), pp. 6-7	

That is not to say that the locals were completely ignored by the tourism policy. There is a large emphasis on human resource development, which has been slow in materializing.

Community participation is also addressed, including the involvement of communities in the management of cultural and natural attractions, ensuring a balance between the interests of communities and those of the tourism industry. Emphasis is placed on educating developers to respect local traditions and customs. The policies also address micro-finance opportunities for locals (this will discussed further in section 2.41).

The ITMP provides a far more concrete agenda for tourism development. It offers an extensive look at the strengths and weakness of the tourism industry, market growth potential, service standards and training needs, and specific action plans (Table 8). Of the eight action plans, only two address benefits to the local population. The first is the development of a manpower training policy and the second mentions the strengthening of economic linkages. The document also supports entrepreneurial activity by stating, "A crucial role of government is the encouragement of enterprise development. This involves the establishment of a positive climate for investment and the encouragement of entrepreneurship" (p. 90). It is unclear if this policy is directed specifically at local involvement or for the benefits of international investment. A specific implementation strategy had not yet been decided by 2002. Lastly, this document provides the first attempt to connect tourism policy with other policies by specifically addressing community development within the constraints of the Wildlife Act and the Village Act. It states:

> *"The framework for empowering local communities… necessitate(s) the resolution of the conflict of interest in many wildlife areas between hunting operations and non-consumptive tourist activities. As the capacity utilization (sic) of the national parks reach maximum sustainable levels, this issue will become critical since the game reserved areas and their hinterlands are the only immediate areas capable of supporting/facilitating the expansion of the game-viewing safari product. Resolving the issue of the non-consumptive versus consumptive use of community lands will also necessitate clarification of the Wildlife Act of 1974 and the Village Act of 1982"* (p. 91).

In recognizing some of the transformations of the international tourism forums, the TPST was constructed to amend the NTP. It states:

"The thrust of these changes have been towards stimulating efforts to expand the private sector, in tandem with the disengagement of the Government, from the sole ownership and operation of tourist facilities. Knowing the potentiality of the tourism sector, as a strategy for poverty alleviation, the National Tourism Policy of Tanzania was reviewed in 1999 to cope with the dynamism of the tourism industry. The overall objective of the policy is to assist in efforts to promote the economy and livelihood of the people, essentially poverty alleviation, through encouraging the development of sustainable and quality tourism that is culturally and socially acceptable, ecologically friendly, environmentally sustainable and economically viable." (p. 3-4).

Table 8: Integrated Tourism Master Plan Action Programs
· Improving knowledge and 'know-how' – establishing a statistical database
· Attracting capital investment
· Enhancing and expanding the tourism product
· Improving service standards
· Improving access transport and infrastructure
· Improving security
· Creating greater market awareness
· Strengthening institutions and economic linkages
Source: Integrated Tourism Master Plan, TMNRT (2002), pp. 72-88

The document identifies the importance of both local and foreign business ownership, and creates the Tourism Confederation of Tanzania (TCT), a private sector body to represent the private sector needs. It restructures the TMNRT as the business environment regulator that aims to create a secure investment setting (Table 9) for international investors. Unfortunately, many of the incentives offered increases the benefits to foreign owned corporations. It lists capital improvement partnerships for road improvements and increases in flight arrivals from Europe. It also discusses the need for increased hotel accommodations, conference centers, cultural resource centers, and water-based recreational activities. It brings together training recommendations addressed in the NTP and encourages private investment in hospitality training facilities.

Table 9: Investment Incentive Packages in Tanzania
· Recognition of private property and protection against any noncommercial risks. Tanzania is an active member of the World Bank Foreign Investment Insurance wing, Multilateral Investment Guarantee Agency (MIGA)
· Tanzania is a member of the International Canter for Investment Settlement Disputes (ICSID) a body affiliated to World Bank
· Zero percent (0%) import duty on project capital goods
· VAT exception on ground transport run by tour operators
· The right to transfer outside the country 100% of foreign exchange earned, profits and capital
· The ease of obtaining other permits such as residence/work permits, industrial license, trading license etc.
· Automatic permit of employing 5 foreign nationals on the project holding Certificate of Incentives
Source: Tourism Policy and Strategies in Tanzania, TMNRT (2005)

3.23   Tourism-Related Policies

The Tanzanian government has issued a number of policies that do not fall under the regulatory framework of the TMNRT, however directly relate, or affect, the realm of tourism development. In particular, community development, education, national employment, microfinance, land tenure, and environmental and wildlife policy are discussed. While this document cannot go into great detail regarding each of the policy issues mentioned, a quick review of these as they relate to tourism development helps to describe the overall umbrella under which this research is conducted.

Tanzanian Community Development Policy (1996) sets the bar in creating a self-reliant Tanzania (Table 10). It spotlights the need for Tanzanians to "bring about their own development by working to improve production so they may have increased income which will enable communities to build a better life through self-reliance and the use of locally available resources" (p. 9). By utilizing a monetary based market system, the goal is to help people accumulate wealth, raise their standard of living, and increase social capital. It acknowledges that the

family/household in the basis of community development and encourages local participation as a means to decrease dependency on governmental support. It highlights the need for a strong legal/judicial system to encourage private investment in public goods for the people as a means to raise children as active participants. In relation to the tourism policies discussed above, it shows a direct contradiction between empowerment and the investment incentive packages promoted in the NTP. While the policy attempts to reduce the dependence on government support in favor of private investment, the community development policy provides a high expectation of local participation, whereas the NTP looks at outside participation as a means to promote tourism. The document only briefly mentions the informal economy (so prevalent in the tourism industry) through "consolidating the informal sector by encouraging economic activities, industries, small businesses, and production in groups both in urban and rural areas" (p. 15). It is encouraging to see direct efforts to support small businesses as a mean to economic independence.

Table 10: Aims of the Community Development Policy
· To enable Tanzanians to bring about their own development by working to improve production so that they may have increased income which will enable communities to build a better life through self-reliance and the use of locally available resources
· To enable Tanzanians to use their wealth to improve their welfare and bring about social and economic development
· To enable the majority of Tanzanians to enter into an economic system in which they can exchange their goods for money and use the money to pay for goods and services that will raise the standard of living
· To enable Tanzanians to enter into the budget system and spend their incomes carefully and develop the habit of placing their savings in the bank
· To enable Tanzanians to join together in groups and increase their commitment to self-development
Source: Community Development Policy (1996). Tanzanian Ministry of Community Development, Women's Affairs and Children, pp. 8-9

The Education and Training Policy (1995) also has a strong focus on self-reliance for the Tanzanian people. It strives to reduce discrimination in the education process and centers on equal opportunity for all residents. It extends, "self and wage employment opportunities will be

the main hope for young people" (p. ix). Children under the age of five are to learn at home with

the support of families and communities to reduce the financial burden on the government.

Primary school begins at age five and introduces the basic concepts of the Kiswahili language,

local customs and traditions, basic math and creative thinking skills, and "prepares the child to

enter the field of work" (p. 5). Secondary school begins at age 12 and enhances national identity,

personal integrity, human rights, and prepares students for vocational, technical, or professional

training.   Vocation training is specifically designed to increase industry performance and provide

adults with business management and entrepreneurial skills. See Table 11 for the aims and

objectives of the educational policy. The policy continues to express the need of the private

sector to provide the resources through liberalized trade policies. As a public good, inadequate

profit opportunities result in low levels of educational opportunities if privately financed.

Table 11: Aims and Objectives of Education and Training
· To guide and promote the development and improvement of the personalities of the citizens, their human resources and effective utilization of those resources in bringing about individual and national development
· To promote the acquisition and appreciation of culture, customs, and traditions of the peoples of Tanzania
· To promote the acquisition and appropriate use of literary, social, scientific, vocational, technological, profession and other forms of knowledge, skills and understanding for the development and improvement of the condition of man and society
· To develop and promote self-confidence and an inquiring mind, an understanding and respect for human dignity and human rights and a readiness to work hard for personal self-advancement and national improvement
· To enable and to expand the scope of acquisition, improvement and upgrading of mental, practical, productive and other life skills needed to meet the changing needs of industry and the economy
· To enable every citizen to understand the fundamentals of the National Constitution as well as the enshrined human and civil rights, obligations, and responsibilities
· To promote the love and respect for work, self and wage employment and improved performance in the production and service sectors
· To inculcate principles of the national ethic and integrity, national and international cooperation, peace and justice through study, understanding and adherence to the provisions of the National Constitution and other international basic charters
· To enable rational use, management, and conservation of the environment
Source: Education and Training Policy (1995). Tanzanian Ministry of Education and Culture, p. 2

The National Employment Policy looks at employment via labor employment or self-employment. Wage employment is divided into government and parastatal employment and private sector employment. Self-employment is described through different sectors, including agriculture and the informal sector. Both provide linkages to tourism through the value-chain. The document stresses that the informal sector employs twice the number as the formal sector and has the capacity to handle 63% of the yearly increases in employment in urban areas (versus 8.5% in the formal sector) (p. 3). Table 12 shows problems facing the informal sector. The policy recognizes the need to develop self-employment as a means to reduce migration to urban areas, to promote a culture of self-reliance, and as a means to exploit the accumulated wealth in the

informal sector. The government commits to simplifying licensing procedures, assisting in

securing capital, and providing access to internal and external markets.

Table 12: Problems Facing the Informal Employment Sector
· Long and cumbersome procedures for loans · Lack of investible and working capital · Little experience in technical know-how and in managing projects commercially · lack of basic infrastructure in work places like roads, water, and supply of electricity · Lack of forward and backward linkages between agriculture and industry · Lack of inborn norms for self-employment and inability to use endowed personal faculties to use the available wealth in competitive markets
Source: National Employment Policy, Tanzania Ministry of Labor and Youth Development (date unknown), p. 4

Finance provides the path to business ownership and microfinance specifically empowers

the poor. The National Microfinance Policy's (2000) goal is to strengthen microfinance and

recognizes the struggles facing supply organizations (Table 13).   The policy acknowledges that

"microfinance systems are, and will increasing become integral parts of the country's financial

sector" (p. 4). Microfinance is seen as a means for local Tanzanians to save, earn increased

returns on their capital, and decreases dependence on social welfare. The benefits of

microfinance are discussed further in section 2.41.

Table 13: Constraints to Microfinance Supply
· Interest rates are not set by the organizations/programs/schemes themselves and as such, in most cases they are set at levels that are too low to cover operational costs · NGOs providing microfinance services have continued to depend on donor funds for their operations instead of building their own internal capacity · There has been no procedures for coordination, tracking and analysis of microfinance operations · NGOs and other microfinance schemes operate under different laws which render it difficult to monitor them and develop common standards · Operational problems with respect to savings and credit cooperative societies include poor administrative systems and weak financial control within the societies as well as lack of effective supervision of the savings and credit cooperative societies as financial intermediaries
Source: National Microfinance Policy, Ministry of Finance (2000), p. 3

Sporadic land tenure policy throughout the 1970s created the need for the National Land Policy (1997) balancing government owned land with communal and individual rights to access (Table 14). The document clarifies that:

> *"This policy reiterates and retains the four central land tenure tenets in a modified form that land is publicly owned and vested in the President as a trustee on behalf of the citizens; speculation in land will be controlled; rights of occupancy whether statutory or customary are and will continue to be the only recognized types of land tenure; and rights and title to land under any consolidation or new land law will continue to be based mainly on use and occupation"* (p. 3).

The policy recognizes due process as a right to all citizens if land uses change, and village councils are responsible for land administration. There are two types of occupancy granted in Tanzania, 1) customary or 'deemed' rights which exist under customary law and 2) statutory or 'granted' rights which exist under statutory law (Wanitzek & Sippel, 1998). Women have full ownership and allocation rights in their own name. Land allocation to international entities is based on the investor's intent to develop, land ceilings are fixed by the government, and land hoarding will be discourage through strict laws (p. 13).

Table 14: Right of Occupancy in Land Tenure
· There is a definite term for the occupation and use of land granted
· Development conditions are imposed on the beholder of that land
· The holder of that land has no right to subdivide, transfer or mortgage the same without the consent of the Commissioner for lands
· The holder has to pay rent to the Government
· The President of the United Republic of Tanzania may revoke the Right of Occupancy of the landholder
Source: National Land Policy, Ministry of Lands and Human Settlement (1997), p.8

There are many documents discussing Tanzania's ecosystem, two of which will be discussed here; the National Wildlife Policy (1998) and the National Environmental Policy (1997). Wildlife protection falls under the management of the TMNRT and utilization is divided

into four categories: 1) game viewing; 2) tourist hunting; 3) resident hunting; and 4) ranching and farming. Again, NGO and donor support is promoted as a means to compensate for the government's lack of financial resources in protecting wildlife. Table 15 lists the objectives of the wildlife protected areas (PAs). The National Environmental Policy specifically addresses poverty and land tenure as a means to balance trade-offs and ensure economic benefits that balance protection issues. It states, "the challenge is to ensure that all concerned take priority actions on all the main fronts; and that their actions are mutually supportive, reflecting a mission commonly subscribed to, by all" (p. 5). The policy's overall objectives are listed in table 16. Combined, these two policies take very different approaches, one is the protection of wildlife as a means to increase tourism and earn hard currency, the other as a means to economic participation balanced with preservation.

Table 15: Objectives for Wildlife Protected Areas
· Protecting biodiversity
· Protecting wildlife against illegal use
· Conserving and managing biodiversity
· Ensuring that wildlife conservation competes with other forms of land use
· Wildlife and utilization and economics
· Integrating wildlife conservation and rural development
· Recognizing the intrinsic value of wildlife to rural people
· Sharing the benefits
· Regulating and developing the wildlife industry
· Addressing women and children issues in wildlife conservation and management
· Solving human-wildlife conflicts
· Wildlife research and monitoring
· Providing extension services
· Human resource development and capacity building
Source: National Wildlife Policy, TMNRT (1998), pp. 10-25

Table 16: Objectives of the National Environmental Policy
· To ensure sustainability, security and equitable use of resources for meeting the basic needs of the present and future generations without degrading the environment or risking health or safety · To prevent and control degradation of land, water, vegetation, and air which constitute our life support systems · To conserve and enhance our natural and man-made heritage including the biological diversity of the unique ecosystem of Tanzania · To improve the condition and productivity of degraded areas including rural and urban settlements in order that all Tanzanians may live in safe, healthful, productive and aesthetically pleasing surroundings · To raise public awareness and understanding of the essential linkages between environment and development, and to remote individual and community participation in environmental action · To promote international cooperation on the environmental agenda, and expand our participation and contribution to relevant bilateral, sub-regional, regional, and global organizations and programs, including implementation of treaties
Source: National Environmental Policy, Vice President's Office (1997), pp. 9-10

There are some common themes throughout Tanzanian policy that affects business ownership, employment, and tourism. In particular, Tanzania is committed to 'self-reliance' on the part of the Tanzanian people as a means to compensate for limited public financing. The dependence on private sector involvement is murky; since there is limited access to business capital, the private sector must include a large international scope. Furthermore, continued reliance on donor funds limits autonomy for the locals. Unless close scrutiny is applied, donor funds are often squandered when recipients have low education levels and an incomplete understanding of the goals behind donor funds. Increased investment by the international hotel and excursion companies leaves indigenous Tanzanians in supportive roles, encouraging micro enterprises in favor of more profitable medium-sized business opportunities. If increased savings and investment are the goal of the federal government, business enterprise ownership must provide more than a sustenance living. Once constraints to tourism business ownership have been researched, some or all of these policies will be revisited.

3.3   The Research

This research uses the sustainable development literature as a means to assess the needs of creating sustainable wage and business opportunities for indigenous Tanzanians in tourism economies. Since sustainability is defined within the terms of the context, control, and position of those who are defining it (Mowforth & Munt, 1998), the unit of study for this research is the community. Sustainability is site-specific (Manning, 1999) and threats to sustainability need to be assessed based on specific cultural, political, and environmental factors in each area (The National Research Council, 1999). Greenwood (2006) writes, "The involvement of residents in sustainable tourism development is critical" (p. 25). It is argued, that economic sustainability, in the form of industry viability over time is not enough to ensure that tourism advancements result in decreased poverty. Instead, an evaluation of access to the five major forms of capital can provide insight into the weakness of current tourism policy as it relates to the sustainability of local participation and its effect on overall development policies, goals, and objectives. By valuing indigenous knowledge of culture and social structures, this study seeks to ask the local stakeholders what their concerns and needs are in relation to increased tourism development. By better understanding the role locals want to play in tourism and the constraints they face, sustainability objectives can be prioritized and remedied. In matching the needs of the locals with the governmental and NGO support options, implementation strategies can be more robust for all parties involved.

CHAPTER 4 - METHODOLOGY

Jafar Jafari began the academic study of tourism in 1973 with the founding of the *Annals of Tourism Research* (Beeton, 2006). In 1988, Jafari outlined four approaches, or platforms, for tourism research. The advocacy platform is described as the advancement of the interests of tourism and the industry by acknowledging the advantages, particularly the economic benefits, of tourism. The cautionary platform recognizes not only the gains of tourism, but also the consequences on cultures and environments. The adaptancy platform strives for a middle ground by mitigating certain types of tourism that bring economic benefits without degradation to host communities. The knowledge-based platform involves a multidisciplinary approach to tourism that builds on academic theory and research knowledge to further improve the quality of life for both the host and/or the visitor.

This study uses the knowledge-based platform for the host to provide new insight into the wants, needs and constraints of tourism involvement for Tanzanian individuals and communities. The purpose statement for the study is:

> *The purpose of this study is to investigate the constraints to economic participation by indigenous Tanzanians living near current or future tourism destinations. Using the sustainable development framework, it is hypothesized that globalization, high national debt, resulting in poor social services (i.e. education, health, and infrastructure), and the limited ability to accumulate physical, financial, human, social, and natural capital are a major limitation to economic involvement in the tourism industry. Increased focus on the tourism industry by the Tanzanian government, as a means to reduce poverty and marginalization, can only be successful if constraints to economic participation are recognized and remedied.*

The goal of this dissertation is to determine the constraints to economic participation for Tanzanian nationals in areas where the economy is driven by the tourism industry. Stonich (2000) conducted a study of the Bay Islands in Honduras to determine how economic gains at the macro level affect livelihoods at the local level. She has developed a framework to determine

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what constitute local participation in tourism in light of economic power structures that undermine tourism development. She claims that "meager attempts to train local people to be park guards, dive masters, or jewelry makers are inadequate in terms of compensating local residents for diminished access to natural resources and are at the roots of growing enmity towards such efforts" (Stonich, p. 148). Using Stonich's frameworks of key issues that apply to tourism development directed at social equity, I included: land-use and tenure policy; the power structure among industry stakeholders; the linkage between development strategies, local participation and conservation; international interests including NGOs, donor agencies, local formal and informal leadership, and private investors; the relationship of class, ethnic, and gender structures as they apply to access of developmental resources; and the relationship among various social actors at various levels of analysis. These issues are addressed through five general research questions.

Question 1: **What is the role of tourism and its relevance to poverty alleviation in Tanzania?**

Question 2: **What is the range of economic opportunities for indigenous communities derived from the tourism industry in Tanzania?**

Question 3: **What are the barriers to accumulating physical and financial capital for indigenous Tanzanians?**

Question 4: **How does access to human, social, and natural capital influence economic participation in tourism economies by indigenous Tanzanians?**

Understanding the underlying policy structure in Tanzania is critical in evaluating pro-poor objects and constraints to participation. Chapter 3 discussed the policy objectives, in particular: economic development policy, tourism policy, community development policy, education policy, land tenure policy, and microfinance policy. However, the study of policy impacts requires researchers to look beyond what governments actually do. Hall & Jenkins (1995) write, "(The) evaluation of tourism public policy is a sadly neglected aspect of tourism planning, management, and development" (p. 80). Tourism policy analysis is constrained by: 1)

a lack of clear definitions of 'tourist', 'tourism', and the 'tourist industry'; 2) the lack of acknowledgment of the tourism policy-making process; 3) the lack of well defined analytical and theoretical frameworks; and 4) the limited amount of qualitative and quantitative data (Pal, 1992). Therefore, an important aspect of this study is an in-depth look at local perceptions of tourism as a poverty alleviation strategy, power structures within the industry, and access to resources in Tanzania by indigenous peoples.

4.1   Methodology

Using qualitative methods, the methodology for this dissertation is focused around three different community case studies in an attempt to find commonalities and differences in regards to economic participation in tourism destinations. Fadahunsi (2000) writes, "Academic research into entrepreneurship in the informal sector has often been positioned within development studies, where analysis tends to be dominated by neo-classical economics and quantitative (statistical) analytical approaches" (p. 249). Due to the complex social, cultural, and regulatory arena in Tanzania, quantitative study lacks the flexibility and depth needed for an investigative approach (Fadahunsi, 2000). Additionally, this research is more concerned with the meaning behind actions rather than the frequency of any particular occurrence. Table 17 lists sample questions facing economic development researchers.

Table 17: Key Questions Faced by Economic Development Researchers
· What is the nature (and value) of the enterprises under study?
· Who are the main participants in the enterprises?
· What are their strategies for carrying on/developing the enterprises?
· How is capital accumulated and used in the enterprises?
· Why are some participants more successful than others?
· What is entrepreneurial about the enterprise?
Source: Fadahunsi, A. (2000), p. 257

Since business ownership and employment often occurs within the informal economy in Africa, there is the potential for actors to straddle the legal industry framework. Establishing trust was a key component to a successful study. Due to the high mobility of Tanzanian villagers, the fluidity of the business environment, and the lack of brick and mortar establishments, qualitative studies provides increased flexibility and sensitivity of the subject material. In living with local families and utilizing local resources and organizations, relationships were facilitated that gave explicit voice to local concerns. In choosing to use their own words throughout the data analysis process, I have provided an avenue for candid dialogue and reduced researcher bias.

4.11   Case Studies

Case studies are best utilized when attempting to understand complex social phenomena, as the "method(ology) allows investigators to retain the holistic and meaningful characteristics of real-life events" (Yin, 2003, p. 2). A case study needs to center around a conceptual structure that begins with "foreshadowed problems, concentrate(s) on issue-related observations, interpret(s) patterns of data, and reform(s) the issues as assertions" (Denzin & Lincoln, 2005, p. 448). The key to success is in the selection of issues that drive the study (Denzin & Lincoln, 2005). Figure 4 is a graphical representation of the research methods for this study.

Figure 4: Study Methodology

What is the Local Perspective of Tourism Expansion and Its Relevance to Poverty Alleviation
Methodology

Purposeful Sampling
Reliability, Trust, Reflexivity
Literature Review

Preliminary Interviews
Government officials, academic policy advisors, and non-governmental administrators

Case Study #1 | Case Study #2 | Case Study #3

Semi-Structured Interviews
Decision Leaders, Case Dependent | **Semi-Structured Interviews**
Decision Leaders, Case Dependent | **Semi-Structured Interviews**
Decision Leaders, Case Dependent

Analysis
Coding of Interviews, Develop Case Specific Themes
Purposeful Sampling of Communities

Community Focus Group Data | Community Focus Group Data | Community Focus Group Data

Analysis of Global Themes
Coding of Interviews, Develop Case Specific Themes
Purposeful Sampling of Communities

Gaps and Overlap of Themes

Findings

This research is designed to build on knowledge, principally the sustainable tourism literature, and avoid previous theoretical assumptions. In particular, "The idea is to be exploratory - to build on existing knowledge, yet remain receptive to new possibilities and phenomena; to try to interpret what happens more directly without specifically excluding any variables at the outset" (Welch, 1994, p. 140). Case studies allow for the investigation of

economic participation constraints within real-life experiences as there is no clear distinction between the phenomenon and the context.

Three separate, independent, instrumental case studies were conducted in each community in an effort to allow for the autonomy of specific cultural and business networks. Instrumental case studies strive to develop theory, or in this case, facilitate understanding of pervasive problems and do not require typical study populations (Stake, 1995). An instrumental case study is utilized where a "particular case is examined mainly to provide insight" into a phenomenon and the case supports understanding of the phenomenon (Denzin and Lincoln, 205). The emphasis is placed on specific issues rather than on the case itself. The case in then used as a vehicle to develop a better understanding of the situation or problem (Stake, 2000). Single case studies are ideal in investigating a phenomenon that has not been previously studied and can make a significant contribution to knowledge (Yin, 2003). Since constraints to economic participation within Tanzania have not yet been empirically studied, each individual case study is explorative in nature and is the methodology most appropriate for this research.

Once specific case studies were independently derived, a cross comparison of the themes developed offered insight into reoccurring or region specific constraints. Using an iterative process, the strength of this methodology lies in the inductive approach that provides suggestive rather than definitive analysis (Welch, 1994). The first phase of analysis results in 'within' themes specific to a particular region. Using cross-case comparisons, emergent patterns provide similarities and differences between the three communities. Yin (2003) defines 'analytical generalization' when "a previously developed theory is used as a template with which to compare the empirical results of the case study" (p. 32-33). If all thee case studies support similar results, potent replication has been achieved and "the theoretical framework…becomes the vehicle for generalizing to new cases" (p. 48). Because of the distance between, as well as cultural and

historical difference between study sites, well rounded ethnic involvement adds strength to the 'analytical generalization' of results.

4.12   Preliminary Interviews

Before beginning the village-based focus groups, I spent 2 months in Dar es Salaam interviewing a number of government officials and policy makers as a means to understand the underlying policy framework. Purposive sampling was used as the interviews were exploratory and the researcher had a clear idea of the ministries working in poverty alleviation and/or tourism initiatives, the phenomenon under investigation (Hornby & Symon, 1994). Working with the Ministry of Natural Resources and Tourism (TMNRT), I was provided access to a number of different ministries including: Ministry of Industry, Trade, and Marketing, Ministry of Planning and Economic Empowerment, Ministry of Agriculture, Food Securities, and Cooperatives, Ministry of Health and Social Welfare, Ministry of Community Development, Gender and Children, Ministry of Finance and Economic Affairs, Ministry of Livestock and Fisheries Development, Ministry of Land, Housing, and Human Settlements Development, as well as numerous departments within the TMNRT. This data is presented in chapter 5 and was used as a guideline when conducting the village-based focus groups.

4.13   Tourism Community Framework and Sampling

In order to ensure diversification in research sites, Weaver's (1998) land tenure framework was employed to select differing regions around Tanzania. Weaver explains that different communities that have distinct constraints to tourism development and he encourages the use of three types of land tenure: the dominant urban center which hold a monopoly on gateway tourism traffic; the modern hinterland where the transition to a modern space economy has begun through plantation and farm development around public or private nature reserves; and modernization enclaves surrounding protected land that is currently under used or inaccessible to

tourism. Each of these community types is affected by natural resource protection policy, but have differing opportunities to participate in the tourism industry.

The study sites included Arumeru District located within the urban area of Arusha Region as the dominant urban center, Pangani District in Tanga Region as the modern hinterland, and the Amani Nature Reserve as the modernization enclave. The Arumeru villages are located along the main thoroughfare between Kilimanjaro International Airport and Arusha Town where most safaris begin. It is also the home to Mount Meru and the Arusha National Park that surrounds the mountain. There are a number of high-end hotels in the area. Pangani has seen an increase in tourism as it is located along the overland access to the new Saadani National Park. It has beautiful beaches and numerous historical sites that draw adventurous tourists year round. Amani Nature Reserve is a protected area that is home to abundant endemic species of birds, insects, and plants including the African violets. The 18 villages in and around Amani Nature Reserve are faced with a number of conservation restrictions but have also been the recipients of numerous economic development initiatives.

The Ministry of Natural Resources and Tourism (TMNRT) assisted in providing three study populations that fit these descriptions near current or future tourism sites. It was important to ensure I had the support of local organizations to assist me in data collection and that I had access to a translator, or guide, who was well known in the study communities. Having a primary contact also help me to find lodging, get acquainted with local business owners, and learn specific cultural concerns of which I might be unaware.

Access to the villages required an extensive and bureaucratic process of letters of introduction. The initial research clearance for this research was supplied by the University of Dar es Salaam and the primary letter of introduction came from the Ministry of natural Resources and Tourism. Once I arrived in a research site, I was required to take these two documents to the

Regional Headquarter, where they were exchanged for a new letter of introduction. This new document was taken to the district office, exchanged for another letter of introduction, then forwarded to the ward administration which provided the documents needed by each village administrator.

The sampling technique for participant villages varied in each research location. In Pangani, purposive sampling was utilized and villages were selected based on their exposure to tourist and tourism infrastructure. For example, villages that had hotel accommodations, established village tour operations, or major transportation hubs were used. Seven villages participated in the Pangai area. In Amani, convenient sampling was required because of the spread-out nature of the villages and the lack of transportation options available. The closest villages to the park headquarters were drawn upon, each of which required a two to four hour walk each way. Because of the difficulty in reaching these villages, only three focus groups were carried out. In Arumeru, snowball sampling was employed. The initial village was approached based on a recommendation from a hotel establishment that had begun community development programs in the area. From there, a second village was recommended by the first village's administrator and so on. Additionally, a group of widows ran the guest house in which I stayed, and a focus group resulted from my friendship with the director. This group also recommended another village. Seven focus groups were completed in Arumeru Region.

Once in the village, the letter of introduction was presented to the village administrator who was responsible for selecting village member to participate. Usually a day or two was needed after the introduction and before the interview could be conducted. The administrator was given a list of the types of people to include, such as small business owners, hotel workers, village elders, women, and religious leaders. Focus groups ranged in size from four to forty people. At two villages, the focus group was the entertainment for the afternoon and most

villagers attended. However, a majority of the focus groups accommodated six to ten individuals.

Some focus groups were be broken into categories as a means to recognize "the importance of

constituting groups in ways that mitigate against alienation, create solidarity, and enhance

community building" as a means to create homogeneous groups (Denzin & Lincoln, 2005, p.

896). At each research site, I conducted an all women's focus group, usually a women's craft

group, or in the case of Arumeru a group of HIV widows who jointly managed a tourism guest

house.

4.14   Methods

This research utilized two different types of methods. The first method consisted of in-

depth semi-structured face-to-face interviews with formal and informal political and social

community leaders (see chapter 4) over a six-week timeframe. Upon entering any new research

location, these interviews were repeated with local formal and informal leaders in order to

acclimate myself to region specific concerns. Again, purposive sampling was employed. These

leaders included: Ministry personnel; policy advisors; local government officials; medium to

large business owners in tourism; tourism, conservation, and development NGO administrators;

business and community cooperative leaders; and members of local tourism boards. Interviews

are "one of the most common and powerful ways in which to understand our fellow humans"

(Denzin & Lincoln, p. 698). The interviews provided information as a basis with which to

'foreshadow' the constraints faced by community members.

In order to build trust between myself and the study population, an underlying

understanding of the rural Tanzanian environment was essential. The views and opinions of the

community leaders helped to ease my transition from a western society into that of the pastoral

community. Seidman (2006) refers to these people as 'gatekeepers' and they play a substantial

role in Tanzanian culture. Conceptualizing the research problem can be facilitated by progressing

slowly into the research environment. In particular, marginalized people often feel inadequate and shy around foreigners (Yunus, 1999), especially those in the research areas with less tourism exposure. Interviewing community leaders also allowed me to get a feel for the level of buy-in I could expect from the community. One-on-one contact permitted me to build trust with the top of the social hierarchy, and build a reputation that spread across the entire community.

Thus, the second method employed was village-based focus groups which allows the researcher to "capture people's response in real space and time in the context of face-to-face interactions" (Denzin & Lincoln, p. 899) and to "explore the nature and effects of ongoing social discourse in ways that are not possible through individual interviews and observations" (Denzin & Lincoln, p. 902). In complex topics, focus groups can help "to distinguish between the dimensions that matter to participants" (Richards & Morse, 2007, p. 122) in this case current and future economic benefit recipients. Relevant, semi-structured questions were introduced, allowing the interviewees to raise issues and concerns that were important to them (Rubin & Rubin, 1995). All focus groups concluded with a question and answer period, allowing participants the opportunity to express specific concerns, ask advice on projects, or learn more about my personal and professional life.

<u>4.15   Validity</u>

Validity measures the quality of any qualitative research design. Yin (2003) addresses four common tests by which to judge the quality of empirical social research: 1) construct validity; 2) internal validity, 3) external validity; and 4) reliability. Construct validity is especially problematic in case studies and involves the selection of operational measures that are not 'subjective' judgments. Insufficiencies usually result in case studies that are measuring change over time. While this study is not measuring change, the sustainable tourism framework has provided the list of constraints to be evaluated. Internal validity is particularly concerning for

explanatory case studies, such as this one. Yin suggests using pattern matching, explanation building, addressing rival explanations, and using logic models to increase internal validity. Pattern matching involves matching the study results to predicted results, those constraints discussed in the sustainable literature as well as the themes derived from the interviews with the formal and informal political and social leadership. Explanation building requires analyzing the data by building an explanation about the case. By deriving a purpose statement and iteratively revising and redefining the proposition, other plausible or rival explanations were eliminated. Addressing rival explanations entails a general analytical strategy to define and test rival explanations. For this study, these rival explanations were tested during the interview process. Lastly, logic models stage repeated cause-and-effect patterns over time. Since this study is not being conducted over an extended period of time and because this is an investigative, not causal study, logic models are not appropriate here.

An in-depth understanding of each community's local culture is vital in understanding the meanings behind the data collected. Reflexivity is the way in which researchers view their personal and epistemological influences on the collection, interpretation, and description of their study populations. By documenting the emotional and spiritual journey via a reflective journal, personal reflexivity involves a two step process. The first is a rumination process of the researcher's biases based on personal, social, economic, political, and life experiences. Secondly, the journal addresses the manifestation of the researcher's personal growth that is continually evolving throughout the research process. Epistemological reflexivity involves the design of a research project and how the research process affects the research findings. Examples include how research questions were formulated, the outcomes sought, and an assessment of other methods or processes that may have resulted in differing implications. Reflexivity thus "explore(s) the ways in which a researcher's involvement with a particular study influences, acts

upon, and informs such research" (Nightingale and Cromby, 1999, p. 228). It is a "reaction to these conditions in the increasing reorientation of the (researcher's) gaze towards the self, as the appropriate place for interpreting cultural experiences" (Galani-Moutafi, 2000, p. 217). The journal itself became a valuable source of data for the research and allowed for an audit trail and reminder of folk terms, taxonomies, and clearly documented examples used to describe cultural structures.

Triangulation is another means through which to test the validity of the research results (Rice & Ezzy, 1999). By using a variety of methods for data collection and "combining multiple observers, theories, methods, and data sources (researchers can) overcome the intrinsic bias that comes from single methods, single-observer and single-theory studies" (Denzin & Lincoln, cited in Curtin & Fossey, 2007, p. 90). Triangulation serves two purposes: confirmation and completeness. Confirmation reduces researcher bias by utilizing two or more data collection techniques and provides for the collaboration of data. This study used both focus group data along with person to person interviews as a means to triangulate both data sources. Completeness "offers depth and breadth leading to a greater understanding of the phenomenon as each research strategy used contributes a different piece to the puzzle" (Curtin & Fossey, 2007,p. 90). Hearing different opinions from villagers, hotel owners, local business owners, and government agencies helped to complete the overall picture of economic constraints facing villagers. Different methods often provide diverse insights into a phenomenon and triangulation gives the researcher reasonable explanations for these distinctions and contributes to the credibility of results. Data from literature reviews, individual interviews, focus groups, field notes, and observations were triangulated for similarities and differences.

Lastly, while researching in Tanzania, I choose to live in local households to further reduce misunderstandings during my data interpretation. By living among my study population, I

had insight and access to social constructions, such as marriage relationships, family rearing practices, and day to day household activities, as well as access to local living conditions. In total, I lived with three different families as well as a local guest house in the center of the urban area of Arumeru. I used public transportation, hired local guides in each region, and frequented local shops, restaurants, and discotheques where my study participants could be found. I made a number of friends and became fairly well known in the areas. I was also very approachable if study participants had additional questions or comments after a focus group was concluded.

4.16   Developing Themes

All personal interviews were conducted in English and all focus groups were conducted in Swahili. Local guides were used as translators to assist in the facilitation of village focus groups as a means to provide comfort and increased participation for villagers. Some villagers used their English skills during the interviews, but most participants had limited knowledge of the English language. My translators were all known, either by reputation or personally, in the study sites. All data was transcribed and translated by independent sources. Translating the interviews required tedious attention to detail. Each focus group data was translated by two separate translators who were absent from the initial interview. The independent translations were then compared for accuracy.

Once translated, the data was coded, categorized, and evaluated using QSR NVivo computer software. Coding is used to ease access of concepts for easy retrieval. Coding was hierarchical, based on the key constraints mentioned in the sustainable tourism literature and the themes developed from the interviews with formal and informal political and social leaders. Other topics were derived from the four research questions, such as perspectives on tourism development and poverty alleviation strategies, definitions and the role of wage employment and self employment, participation potential in the tourism industry, and access to capital. These

topics were then combined to develop a series of themes, which are broad, consistent issues on various subjects (based on the four research questions) or "common threads that run through the data" (Richards & Morse, 2007, p. 135). There were a number of topics and themes that applied to each research question.

4.2   Application of Results

The common themes discovered in this study can provide direction on three fronts. First it will help NGOs and non-profit organizations understand the local economic environment in which they operate so that they can address key cultural and political constraints that may be unique to indigenous Tanzanians. This knowledge can help guide NGOs and MF organizations in the reduction of barriers to participation in future tourism expansion plans. Secondly, these themes can steer policy formation and developmental resources of the Tanzania government towards local involvement and empowerment within tourism expansion strategies. As Tanzania increases their reliance on tourism, decreasing leakages through increased economic participation can improve the quality of life for many Tanzanians. Lastly, this research contributes to the overall understanding of the implementation challenges of sustainable development and sustainable tourism in less developed countries. By addressing site specific needs, and comparing across differing communities, tourism policy implementation can be more clearly focused to benefit the rural majority in Tanzania. All results will be shared with federal and local agencies as well as published in leading academic journals.

CHAPTER 5 – FORMAL AND INFORMAL POLITICAL AND SOCIAL LEADERSHIP

To calibrate myself with the general population within Tanzania, I conducted a series of in-depth, person-to-person interviews with federal, regional, and local government officials, academic policy advisors, and non-governmental administrators that work at the national level. In all, 25 interviews were conducted in Tanzania including Dar es Salaam, and the regional study sites. Appendix C provides the details of those who participated.

All of these interviews were conducted in English, and most were recorded and then transcribed. Two interviewees were against recording the conversation, so notes were taken instead. These 25 interviews were then coded in Nvivo® and five themes were developed. Each of them was then further expanded into a number of sub-themes. The five major themes that emerged from the text included Economic Performance Measures (the general economy, tourism contributions, and the informal economy), Public/Private Partnerships (private enterprise and nongovernmental organizations), Tourism (attractions and eco-cultural tourism initiative), and Barriers to Economic Participation (finance, education, government, economic, community-based, property rights, social, political, and cultural exclusion, and miscellaneous including corruption and aid dependence). Table 18 shows the themes and subthemes from these coded interviews.

Table 18: Interview Themes from Government, Policy Advisors, and NGO Administrators	
General Themes	**Sub-themes**
1). Economic Performance Measures	A). The General Economy B). Tourism Contributions C). Informal Economy
2). Public/Private Partnerships	A). Private Enterprise B). Nongovernmental Organizations
3). Tourism	A). Attractions B). Eco-Cultural Tourism Initiatives
4). Barriers to Economic Participation	A). Financial Constraint B). Educational Constraints C). Government Constraints D). Economic Constraints E). Community-based Constraints F). Property Rights G). Social, Political, and Cultural Exclusion H). Miscellaneous – Corruption and Aid Dependence
5). Research Advice	A). Previous Research B). Terminology C). Site Selection

Only three of the interviewees were not Tanzanian nationals and those were foreign expatriates who were working closely with Tanzanian staff and each had lived and worked in Tanzania for over 15 years. All but one was a Tanzanian citizen and considered Tanzania their permanent home. Any interview segments by a non-native Tanzanians are noted.

5.1   Economic Performance Measures

Neoclassical economic performance measures in Tanzania are still widely held as a measure of the overall economic success of the country. The data from the present study reveals that most formal and informal officials in Tanzania consider agriculture, mining, and tourism to be the major contributors to the country's economy. Within these three economic sectors,

interviewees discuss three sub-themes, the general economy, tourism contribution, and the informal economy.

There are many opinions on how to expand the economy in Tanzania. Tanzania has historically relied on the export trade as a means to economic development (Lliffe, 1979) and most of the interviewees still believe that exports are their salvation. As a gatekeeper state, one in which a large portion of government revenues are derived from import and export taxes (Cooper, 2002), it is not surprising that government employees in Tanzania continue to support an export dominated economic plan. Agriculture makes up 28.6% of the Tanzanian economy (National Bureau of Statistics, Ministry of Planning, Economy, and Empowerment, 2007) and employs nearly 82% of the work force (The Ministry of Finance and Economic Affairs, 2007). Cash crops are the back bone of the Tanzanian economy and have the potential to augment the growing tourism economy. However, Tanzania still relies on raw materials for export and is trying to develop the additional processing of goods to create value-added.

> *"Ok, traditionally we have been working for traditional exports, but these are primary exports which were basically agricultural, and then only recently we have the natural resource based exports which are still also primary, not processed. We have minerals and uncanned products in the sense (that) they are natural resources based, but a great deal of processing is causing a problem as that is where the competitiveness lies. Knowledge that basically says, "So we are good that what we have as the natural resource, we have land, and it means under there are minerals. So far as this, in the ocean and lakes, we have fish, and from the land we grow things and we export things like sisal, cotton, coffee, tea, different kinds. But we export the things with little knowledge contained as they are. So, I do not know how we are still acting, whether it is a lower product which we export or that we reform these resources. We do not own that knowledge of transforming the natural resource"* (Development Economist)

Other participants believe financing is needed in order to facilitate change. Tanzania's current policy relies on direct foreign investment to grow the economy, which often results in the under-provision of public goods (Thomas and Davis, 2004). Furthermore, Ndikumana & Verick

(2008) found that direct foreign investments have the largest impact when partnered with domestic investment. In other words, foreign direct investment must boost domestic capital accumulation if it is to stimulate the economy of a county. However, the interviewees believe that global credibility comes from continued support by multilateral organizations and foreign investment. This credibility, in turn, increases investment in Tanzania.

> *"The sure strategy is to ensure that we become less dependent and position ourselves in such a way that we can then source other sources of financing. Use the so called soft-windows of either the World Bank or other private owned funds…It will ensure that you put your economy in such a position that you are not becoming very dependent, but at the same time you ensure that your economy is seen in the eyes of the globe. That it is an economy that swims very well, is an economy which has got the fundamental right, is an economy whose code of conduct can be said "yah you're in that basket" which is called the best marks. You get the best marks, the code of conducts are in place. Then, in that case, you will be able to say that your independent and at the same time to attract other sources of finance"* (Professor, UDSM Faculty of Economics)

Investment in one aspect of an industry, such as agriculture, does not necessarily guarantee success. Hanjra, Ferede, and Gutta (2009) claim that improvements must be made in water access, human capital, infrastructure, health, and technology to insure that investments facilitate poverty reduction. Matee and Shem (2006) further assert that these improvements are negated by a lack of understanding in pastoral methods by the policy makers themselves (referenced in Kinsella and Brehony, 2009). The interviewees believe that piece-meal improvements prevent investments from affecting the livelihoods of local populations.

> *"I am talking for poverty alleviation, and we know the agriculture development is the back bone of this county. When it comes to agriculture development, you don't allocate enough funds to do the necessary things in order to ensure agriculture grows. Our agriculture is almost 100% dependent on rainfall, and then you are not doing anything to ensure that you reduce this dependence by having some irrigation products. You see that you are saying agriculture is very good, and you want to develop it, but you do not improve your rural roads. Then suppose (they) all work together, people have produced, they got a lot of pile there, only to find that they do not have the markets, so you have to address*

everything as a package. If you want to develop agriculture, you have to make
sure that the logistics are available, fertilizer is available, water, by water I mean
not the dependence on clouds by looking at the sky, a dependable water supply,
and you have to ensure the markets are there . All four have to be addressed in a
package. But if you address one and you leave the rest, it won't work. And these
are the problems we will be facing in our economy." (Development Economist)

The measurement of tourism contributions to the Tanzanian economy are heavily

disputed because tourism statistics are fragmented and incomplete (Sharm & Olsen, 2005). While

there are differing opinions by the interviewees as to how much tourism contributes to the

Tanzanian economy, the view is very optimistic as it relates to tourism's potential to contribute to

economic growth in the future.

"When you look in terms of the GDP contributions, it's very, very minor. So that
around 4% compared to other things that we are getting, particularly the other
things that the mining contributes. But the future? We say now that we are
looking at this development, because we see the potential, and so forth. How do
the people use these private sectors? So that now we can be in the process to try
to see and to identity some new sectors who can drive the economy forward."
(UDSM, Economic Research Bureau)

Identifying of tourism's contribution to the Tanzania economy has recently becoming better

understood. Tanzania revised its national accounts in 2006, and while the service account (in

which tourism resides) is still measuring a relatively small amount of tourism receipts (hotel and

restaurant receipts), it continues to recognize tourism as a standalone economic driver. Table 19

shows the sub accounts within the service account.

"That may be because it wasn't coming out very clear in the policies. It's the
focus, eh? It's only recently when we saw it in the data. Once we developed the
national account series, we saw research is coming out very slowly. The focus
was on the agriculture because eighty-percent was holding that type of part…But
now there must be a marriage, the absorption of other sectors. As agriculture
also expands, becomes more efficient, you have fewer people leaving an impact,
then it gives (way to) other avenues. That's what I am saying, the tourism wasn't
very much, and now it's very clearly in the policy landscape as a focus to sort
through what it is. That's why you see, there isn't much interventions that are

getting the directed support." (Ministry of Planning and Economic Empowerment)

Table 19: Central Product Classification: trade services; hotel and restaurant services
• Sale, maintenance and repair services of motor vehicles and motorcycles • Commission agents' and wholesale trade services, except of motor vehicles and motorcycles • Retail trade services; repair services of personal and household goods • Hotel and restaurant services
Source: National Bureau of Statistics, Ministry of Planning, Economy, and Empowerment (2007)

People in Tanzania typically dabble in many different business opportunities within the formal and informal sector (Kristiansen & Rogerson, 2002). Diversification in employment is a means to reduce risk and ensure economic success. The informal economy provides a number of opportunities for jobs that are nonexistent in the formal economy. The International Labor Organization (1972) defines the informal economy as the activities that fall outside the reach of government regulation. The Economic Survey conducted in 2007 quotes the informal economy as employing 9.3% of the population. Muller (2005) claims that the informal economy in Tanzania accounts for 50% of the real GDP and that 62% of households are involved in the informal economy. Tourism activities that dominate the informal sector include souvenir sales, clothing sales, restaurant and bar services, paintings, guide services, and construction (Gossling & Schultz, 2005). Gossling & Schultz discovered that earnings were substantially higher in the tourism informal economy compared to the formal economy and that skill levels were often equal or higher. Interviewees understand the need for the informal economy and question the focus on formalization in favor of economic reforms to ease access into the formal economy.

> *"Looking at the structural adjustment programs, actually the post structural adjustment period, we saw fast growth in the informal sector and actually the statistics show that the 70% of new jobs are created in that informal sector. The question is whether it's bad or good. But I am not the one who says this is bad because, if that is the only opportunity you have, what do you do? There are efforts which have been done to formalize that one, but actually the main driving*

force for formalization is only to catch them so that they may pay tax. And I think that should not be the focus." (Professor, UDSM Faculty of Economics)

"Yes, there are those businesses which have already been formalized but they face a number of problems as well. So for me, the center focus should be to solve those problems which inhabit the development of sectors, so that by the time you formalize the informal sector, you end up solving those problems. But those problems continue to persist and the question of bureaucracy, the question of access to finance, the problems of lack of industrial packs where they can establish. There are so many problems, but the point is now that the informal sector is the salivation of people in terms of poverty alleviation. There are quite a number of opportunities in the informal sector, especially in craft areas. Hand crafts. There these guys around Mwenge, I don't think they are formal enterprises, they are informal. And those premises which they have are having, they are not derelict. And I know this because I made a survey there."
(Development Economist)

Tanzania has actively tried to reduce these barriers to the formal sector by eliminating business license fees and awarding long term permits to overcome long distance travel in the renewal process. The main motivation for the government is the collection of tax revenue by informal operators. Local officials believe that the informal sector is more prevalent in urban areas and play down its size in rural area.

"There is no renewal of general business licenses here. (There are) not many who operate without a license, but I go to every business each year to check on licenses and administer fines for violators. There are 350 registered businesses in Pangani Town, but much less are unregistered." (Ministry of Finance and Economic Affairs)

The overall health of the Tanzanian economy can be encouraged by future tourism investment and any efforts made within the sustainable tourism framework may promote poverty reduction. The study participants recognized three sub-themes within the theme of Economic Performance Measures, including the general economy, tourism contributions, and the informal economy. Government officials and other policy makers are well versed in the need to expand the economy of Tanzania and to find ways to include rural residents as a means to reduce poverty. Agriculture, mining, and tourism are the current growth sectors, although mining has limited

impact on tourism economies, which is the main focus of this document. Agriculture, the leading economic driver in Tanzania, plays a key role in the inclusion of indigenous Tanzanians in tourism. Therefore, further success in tourism development must include expansions in agricultural productivity if locals are to be included. Piece-meal improvements that encourage the export of raw materials and exclude the processing of agricultural goods which creates value-added are insufficient. The emphasis on foreign direct investment also limits local participation in tourism economies and creates expatriate monopolies. These monopolies are concerning to villagers, discussed further in chapter 6. The sheer number of new entrants into the informal economy points to distinct barriers within the formal economy that government must address.

5.2   Public/Private Partnerships

Tourism development requires the cooperation and partnership between stakeholders in tourism destinations. Governments are increasingly relying on civil society and private enterprise in natural resource management and economic development as a means to reduce the burden on government agencies, reduce conflict, and improve resource efficiency (Sawhneya, Kobayashib, Takahashic, King D., & Morie, 2007). This data revealed two sub-themes within the theme of public/private partnerships: private enterprises, and nongovernmental organizations.

Tanzanian policy distinguishes between the role of the private sector and that of the government in economic development. Tanzania is committed to 'self-reliance' on the part of the Tanzanian people as a means to compensate for limited public financing (see section 3.23). The dependency on private sector involvement is murky; since there is limited access to business capital by local managers. Thus, the private sector must include a large international scope. Private enterprise is the backbone of economic expansion within Tanzanian policy, yet clear

definitions of private enterprises remain obscure. The data shows that private enterprise is not distinguishable between expatriate and local business owners.

> *"You see now, only to find that the capacity of the government to negotiate with the private sector is still very low, and at the end the day we ended up losing...The private sector is not interested in going to that but, still, the government wants to fill in that aim but the World Bank is saying no, don't fill in that aim. Leave it to a private sector, but I have been waiting for over 25 years. The private sector is not forthcoming, should I as a government just fold my hands and wait."* (Professor, UDSM Faculty of Economics)

The reliance on private development has not been a solution in development because of power politics, especially in tourism industries. Lim (2007) argues that hotels dominate economically in village relationships as villagers have limited employment options and become dependent on hotel operations. Socially conscious hotels command further power in that villagers are often reliant on them for the development of social goods, such as schools, markets, and health dispensaries.

> *"You must remember that it is the private sector who says what the hotel buys. But we have, for sake of development, building a very big hotel is infrastructure. It takes some kind of experiences. We encourages the FDIs, this is the foreign direct investment, coming. But now, looking at the linkages weaved, that's the most important. If a hotel is built here, it's a political thing...You have some cabins, and then small restaurants, and tour companies, those that are run by locals...But how we spend, for instance, the GDP? One problem with GDP is the problem of local production, independent and regardless of who has ownership. So this can be explained maybe why foreigners are taking up this kind of investments. This is what the government protects."* (Ministry of Planning and Economic Empowerment)

Tanzania has been encouraging joint-ventures between international and domestic businesses as a way to promote local ownership. Currently, Tanzanian law requires foreign investors to maintain a local partner who controls 55% of business assets regardless of investment contributions. However, the Tanzanian Investment Center offers a way to bypass this requirement at a steep cost to developers. In interviews conducted with hotel owners across

Tanzania, investment partnerships were difficult to manage and resulted in numerous exploitive practices on the part of local Tanzanians. For example, local partners often sold resort land without consulting western investors. Other problems included theft of resort assets, squatting and/or farming of resort land by local family members, and lawsuits over the distribution of profits. International investors, who usually provide 100% of investment capital, felt that the legal system favored the local partner. On the other hand, once tourism businesses are established, there is limited oversight on the practices of hotels and tour companies and their involvement in community issues. Ethical decisions regarding the exploitation or inclusion of local villagers were left in the hands of international investors.

> *"You can say "yes I do not encourage 100% ownership by the foreign companies". It should be the joint venture between the investor and the government or the investor and the national private sector. You may say then, how the joint venture should look like in terms of who owns what. (It) is a question of imposition. There (are a) number of stakeholders who are responsible. First of all, the government should be very specific on the policy. What are the conditions attached to this business. But the government is not the investor, the investors is a private sector."* (UDSM, Economic Research Bureau)

One of government's key roles is coordination and control as a means to reduce social, cultural, and environmental decline. Nongovernmental organizations have been successfully utilized to supplement the offerings of the government and private sector initiatives. In Tanzania, civic organizations are centralized around natural resource protection and social issues, such as education, HIV support, clean water, and agriculture development. In tourism, developmental support is increasing taken on by organizations with specialties outside of tourism and these organizations lack specialists with tourism specific knowledge. According to the data, NGOs are highly regarded, but are sporadic and often uncoordinated.

> *"There is room for the government, and across the board there is the room for the NGOs. Of course, there are areas where the government could do more…and the gaps should be filled in then by the NGOs. There are some*

regions which have a good supply of them and they are not even coordinated. Suppose you have four in the region and each one is concern with one aspect, then everything will work perfectly. But if you have four and all do the same thing. That is a problem we have also. And that is only a drop of water in the ocean because they can't do much, they are not countrywide, and they cannot, in some cases, take over the role which the government should have taken anyway. But the information is that they are doing wonderful(ly) because they are very participatory, they are very much connected. They are very much integrated between the communities, and the communities themselves know what they need, what they lack. And so they are more or less institutions which are not superimposed, but they grow organically from the community themselves. So, I like NGOs, but they are very sporadic… Especially, those which are faith-based or religion-based are very much associated with churches and blah, blah. They do a wonderful job compared to the rest of them" (Professor, UDSM Faculty of Economics)

NGOs are viewed by interviewees as grassroots organizations that have the interest of communities in the forefront of their objectives.

"The NGOS are very powerful in the sense that they are our voice, they are our voice because even if the government does not fail, at least they are having our back. They have a very powerful voice…You can see that development evolution. Because some of the NGOs are there to show the way, how things should be done, and sometimes they grow strong enough to the extent that they can ensure that the government responses to their demands." (UDSM, Economic Research Bureau)

"It is the community that states and identifies the problems and they go to the local coordinator who will visit the problem and advise them on how this could be worked out. Because this project involves the district level, or the ward level, the village committees, all the levels and the villagers themselves, they are the one who own the project. As I said, the villagers, they are the one who wrote the project. They were helped to write that project and they are the ones who got the funds. They were given money, and we were just to supervise. So this was really to motivating to me." (Tanzanian NGO Administrator)

However donor funds come with strings attached that limit the NGOs ability to service specific projects. Often investment decisions are made by foreign donors based on benevolent ideals rather than local participants' needs and wants.

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"Donor aid is very restrictive. They wanted to address other issues, but the aid organizations would not let them." (NGO Administrator, Non Native Tanzanian)

"The dollar funded programs are projects where all the money is tied to those particular projects; activities that are outlined in the particular projects. And if we do government projects, sometimes we get most of government projects from the Ministries of Tourism and the Ministry of Development. So we get the money from the government and we account to the government." (Tanzanian NGO Administrator)

"What are the needs that people can use to reduce poverty? At least that's the support you can give. But their support goes back to the coordinators, the NGOs that do some kind of development. This is environmental but also could coordinate in term of poverty reduction research (especially) around the coastal resources" (Ministry of Planning and Economic Empowerment)

NGOs that focus on tourism initiatives are underrepresented in Tanzania. While many conservation organization and agricultural programs use tourists as markets for products produced locally, these organizations have very little knowledge of tourists' wants and needs.

"Community-based tourism is the current tourism policy focus because they feel benefits spread better. It is still a very small segment of the market. They are focused on supply, but there is not much information on how or why the tourists support such a venture." (Ministry of Natural Resources and Tourism)

"It was like enhancing wise-use and management. We had one group that was a carving group, and since they used a lot of trees in carving, they had this kind of education that could have alternatives in carving. Because when they carved, they use only this black wood. But this black wood has a very long life, it doesn't mature early. When they cut, they do not replant it. So, they reduced the use of black wood and (use) alternative material that they could make other carvings which are not black wood. With this project particularly the communities benefited... And when I go to their site they have both, they have this black wood and they have these alternative things, but I haven't talk to them (about) how marketable these are." (Tanzanian NGO Administrator)

Private enterprise and NGOs enable Tanzania to realize economic support above and beyond what the federal government is able to provide. However, do to the lack of clear policy implementation, international investors and NGOs often maintain a free hand in their own personal development objectives. Programs aimed at including local partnerships have invited

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new problems for local populations and investors. If outside organizations are to be used to empower rural residents, government oversight is needed to ensure poverty reduction measures are being utilized in tourism expansions.

5.3   Tourism

Tourism has recently been recognized as a viable economic development tool. While game viewing is the primary attraction for international visitors, Tanzania recognizes a number of additional resources that could appeal to visitors.

> *"If we identify our niche and say Tanzania, given that we have Zanzibar, given that we have Kilimanjaro, we have national parks, and then we say for us Tanzania is tourism. For us, tourism is everything, for us, tourism development. Then you start to ensure that everything circulates around tourism, and you make a lot of progress in that. Because if, for example, you say "yes, our distribution will be centered on tourism", it means therefore you are going to produce table cloths, bed sheets, pillow cases. It is a lot of money to vanish to the tourist hotels. At the same time now, you say our agriculture is goings to compete here, to attract the tourist sector, it means then that the vegetables and everything…So at the end of the day tourism is everything to you. And I think that should be our salvation."* (Professor, UDSM Faculty of Commerce)

The Ministry of Natural Resources and Tourism, in partnership with The Netherlands Development Group (SNV), has recently begun helping communities market themselves as add-ons to the traditional safari vacation through their Cultural Tourism Program. Communities that have existing cultural tourism programs can apply for support in tour guide training, marketing, and management costs. Examples of the programs themselves are described in chapters 6 and 8. Many of the interviewees were optimistic about the program.

> *"We have a cultural tourism program which is managed by the Tanzania Tourist Board and the Ministry. We go around the country and motivate people to form groups and come up with tourist products which they inform us (about) and we try to advertise those tourist products… We have a special website for that and wherever we go, we actually go and distribute the functions. There are people who are coming to see these things, though not many, but still those groups can*

*get enough money out of those tourists. Therefore it's a new thing. It has just
started about four years ago but we are trying to form more groups. Most of
them are in the traditional Northern circuit, but we want to expand to the
Southern circuit and probably in the Western lakes. We have more than thirty
communities which have organized themselves. Actually there are more who are
coming."* (Tanzanian Tourist Board)

References by interviewees in relation to community tourism are scattered throughout the
four themes developed within these interviews. The data reveals the optimism felt by policy
makers on the role of tourism in economic development. Cultural tourism programs appear to
have optimistic results; however sustainability of these projects is still in question as they are
currently donor funded. In 2001, SNV turned the program over to the Tanzanian Association of
Cultural Tourism Organizations which resulted in the decline of cooperation between
participating villages and the tours provided (Zeppel, 2007). SNV has returned to take a lead role
in the Cultural Tourism Program until a new sustainable solution can be found. Because tourism
is a new focus in Tanzanian development, and because it is largely spearheaded by development
and/or conservation organizations that lack specific tourism knowledge, finding avenues to
include marginalized groups still requires extensive study at the local level.

5.4   Barriers to Economic Participation

Sustainable tourism literature has given rise to seven commonly held constraints to
economic participation by local populations including: finance; education; government;
economic; property rights; and social, political, and cultural exclusion (See section 2.4 and
Appendix B for more details). This framework was evident in the data collected through
interviews conducted throughout Tanzania. An eighth sub-theme, entitled miscellaneous, was
also added which includes discussions on corruption and aid dependence, a problem specifically
prevalent in African countries (Knack, 2001).

<u>5.41</u>   <u>Finance</u>

Financial constraints include a lack of financial resources, a lack of borrowing capital, and financial regulatory restrictions (Hampton, 2003). The informants show that the lack of access comes from two avenues, bank practices within Tanzania itself and a lack of knowledge and culture that supports the use of these banks. In particular, the banking industry is an oligopoly that derives its profits from fees charged to account holders rather than through the issuance of loans. These practices are derived from the high risk of default resulting from the difficulty in identifying applicants, a lack of credit information, a poor system of collateralization, and ineffective enforcement mechanisms (USAid, 2008). In turn, these banks have little exposure outside the urban areas. The FinScope Tanzania Survey, conducted in 2006, showed that 91% of those surveyed knew of loans, but only 9% had access to formal banking institutions, 2% had access to semi-formal institutions (NGOs and Credit Cooperative Organizations), and 35% had access to informal services. A majority of the participants still used friends, family, and money lenders for credit (USAid, 2008). Bank industry practices also mirror Tanzania culture, which is risk adverse and reflects a lack of trust between individuals and organizations outside the immediate family, resulting in limited loan products for customers or excessive interest rates through loan-sharks.

> *"When you are talking about this disconnect, and I think the disconnect in Tanzania lies within the market structure in which these banks operate…the structure continues to remain oligopoly. The market structure of oligopolies is extremely difficult to bring the rates down. And to my experience in Tanzania, currently I am speaking now, about five banks dominate the economy. Five banks control 75% of the economy, and in such a situation how do you fight the rates down? Because look and see that the financial sector is not competitive enough and unless the bank become competitive enough, people go in to see that they do not need to get super profit, they need normal profit. Whereby, it is not 50% profit which matters but 5% profit, 10% profit."* (UDSM, Economic Research Bureau)

In the mid 1980s, Tanzania revamped their banking system through a series of reforms aimed at creating an industry based on modern market-based principles and international best practices. New laws liberalized interest rates, eliminated administrative credit allocation, strengthened the Bank of Tanzania's role in regulating and supervising commercial banks and other financial institutions, restructured state owned financial institutions, allowed entry of private banks into the market, and established rules for dealing in foreign exchange, gold, securities and goods (USAid, 2008). These reforms have improved the banking system and there are now approximately 22 commercial banks operating in Tanzania. There has been a recent push to expand bank branches, and thus bank services, into the rural areas. It was noted that most district towns now have at least one physical bank present. Outside of the district towns, banks are nonexistent. Therefore, the use of banks is relatively new to the general population, and banks have put their energy in acquiring customers in the form of checking and saving account holders.

> *"The question is how do they make a profit? They make a profit through their bank accounts. For example, if you go to NBC they have about 23 categories of bank charges, 23, and their rates are exorbitant. For example, I have got my son, who is in Canada, and whenever I send money, they debit my account for ninety dollars. There was a time I sent 150 US dollars and you know what it cost me? Ninety dollars! That is ridicules. And any time…they can debit your account. And that is how they get their profit and at the same time, they claim that…that our banks are over liquid."* (Development Economist)

Bank profits are derived from the account holders and not from the issuance of loans. For example, the only bank in Pangani District offers four loan packages to their customers: salary loans, which require the customer's place of employment to underwrite the loan and is used mainly for governmental employees (interest rate of 20%); small and medium-sized business loans which must be secured with deeded property and requires a business plan that has been drafted by a certified public accountant (at an average cost of 250,000TS) (interest rate of 18%); bank sponsored micro-loans which require collateral (such as a television, bicycle, or other asset),

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a business license, and a character witnesses (interest rate of 24%); and Economic Empowerment

Loans which are government-sponsored microfinance programs in which forty-two, out of over

500 who applied, received non-collateral loans (interest rate of 10%).

> *The microfinance that is the one that is really dealing with poverty, because in all, the poor people have most basically that right... (but) they are not aware of that kind of finance, the sector that can pick up, that can come up with different instruments that they can get. Unless you have a consented, specific programs that comes out of it. And now, that is why we are seeing the government now taking some kind of behaviors, but not with government financing. That kind of supporting projects; they are needed in poverty reduction. But in supporting an individual, they are poor, and so the microfinance, which is very small support.*
> (Ministry of Planning and Economic Empowerment)

All of these bank products require repayment in three years, with the exception of the small and

medium-sized business loans that require repayment in five years. Long-term financing is also

difficult to come by in Tanzania.

> *"Not only (does) it cost the government but also the private sector. If, for example, when you say the private sector is in need of growth, but when the private sector wants to do something, they look for financing. Long term financing, for example, is not there. And you would expect the private sector would have that facility and automatically it becomes a monopoly."* (Professor, UDSM, Economic Research Bureau)

The main cause for the lack of long term financial capital is risk aversion, as reflected in

the interest rates listed previously.

> *"If you look, for example, at the currency rate in Tanzania, the inflation rate was at five (percent), but is going up now to around nine percent. But let's not mistake, although the inflation rate was at 5%, then the interest rates were around 20% to 25% and because the rates were not even at 6 or 7 or anything below the inflation rate. So, it becomes a contradiction. Here you have a financial institution which is not ready to mobilize money and resources because the possibilities are not that attractive."* (Development Economist)

It is not only the banks that suffer from risk aversion; the culture in Tanzania does not

promote private lending either. Wembah-Rashid (1998) uses the term "apathy" to describe a

cultural behavior that is a consequence of wide-spread marginalization, isolation, and inward orientation. Apathy comes from historic feelings that one cannot succeed because individuals or ancestors have never seen someone from their village succeed (Wembah-Rashid, 1998). These traits are passed from generation to generation and can create risk aversion, or the idea that what little you have is secure if you continue to behave as your family has always done.

> *"The individuals have tons of money, but will not give it out due to risk. Indians borrow from each other. Africans don't have that type of culture. This comes from education. You must be educated to see the value in loans. If Tanzanians were educated to loan instead of share, it would change the culture which would change the quality of life. The practice of giving to your neighbor would make more money, but the neighbor would not use it for business. There are legal supports to recover debt, but very lengthy and becomes useless. Someone may try once, but once burnt, they will not try again. Often people use loan sharks"*
> (Ministry of Livestock and Fisheries)

The financial industry in Tanzania has received much attention in recent literature and is currently undergoing rapid change. The problems addressed by these interviewees are not new and international organizations are offering support to increase credit for local communities and business owners. It is a slow process and its importance to sustainable development cannot be over estimated. The government of Tanzania recognizes that the increase in financial institutions has not translated into increased access by rural populations. Access is the government's top priority in continued financial reforms (Tanzania Ministry of Finance, 2004). It is important to note that many of the financial discrepancies have been addressed by the non-governmental organizations and private enterprises around Tanzania. This topic is covered in more detail in the Private/Public Partnerships Section (section 5.2).

5.42   Education

The tourism development literature mentions three main educational components lacking in developing countries: basic secondary education, business skills, and knowledge of the tourism industry (Ashley, 2001). Education is the backbone to economic development and is often the

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key constraint in rural communities. While Tanzania is actively helping communities build schools, teachers themselves lack the educational requirements to facilitate learning and school supplies are severely limited. The focus on O level and A level exams does not provide job specific skills, critical thinking skills, or business knowledge. Rather memorization without complete understand is facilitated. Specific tourism education is limited even within the nongovernmental organizations and government entities that are tasked to promote tourism.

In Tanzania, education is mandatory through primary school, although in practice a basic education is hard to receive. Many children walk up to 5 miles to attend school, and may not start their education until age eight. Secondary school, which in theory is mandatory but not in application, is still limited in rural areas and is often cost prohibitive for students. Barett (2007) reports that less than 25% of primary school graduates attend secondary school. There are no school districts for public school, so each school determines the specific fees applicable to their students. The fees are required to cover the cost of housing and food for teachers and administrators, as well as food for the children. I witnessed school fees ranging from 20,000 Tshillings to 60 kilograms of maize flour per student per year. It is common to find that the students starting secondary school range in age from 13 to 30 and many young adults frequently comment on their need to finish their secondary education.

> *"There we came out and said "we have so many children for the school". So we backed them. The number of investments from us to make sure we build more schools, reduce these school fees, and invest more children in these schools. That is the area you will see we have problems. But also they forget their needs. I think the quality is also very little, because it is really very little money there. It is smaller than any nation."* (Ministry of Planning and Economic Empowerment)

There is a lack of quality and quantity of teachers in Tanzania. Teachers are poorly paid and lack a strong education themselves. Teachers typically have finished four years of secondary education followed by two years of general training (Barrett, 2007). New teachers are often

forced into the largest class sizes and suffer the most from resource scarcity. While teaching in public schools in Tanzania, I witnessed numerous occasions when teachers did not show for work or were late up to an hour or more. In one study, 38% of teachers reported being regularly absent (Schleicher (1995), cited in Barrett, 2007).

> *"Long term (there) should be an investment in proper education. I think we need much more than building schools, if they are not at least mandatory, yes? Also, one of these weaknesses is the content of education, and although now I am not an education expert, but I think we have to have a quality of human being who is empowered, ultimately. We have teachers, they are doing their training, and they have a secondary education. That content, if this was not only the education curricular, but also the commitment of the educators. The educators have a minimum of being valued. (They need) not too much, but again, enough to motivate them. That is lacking. I think it has called to abandoning their students. The lack of incentives is there."* (Professor, UDSM Faculty of Economics)

Language is frequently mentioned as a constraint for local Tanzanians. While both Kiswahili and English are official languages of the country, many villagers have no working knowledge of the English language. Most Tanzanians have their local or tribal language as their primary tongue and Kiswahili as their secondary language (except the coastal population whose tribal language is also Kiswahili). English, thus, becomes their third language. While primary school is taught in the Kiswahili language, most secondary schools use an English medium of instruction. Local Tanzanians feel that knowledge of English is vital to their economic growth, especially for tourism destinations.

> *"You see there is (a) language barrier; we are use to speak(ing) Kiswahili. I speak English when I am meeting with a white woman like you, but we do not speak English, that is why we are very poor in English. We can write very nice but speaking probably would be very difficult…And tourism actually is languages. Language is very important. Our products do not sell by lack of skills. It means that we have to have skill selling. We can go and shout but people still do not still get what you are selling."* (Tanzanian Tourism Board)

Business skills are also lacking and there are few avenues for people to acquire them. Business training is currently underfunded within federal programs.   While the Chamber of Commerce has established business training programs in larger cities, district offices still lack funds to offer similar programs outside the major urban areas (USAid, 2008). In particular, access to markets, pricing policies, an understanding of profit versus capital, and an understanding of the value of resources are major concerns.

> *"Of course they are fragmented anyways. These interventions will be trainings on the skills of running a business, in terms of goods from the manufacturer, but also business in terms of agriculture. Of course, there's a weakness in terms of how the farmers become business farmers. A business farmer also needs to see what is coming out of his mind. The business farmers who scans the environment in terms of which opportunities that are coming out of that one and then take advantage of that kind of thing. That is the international version, in terms of the trainings and whatever."* (Ministry of Finance and Economic Development)

Pricing is often guesswork.

> *"One problem is competitive pricing. They tend to charge outrageous prices. I then tell them the going price in Tanga. If they want to do business they must be competitive."* (Conference Center Manager, Non Native Tanzanian)

> *"There is no money for business training within the department. I just issue business licenses"* (Ministry of Industry, Trade, and Marketing)

> *"Currently (there is) no budget for teaching or inspections. I fail to capture many rural areas."* (Ministry of Health and Social Welfare)

Tourism knowledge is even harder to come by, and the lack of tourism understanding is widespread within both the government and private sectors in Tanzania.

> *"We were supposed to have our own research department but we are not doing much. Actually, we have a research department in the Ministry, so they are supposed to do much (more) than what we are doing"* (Tanzanian Tourist Board)

> *"Let me tell you truly. We don't have any other sources of knowledge for tourism. We would like to aspire to be better. Knowledge is power."* (Tanzanian NGO Administrator)

Educational improvements are a major focus in Tanzanian development policy. Currently, if villages can raise 20% of school construction costs, the government is committed to paying the balance for buildings and will provide educators for the village. However, the quality of teachers, large classroom sizes, and poor curriculums are limiting the quality of education received. School fees and physical access are on-going problems that postpone or exclude young children from educational opportunities. The lack of education limits villagers' knowledge and access to tourism markets, encouraging hotel owners and tour companies to look outside local areas for supplies and employees.

5.43   Government

This section looks at governmental constraints faced by communities around Tanzania. The constraints mentioned in tourism literature include inharmonious government policy, tax structures, and bureaucracies as they relate to business start-up and economic participation (Kristiansen, 2002, Tolentino, 1995). Additional subthemes mentioned by participants include revenue disbursement, knowledge sharing, and pro-poor objectives.

Tanzania has a well establish set of policies that have developed over the past fifteen years (see section 3.21 and 3.22). The weakness lies in the implementation of said policies. Kulindwa (2002) argues that this is the result of a command and control type decision making that has infiltrated formal governance organizations. Often job performance is still measured by tasks completed rather than program results leaving employees focused only on their narrow field of responsibility and assuming that other tasks are being carried out by other managers.

> *"We've also got division documents; we have got Vision 2025 for the main land and Vision 2O20 for Tanzanian Zanzibar. We are doing good. We have our three years strategy, so called National Strategy for Growth and Reduction of Poverty Alleviation. The problem now is that the, what they call the operational level, is not. Yes, we realize the documents are well written, well articulated, but the implementation, it's always the implementation (that) is the problem. And we reach a point (where we) say yes we have written so many documents but the*

question is where is the implementation? That is where we get stuck."
(Development Economist)

"Our job is to design those policies. Then we leave the general specific information to other sectors. But what we do now is to monitor. If those kinds of interventions are having any impact at all, then they advise the government. That's why, for instance, we are coming up with a proposal that the policy, as we see today, has so little in terms of poverty reduction, because of its scope. It is very small. Despite that, there is high potential for this to have an impact, but it hasn't yet developed. We are now learning the process of developing and raising funds. But it is quite tough, that process. After having assessed that this sector, instead of concentrating on that matter, we also need to focus on the potential."
(Ministry of Planning and Economic Empowerment)

Departments unintentionally negate the work of others through conflicting practices, narrow focus, and a lack of communication between establishments. In reality, oversight is all too common. For example, the Ministry of Natural Resources and Tourism has developed a community-based cultural tourism program aimed at poverty reduction. However the Planning and Economic Empowerment Division has no working knowledge of this program even though the objectives of the project fit with the overall goals of the division. Lange (2008) argues that the support of decentralization in decision making by the World Bank has led to numerous local or regional projects in Tanzania that compete or undermine federal programs. Furthermore, power struggles leave some departments to support one project or policy, while other departments support differing ventures. Community based development and participatory legislation has focused on youth, women, and other disadvantaged groups while being implemented by the male authorities.

"We have the department for permits. And then we have the department that issues standards. We have the empowerment policy which creates a kind of map that could guide the financial expertise of the local people. That is also a matter in the use of finance. But we also have the tourism, this Ministry of Natural Resources and Tourism, as a kind of stake. So it is a collaboration and every stake, every institution has its own parts. But we also have the research at the investment center. That was of course a kind of investment…I just work on the

assumption that since we have an institution that it's done." (Ministry of Planning and Economic Empowerment)

Even within the Ministry of Natural Resources and Tourism, one department is unaware of the projects implemented by other departments or feels a lack of consultation by higher authorities which limits interest in other projects. For example tourism infrastructure (such as hotel development) is regulated by the Tanzanian Investment Center without consultation of the Ministry of Natural Resources and Tourism or the Tanzanian Tourism Board who have working knowledge of tourist needs through visitor survey data.

> *"And there is no people who will go and borrow and build hotels in the villages. Probably the best way would be to encourage the people themselves to develop products and to invite tourists to come and stay instead, in their houses…It is supposed to be the work of the Ministry…That is the work of department of tourism…We know, because when they come we should know where they are going to stay. We have information of what is available but we do not have influence in development of what is available."* (Tanzanian Tourist Board)

The tax structures, as they affect local communities, appear to be very straight forward.

> *"There has been an attempt to standardize the tax rates. Taxes are paid in 4 installments each year. The Revenue Department is creating incentives to register their businesses…tax holidays, where businesses don't have to pay VAT. They are also given a few tax breaks...There are only two forms needed to start a business, TIN, the Tax Identification Number, and a tax appraisal form. There are no fees."* (Ministry of Finance and Economic Affairs)

Business licenses are also straight forward.

> *"All licenses are free of charge, except for liquor licenses, and all liquor license revenue stays locally. If they have a tourist hotel license, they do not need a separate liquor license, it is included. There is no renewal of general business licenses; they last the lifetime of the business."* (Ministry of Industry, Trade, and Marketing)

Land sales are negotiated at the local level and there is very little standardization in the process, outside of surveying which is discussed in section 2.46 (Property Rights). All local decisions in land sales are final.

"All coastal land is zoned for investment. An investor will buy directly from the village, and then the town area will conduct the survey. It then goes to the district for regulation. There is no pricing structure. The former Prime Minster wanted an appraisal of all land, but the idea has been forgotten. Usually villagers will come to the district after the sale is finalized to avoid the district from saying no." (Ministry of Land, Housing, and Human Settlements Development)

Tourism businesses must also apply for licenses from the Ministry of Natural Resources and Tourism.

"Locals pay $2,000 per year, internationals pay $5,000. TMNRT helps ensure contracts are carried out and provide marketing for all license holders through their website. International companies insist on licenses in case of problems. Without them, TMNRT will not get involved in contract disputes. All hunting guides must be licensed and Tanzanian nationals. Without licenses you cannot bring a gun into the national parks. Tour leaders can come from anywhere but guides must be Tanzanian. They pay $200 per year (and) applicants must fill out 5 forms and pay 3 fees. They only pay TIC if they are international or if they are importing/exporting supplies. The process takes about 4 weeks. In isolated areas, local government can collect the fees and they are allowed to keep the money. They don't always fill out the paperwork though. Local governments handle the licensing of crafts, but TMNRT may start that in the future." (Written notes from interview with the Ministry of Natural Resources and Tourism)

The role of the Tanzanian Tourism Board is to "to promote and develop all aspects of the tourist industry" (Integrated Tourism Master Plan, 2002, p. 30). Promotion includes positioning Tanzania as a premium upscale safari destination. Oyewole (2004) found Tanzania to be one of the least competitive African tourism markets because the cost of a safari package in Tanzania is one of the highest in Sub-Saharan Africa. The TTB has limited control over development and has admittedly been slow in promoting specific tourism projects or destinations within Tanzania. Data collection on tourist's preferences and visitor spending has only recently begun. Getting customer to choose Tanzania as a destination is their sole practical task. Their success is measured in visitor numbers alone.

"We have our own statistics. We were supposed to have our own research department but we are not doing much. Actually, we have a research department in the ministry, so they are supposed to do much (more) than what we are doing." (Tanzanian Tourist Board)

"The board has major one function, promoting the tourism destinations…That is the only function which we have…Actually we cannot control the amount of money they spend here. There is no way we can influence in any way. It is only the private sector which can influence the spending here…But we are only concern with the number. That is why our target is in numbers, the only functions which we are doing." (Tanzania Tourist Board)

In Tanzania, almost all monies collected by the government is funneled through the general fund, and then reallocated back to departments and programs through the budgetary process. For example, visitor use fees collected locally must be deposited into the general fund. Tax revenue, license fees, and community development taxes are also collected locally and sent to Dar es Salaam. A number of tourism businesses in rural areas have paid fees to develop roads, transport, and other infrastructure, yet the money is frequently lost in the bureaucratic procedures at the federal level. Locals often accuse the federal government of misallocating collected revenue. The exception is the parastatal Tanzanian Park Authority (TANAPA) that allocates some community development fees as well as sends some revenue to the general fund.

"Nothing stays locally. It is collected, balanced, and deposited daily. All goes to Dar es Salaam and is reallocated through budgets." (Ministry of Finance and Economic Affairs)

"Fees go into the general fund and are reallocated back to TMNRT through the budget process. National park fees are split between the general fund and the local communities around the park." (Ministry of Natural Resources and Tourism)

"They go into the government coffers. (They) are used for education, for water for whatever… Once it goes to the general fund, it is invisible, it is gone." (Tanzanian Tourists Board)

Tanzanian policy stresses the need of local participation, but pro-poor objects are often negated through policy implementation. For example, local development fees are collected by all

businesses at the regional level, but due to the allocation process, there is no guarantee that money collected locally will actually benefit the community through which it was collected. Conservation funds for community development are often given only to neighboring communities and not those located a few miles from the resource, even though traditionally these villages also have lost access to a valuable resource. The National Tourism Policy is clearly focused on infrastructure and product development with an underlying attempt to minimize local costs (see section 3.21). Yet investors and the federal government can easily bypass local communities when developing new properties or tour organizations. The exception is in land sales, which are negotiated at the local level. The policy focus in tourism is as a means of support to the industry rather than active membership in decision making. Minimum wage laws are in effect, but are not enforced and vary by industry.

> *"Special areas (are) established for conservation of marine ecosystems. It is part of the federal government. There is no statistics on the number of tourists that visit the parks. All the permits are owned by the hoteliers. Visitors are supposed to pay 8,000 Tshillings, 6,000 for the permit plus a 2,000 fee for each visit, but it is not enforced. The money goes into the general fund. A small amount goes to park staff. None of the money goes to the villages. Poaching is a serious problem."* (Ministry Livestock and Fisheries Development)

> *"Yes, we have (a minimum wage). But this is sectoral. It varies between sectors. How you order them, how you ensure that this minimum wage is really there? There is some policy in there. It's a challenge to make sure that (they) really maintain it. It's a challenge."* (Ministry of Planning and Economic Empowerment)

> *"This project was a kind of community-based welfare program, where it has always been that people living around where the current attraction is complaining how they have been affected negatively by animals destroying their crops and things like that. And the government doesn't compensate them, and they don't benefit. And the only people who benefit, in terms of income, are the Tanzanians who work or the tourists who come to enjoy seeing the animals, the scenery, and all that."* (UDSM, Economic Research Bureau)

Government oversight includes collaboration and knowledge sharing between ministries, tourism marketing, revenue disbursement, and the inclusion of indigenous and rural populations in overall development objectives. The Tanzanian government needs to improve the coordination between ministries and departments to insure policy implementations are beneficial for the people of Tanzania. Additionally, local government tax revenue often is applied to other regions, bypassing the very people whose lives are disrupted by conservation and tourism initiatives. This practice reduces community buy-in to projects and discourages pro-poor development in rural areas.

5.44   Economic

Recognition of the economic contribution of tourism is new to Tanzanian policy makers. As more energy is focused on tourism as an economic driver, leading officials will gain more knowledge into economic constraints facing indigenous Tanzanians. The data substantiates four of the constraints listed in the literature: inflation, the middle class, infrastructure, and foreign-owned monopolies. The additional constraint of government debt relief was also mentioned.

Foreign owned assets create inflationary pressures on the market, often driving prices beyond the reach of the local population (Cater, 1994). Inflation in Tanzania is increasing, and at the time of my visit was around 9%. Inflation affects most Tanzanians through the purchase of their staple goods, such as food and clothing.

> *"The problem is they are seeing prices rise, (and) the question is how people are managing, people who never get subsidies because they are still poor. They will not appreciate how much they have improved because they are at the bottom, they are still down. So there're still excluded."* (Professor, UDSM Faculty of Economics)

The literature explains that a lack of a middle class creates further constraints to participation. The inability to own the expensive productive resources limits the LDC's ability to form a middle class, which results in the inadequate involvement of auxiliary or complementary

industry development, which in turn, encourages leakages in the economy as tourism operations import their needed inputs (Smith & Duffy, 2003). Tanzania has developed a middle and upper class; however they are located in the urban areas, especially in the north of the country and, while they often send remittances home, they consider themselves separate from, and better than, the rural villagers.

> *For us, we view too much from a different perspective. Of course when you want cultural investment, you have pros and cons. You want to try to connect them to the working class. And we say, currently that it is the northern part, because that is where the natural resources are available…I think the upcoming middle class are looking to get ahead …And I don't think they are trying to go back. I think that is the easiest way to put it."* (Ministry of Natural Resources and Tourism)

Infrastructure inefficiencies are wide spread throughout Tanzania. Roads, water, and sewer systems are more prevalent in urban areas, but the strain of increasing populations makes the urban areas the least reliable for continuous service. Infrastructure, such as roads and telecommunications, are developed to benefit the tourist, and some villages benefit if they are located directly in the path of connection. Neighboring villages, however, receive no benefit. It is not uncommon to find one villages with roads, electricity, clean water, schools, and markets while next door a village has none and no opportunity to expand its infrastructure. In relation to tourism in Tanzania, road access is the mentioned most frequently as it affects the ability of the tourist to gain access to rural areas and limits villagers access to the tourists once they arrive.

> *"That's why the cultural tourism products are more formed in the Northern circuit because they have everything. There are roads, there are airports, there are good foods. There is everything in the Usambara, in the Pare Mountains, around Kilimanjaro, around Arusha. That is why these areas, they have big development in the cultural tourism. But the rest of the county, there is nothings, not because they don't have products to show. It is only because they do not have good hotels. There is no airports around, for example if you want to go to Mbeya, you will have to spend about eight hours driving on a road, so people from a good home would not like most of their time traveling."* (Tanzanian Tourist Board)

"Yea there are regions of disparities. We have some of these... for instance, the regions that we call fallen hotels. Most of these tourists don't go. This is difficult policy. It was impassable, the road is impassable and there is also poverty. And the other, they seem to have trouble, because of the weather."
(UDSM, Economic Research Bureau)

The belief that foreigners own a majority of the tourism enterprises differs between the ministries and organizations interviewed. Some interviewees believed most hotels were owned by Tanzanians, other believed they were foreign owned. In my research, an overwhelming majority of the hotels were owned by foreigners, with the exception of the "local" or "African" hotels which provide limited amenities and operate at a standard equal or below a one-star rating (see WTO & IH&RA, 2004 for rating descriptions). However, there is little dispute by participants that foreign-owned businesses receive a number of incentives that give them an advantage over locally owned establishments.

"Most of these hotels are not owned by foreigners. They are owned by Tanzanians" (Tanzanian Tourist Board).

"And so, I think a lot of people are concerned that if we promote tourism and tourists come and all the infrastructure is owned by expatriates, Europeans, Australians, Americans then all the money that tourism could potentially generate for Tanzania is going to leave. Because Tanzanians aren't going to own the hotels or the shops or the restaurants." (UDSM, Economic Research Bureau)

"You find that the multinational corporations get a lot of privileges, and once they get a lot of privileges, it means then whatever remains from that kind of business is very little which trickles down or which remains in the county. And there is where the problem arises." (Professor, UDSM Faculty of Economics).

One additional theme developed from the interviews includes government debt relief. Currently Tanzania holds in excess of 28% of GDP in international debt (CIA Factbook, 2007). Foreign debt has tied the Tanzanian government's hand as the World Bank and International Monetary Fund have maintained tight controls over government spending, to the detriment of social spending in rural communities (Reid, 2003). Tourism is one means of increasing foreign

currency which in turn is used to pay large scale debt payments, all the while losing power and influence to the multinational organizations and transnational corporations (Reid, 2003).

> *"It has never been a level playing field, and it will never be so because of the power politics. When I recall most of the projects or the contracts, most of the drafts were drafted by the World Bank. And the World Bank, to some extent, has been coercing Tanzania to follow some certain policies which Tanzania given ownership, given a piece of freedom, they would have taken another stance all together."* (Professor, UDSM Faculty of Economics)

Inflation, lack of middle class involvement with village development, infrastructure, foreign-owned monopolies, and government debt relief were major concerns of the interviewees. While tourism appears to be increasing infrastructure investment, it is also creating inflation in rural areas. The inflation, specifically within construction industries, is also making local competition against the foreign-owned monopolies more difficult. The emerging middle class is seeking opportunities in urban areas, creating brain drain in the rural villages. Foreign debt is on ongoing issue for Tanzanian development.

5.45   Community-based

Community-based constraints include community location and their remoteness to tourism enclaves, the lack of economies-of-scale or limited supply, hotel imports, and market access. Due to limited means of transportation, tourism is not wide spread across the country and remoteness was a definite factor in the participation rates of villagers. Even villages only a few miles from tourism destinations faced serious access problems based on the availability of public transportation and road conditions.

> *"So far tourism is an activity of few people. In research, we find out it is difficult for poor people to come and participate and realize more from the industry, because it is just small part of the county and only a few people."* (Tanzania Tourist Board)

> *"I don't see much by way of getting involved in tourists business as such. You know, not food, because these guys are not relying on local supplies. Maybe tourists are just passing around and looking at Pangani and seeing, maybe*

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paying some money and fees and things like that. It's different to compare that situation to Arusha where people are really raising to the challenge of really getting into the tourist business. You know, providing what they can, culturally, training themselves in the tourist industry to work in bars, hotels, tour guides, things like that. All that kind of tourist stuff. But then you find also a mix of things. It's not only the local who are really from there, you find the local from far away from here, also there." (UDSM, Economic Research Bureau)

Economies-of-scale and market access were often lumped together by interviewees as a major problem for community participation. Often foreign-owned enterprises command increased economies of scale, a larger marketing reach, and intensified capital investment in the luxuries that tourist prefer (Ashley, Elliott, Sikoyo, & Hanlon, 2001). This crowding-out effect leaves local groups unable or afraid to go head-to-head against these tourism giants.

"We must ensure that more is produced, to increase the production, and at the same time to ensure that the right qualities are in place. And for those aspects, those types of foods which are not available within the country, to see the possibility of growing them…They bought chicken from South Africa, something we can do. I (went) to number of hotels in Zanzibar and asked them why they import from South Africa, the beef, they said that the beef is softer than ours. It is a question of us now having our ranches rearing this kind of cattle, handling animal husbandry, and we can supply…Only that they do not have the right technology, the right techniques, of how one should cut meat, prepare meat. Those are simple things which can be learned. The investors should commit themselves to capacity building for ensuring that after a certain period of time, just five years or so. Then the supply chain is inward rather than outward."
(Development Economist)

Import constraints refer to the practice of hotel owners purchasing their supplies and sending their profits outside of Tanzania, which in turn limits the local impact of tourism in host communities. This leakage is derived from a number of sources, including expatriate comfort and security concerns, the lack of quality and quantity available locally, and limited distribution channels for villagers (Ashley et al., 2001).

"Definitely its logical when foreign investors divest they're not going to spend their money here. They are not even going to keep their money here. They will have to keep money where they come from. For security, but also their objective

of coming here is not to develop this country. It's to earn a profit for their own. So definitely one would be concerned about that." (UDSM, Economic Research Bureau)

"Hotels buy locally from fish vendors who sell at auctions. They only buy certain species, like shrimp, red snapper, and octopus, but (they) buy quite a lot. They will also buy more common species to feed their local staff. We, at the department, feel that the fishery is sustainable and is actually under fished. They currently cannot support increased demand in fish from tourism because the gear is old and capacity is low." (Ministry of Livestock and Fisheries)

"Because to be able to supply, let's just say a local restaurant, but if it's an international class restaurant, they have their principles. The way they need you to be timely, you know, they need to meet quality standards. You have to really raise that standard (so) you'll be able to supply. Now maybe supplies along the way are coming." (Professor, UDSM Faculty of Economics)

Some community-based constraints can be overcome, however some are based on physical attributes or the social make up of a village or town. Proximity to tourism destinations and lack of infrastructure may leave a community isolated from participation. Hotel and tour operator behavior pilfers supply opportunities by villagers. Tourists' preferences often differ from local supplies, increasing the need for imported food and other commodities.

5.46   Property Rights

The tourism literature addresses two types of property rights constraints: physical exclusion from natural capital and the lack of defined property ownership (Massyn, 2009). The interviews provided a third constraint, that of unequal distribution of community lands between neighboring villages.

Resource preservation has resulted in the loss of traditional livelihoods through changing land use policy (Tosun, 2000). The loss of hunting, gathering, and grazing rights are limiting the ability for families to survive during times of famine, illness, and economic hardship. Since the national park system, as well as marine and nature reserve classifications, is quite extensive

throughout Tanzania, it is not surprising that villages want compensation for limited access to their natural resources.

> *"The communities, they do not want to see the environment around them being destroyed, and they also want to have a share of whatever is earned. They see a lot of tourists around, driving around, only to find that they are not benefiting at all from that particular sector…Because sometimes, they are restricted to do certain productive activities in order to preserve the environment for the tourists. Then I find it is fair enough for them to demand a larger part of the activities which they have (would have) been doing if the tourism was not there."*
> (Development Economist)

> *"It depends on the objective of the conservationists because, for instance, if the conservation is aimed at conserving the water rights, that would be to supply more water to the community….And to me, the benefits of conserving, the challenge, has to be done cautiously. Don't just conserve anything available, because the development is there also. We are also part of the environment as humans. Development is therefore people. In terms of the resources, (they) should also support the livelihoods of people in your community. Not just conservation for their own sake, but for the purpose of support."* (Planning and Economic Empowerment)

Very little of the land in Tanzania is surveyed and/or deeded. Kironde (2009) estimates that only 2% of rural land is held under legal tenure and that 80% of land holdings in urban areas are held informally without title. Land rights are divided into three general categories; general land, village land, and reserved land. Rural areas utilize village land which is further divided into three categories; communal village land, individual and family land, and reserved land (Table 20). Communal village land is owned by the entire village and agricultural rights can be allocated to individuals. Individual and family land is passed through family ties and reserved land is land set aside for future use, such as conservation lands (Kironde, 2009). District offices are tasked with surveying land and issuing deeds that show land ownership. Surveying priority lies with new lands incorporated into larger towns as a means to support population growth and migration trends. The surveying of any individual and family land must be financed by the owner. Most loan instruments require surveyed, deeded property as collateral so that individual land owners

must pay large fees in order to convert their property into collateral. Therefore, access to surveyed property increases a person's ability to participate economically.

> *"Surveying is done based on a budget. Urban boundaries have been extended to accommodate the population growth. The district tried to keep the original buildings, schools, and public buildings, then compensates the person whose land is taken via the survey. For example 50X30 that is taken, the owner is compensated 100,000Tshillings. The new land is zoned residential or residential/commercial. Large personal farms, if they have been surveyed can remain. Most of the surveyed land is owned by foreigners...The coastal area is reserved for hotels, not private homes, but there are no laws in effect so expatriates are developing there."* (Ministry of land, Housing, and Human Settlements)

Table 20: Land Tenure in Tanzania	
General Land Tenure	**Rural Land Tenure**
General land	Communal village land
Village land	Individual and family land,
Reserved land	Reserved land
Source: Kironde (2009)	

Communal lands vary in size and productivity between villages. Communal land ownership is often contested between neighboring villages and currently there is no formal tenure system to handle disputes. Communal lands also require community consensus in determining land uses and often produce grown for revenue generation (versus sustenance) is highly disputed among villagers.

> *"The problem is with the villages, one village having a big land and another one a small land and they lack consistency together. The problem is at the local level, but also problems of capacity. How do you facilitate these things which are distinct barriers? Some are relatively advantaged, others are disadvantaged. So the ones in the smaller areas get some assistance"* (Professor, UDSM Faculty of Economics)

Continued focus of resource preservation, insecure personal land rights, and the unequal distribution of communal land has hindered economic participation by villagers. These factors

create inequities between communities and hinder involvement in the tourism supply chain. Furthermore, it limits borrowing power, through a lack of financial collateral, by potential entrepreneurs.

5.47   Social, Political, and Cultural Exclusion

Social, political, and cultural constraints reflect a society's ability to work together towards the common goal of economic expansion. Often exclusion stems from a loss of sovereignty and decision making at the local level caused by a lack of consultation by development organizations (Stevens, Bur, & Young, 2003). Cultural traits may support or discourage local buy-in to projects and initiatives. This category also looks at ethnic and gender biases around the country.

Social capital is defined as "endearing social relationships of trust and reciprocity that enhances a group's capacity to coordinate actions of its members as they work towards a collective good" (Montgomery & Inkles, 2001, p. v). Social capital is cooperation. It exists between community members and can achieve certain ends that are not possible with its absence. These social networks may be formalized, such as cooperatives, religious affiliations, business organizations, or informalized such as ethnic ties, indigenous practices that extend collective rights, or access to traditional knowledge (Montgomery & Inkles, 2001). All of these commonalities unite people to further the cause of the group. Horizontal social capital encourages vertical coordination that can affect policy and economic development which mobilizes further support based on existing relationships (Montgomery & Inkles, 2001). Power struggles can disrupt social capital, especially when values are being challenged by economic and social change.

Many NGOs are currently working on improving social capital through cooperative and community partnerships. These attempts appear to be focused on agricultural and other

traditional industries and have not yet fully developed in tourism based communities. The NGOs

in Tanzania are top-down organizations that rely on foreign funding and whose agendas are

determined by outside constituents (Shivji, 2004). The donor community is highly competitive,

and interviewees believe that revenue generation over community support is the key focus of

NGOs.

> *"When you start of talking about donors, they can give money. Everyone will forget everything and try to thinks how he or she can write projects to get this money. But with communities, it will reach a time that will need money to sustain their activities. But since we are leaving them in the hands of the regional administration, I believe they will work on it. No one knows if they will or they won't, but at least it is a good step to integrate these activities within the region rather than be in separate associations that would always need money from external partners. And who knows, maybe the other way is to train them and they could even raise money enough to sustain themselves. Because sometimes they are producing, they are selling products, but if they are always able to produce and to use and someone will be giving them some money, there will be no sustainability. Otherwise, they could be producing and they could be having a little surplus that it can sustain their activities."* (Tanzanian NGO Administrator)

The data shows that historic practices are often not forgotten and small groups can hinder

the progress for the majority. Misrepresentation of project goals can trigger community

opposition based on historical injustices. What appeared to be more prevalent in the data was a

lack of information in local areas that led to the undermining of development projects.

> *"Actually we found some most terrible reception in some place which had been fueled by local tour operators because they thought that they were missing out when this thing takes off. They guys are going 'wise-up' knowing that things won't go in their pockets. Now these people are taking advantage of the knowledge of those guys and just getting peanuts breaking their backs. They are taking tourist fares off these visitors. So, there were some tricks that were going around. And you find, for example, the Masaai, young man coming really angry saying 'no, no, no, you guys are employed to take things away from here. You want to take our land'. This is something the government did in the '6Os just across the way from Ngorogoro, just across the way from Serengeti. So this thing seems to be designed in the same way, so you want us to set aside some of*

the lands so you can take it away. So these things were propagated by wanting things to happen." (Tanzanian NGO Administrator)

Political exclusion results when locals are remiss from decision making processes. Lack of consultation was not mentioned by the government and NGO officials that were interviewed and this may be caused by a lack of awareness on their part, as they are the officials most inclined to facilitate projects that affect villagers.

> *"When we get there, we have to prepare, and next to me are people who make the decision. They are not qualified that way before. They have already made the solutions before the presentations."* (Development Economist)

Culture influences the way communities interact with their social, political, and natural environment. It dictates meanings, individual behaviors, and world views (Salazar, 2005). With increased exposure to globalization and foreign travelers, culture can hinder or encourage innovation and economic participation. Cultural constraints mentioned by interviewees include competitive behaviors and self confidence as it relates to the modern world. In particular, competition between individuals limits knowledge sharing, interpreted as power sharing, by Tanzanians.

> *"Most local people do not know their options. If you know more, it's a sense of power. They don't talk freely among themselves. If you are involved, you don't want to lose your donors so this creates more competition. Everything remains a secret."* (NGO Administrator, Non-native)

> "*But they avoid taxes sometimes…It is psychological I think, bad thing really. They don't escape paying tax. They think people will see you as a hero or something, which is bad.*" (Development Economist)

Many Tanzanian's lack self confidence in understanding their role in modern economies.

> *"Why don't people offer cultural things for tourists? People don't have confidence in their ability to be successful."* (Ministry of Livestock and Fisheries)

> *"And they think they are poor. That is all they see. That is all you see."* (Development Economist)

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Traditional social organizations may create special problems in incorporating the poor in development initiatives (León-Portilla, 1990). Women may find it exceptionally difficult to participate in income generating activities if they receive little support from the male dominated community. The ethnic make-up and traditional values, as compared to neighboring communities, may result in further exclusion and less opportunity to access resources. Additionally, projects designed to support one ethnic group, by definition, are discriminatory to differing ethnic communities.

> *"But I think the attitude to work is cultural. It is, I think, more that work is African, certain tribes hardly work."* (UDSM, Economic Research Bureau)

> *"Culture keeps women in the smallest businesses. People prefer to educate boys. Women need to be married with children."* (Ministry of Finance and Economic Affairs)

> *"Often the children need retraining between primary and secondary school. This is due to climate and Muslim culture."* (NGO Administrator, Non-native)

Social, political, and cultural exclusion can be the hardest to overcome as they are securely entrenched in the mindset of individuals and government organizations. Often the emerging middleclass hold these well established value systems as well. While woman's legal rights are improving throughout Tanzania, cultural norms still exclude women from participating in economic activities outside the home (Tsikata, 2003). Competitiveness impedes cooperation and knowledge sharing between individuals. Historic occurrences of exploitation by governments have resulted in a lack of trust towards development projects by rural communities.

5.48   Miscellaneous – Corruption and Aid Dependence

Two additional subthemes were discovered through these interviews: corruption and aid dependence. Corruption did not appear to be wide spread and was more noticeable at the regional level. Aid dependence takes two forms, personal reliance on aid as a means to better a person's station and organizational dependence that limits sustainability of development objectives.

There are two distinctive types of corruption, grand or high level corruption and petty or low level corruption (Doig & Riley, 1998). Tanzania has made modest strides in fighting grand corruption at the federal level with the prosecution of a number of former Ministers and Permanent Secretaries. Doig & Riley found that petty corruption affects most members of the general public and is the main source of public disgruntlement. Petty corruption is mainly found in the police and judicial systems, as well as in all social sectors. Interviewees believe corruption at the local and regional level hampers country-wide development initiatives.

> *"Corruption is increasing here. There are many court cases that last an eternity so people never go to jail for white collar crimes…Officials do not like tough questions. You get a constant feeling that they are trying to sell you and often generate random figures to support their idea"* (NGO Administrator, Non Native Tanzanian)

> *"Of course some of them use that as a way of getting money, and once you are in a country which is also very much corruption prone, such things do happen because is not a county which is corrupted, but the people within the country are also corrupted."* (Development Economist)

Tanzania has adopted numerous policy tools to reduce poverty, most of which rely on foreign unilateral and multilateral aid support (Kinsella & Brehony, 2009). However donor optimism has been wavering as research has found that aid increases the poor's disengagement from political decision making, and that aid tends to be controlled by the private sector and governments (Evans and Ngalewa, 2003). Knack (2001) found that there is a negative relationship between aid dependence and quality of governance because aid tends to hurt the governance by undermining institutional capacity, weakening accountability, encouraging rent seeking and corruption, provoking conflict over the control of funds, and minimizing the need to reform inefficient policies and institutions.

According to the interviewees, aid dependence shows itself when people or managers rely on donor money to support programs without looking for sustainable financing mechanisms.

Most Tanzanians are not aware that they are aid dependent, but it becomes clear when they

discuss the projects that they are supporting or future solutions for development.

> *"Aid, no aid by itself is a source of income, a source of finance. The difference now relies on how the resource manages it and the difficulty of guaranteeing some…But, to me, there is a possibility with that."* (Ministry of Planning and Economic Empowerment)

> *"We get financial capital from our membership and the dollar funded programs are projects so that all the money is tied to those particular projects, activities that are outlined in the particular projects. And if we do government projects, sometimes we get most of government projects from the Ministries of Tourism and the Ministry of Development. So we get the money from the government and we account to the government. We have these international partners who are doing business in Tanzania. So we get this fund from this business network."* (Tanzanian NGO Administrator)

> *"I teach seminars on how to get loans and to write proposals. These minimize the misuse of money. I have has taught seminars. The money came from the UN and the donors were in Asia and Japan…It started in June but still needs a budget. It will start with the training of trainers, but I can't start until the money arrives."* (Chamber of Commerce)

5.5   Conclusion

The four themes discussed above provide insight into the constraints facing Tanzanian

villagers in their quest for economic development. Using these themes, a series of focus groups

were conducted in three different regions around Tanzania. Chapters 5, 6, and 7 will present the

main substance of this research. In particular, village focus group data will be presented in three

differing tourism enclaves. Chapter 5 looks at Pangani District, within Tanga Region, to assess

the newly forming beach tourism along the northern Indian Ocean coast. Chapter 6 includes

focus groups by villagers living inside the Amani Nature Reserve, where a majority of tourists are

derived from conservation researchers studying biodiversity in the Eastern Usambara Mountains.

Chapter 7 looks at urban residents in and around Arusha, the main tourist gateway to the best

known Tanzanian National Parks. In particular, urban residents surrounding Arusha National

Park provide insight into long standing tourism development issues.

CHAPTER 6 – PANGANI DISTRICT, TANZANIA'S HISTORICAL BEACH PARADISE

Pangani District is located in Tanga Region, 60 miles south of the City of Tanga along the Indian Ocean. The area is relatively new to tourism, although tourist populations are increasing along with the development of tourism infrastructure. Pangani is the northern hub to Saadani National Park, and most tourists traveling overland to the park must pass through the area. Pangani is also home to ancient Arab heritage, unique historical architecture (both Arab and German), and spectacular beaches that rival Zanzibar.

During the time of this study, there were approximately 15 hotels within the Pangani District boundary and as many between Pangani and southern Tanga City. One interviewee quoted 45 hotels in total along the Tanga coast. There was a boom and bust in beach tourism development in the 1990s, and while there are many defunct hotels in Tanga, investors are building a number of new properties in Pangani District. Table 21 shows the number of tourists visiting Pangani in the past 4 years. These numbers were tracked through the local tour office, and tourists that do not visit the tour office have not been counted. From

Arab Architecture, Pangani
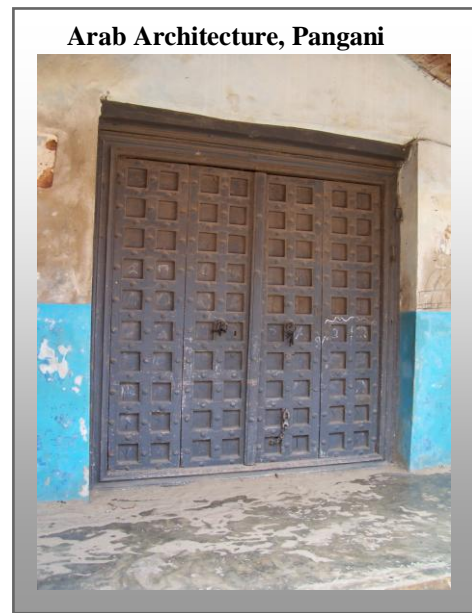
personal experience, it is estimated that more tourists go uncounted as many of the hotels offer tours to local sites and bypass the tour office. Furthermore, many tourists remain in their hotels, enjoying the beach amenities without venturing into town. Through interviews, it is estimated that 30% of the tourist traffic is local (mostly expatriates that live outside the area) and 70% are international visitors. There are two "local" hotels in Pangani Town that cater to backpackers and are owned by Tanzanians, one hostel run by the Catholic Church, and the remaining tourist hotels

are run by western small-business owners and private investors. The large corporate hotels are

not found in Pangani District as they are located nearer to Saadani National Park.

Figure 5: Map of Pangani Area

Table 21: Tourist Numbers to Pangani Coast Cultural Tourism Program			
2005	**2006**	**2007**	**2008 (Thru October)**
37	139	288	260
Source: Pangani Coast Cultural Tourism Program			

Infrastructure is slowly being developed in the area. The two major destinations are Pangani Town and Ushongo, a village located approximately 30 miles south of Pangani Town. Ushongo has an air strip that can accommodate small planes and there is an airstrip and a golf course planned for Pangani Town. There is no paved road south of Tanga City and the heavily trafficked road suffers during the rainy seasons. There are hourly busses and daladalas from Tanga City and two daladalas from Muheza throughout the day that end at the center of Pangani Town. To travel overland to Ushongo or Saadani, a visitor must walk across town, take a ferry across the Pangani River, and travel by daladala to Sakura. The transport on the south side of the river is sporadic and unreliable. Furthermore, the ferry is often broken down and tourists may spend days stuck in Pangani Town waiting to continue their journey. Ushongo is located 6 miles off the main road to Sakura, although hotels will pick up travelers for the last leg of the journey. The transport ends at Sakura and tourists must hire personal cars to transport them the additional 50 miles to Saadani National Park. Tourists traveling through the area must have a very flexible schedule. More commonly, tourists fly directly to Saadani or Ushongo from Dar es Salaam or Arusha, bypassing the difficult overland journey.

While Mother Nature is very abundant along the coastal regions, Pangani District has encountered a huge population increase that many locals feel is associated with the increased employment opportunities through tourism expansions. This migration to the area has created a number of social problems affecting the area. Clean water sources are scarce and water borne illnesses, such as cholera and yellow fever, are increasing in the area. Schools are overcrowded

and crime is rising. Malaria is rampant. Furthermore, most of the original populations in Pangani

District are Muslims whereas the new influx of labor is Christian. In general, the Christians in

Tanzania are better educated (Rukyaa, 2007) and come from the more developed regions of

Kilimanjaro and Arusha. Local populations are finding it hard to compete for jobs in the tourism

industry. Culture is also changing rapidly. For example, five years ago the public sale of alcohol

was practically nonexistent. Now there are a number of bars and restaurants that serve beer.

In 2007, the United Nations World Tourism Organization's (UNWTO) Sustainable

Tourism for Eliminating Poverty (ST-EP) Foundation committed $113,000 to the development of

a cultural tourism center in Pangani Town. Construction was finished during my visit to the area

and the building opened in October, 2008. The Pangani Coast Cultural Tourism Program (PCCT)

Pangani Coast Cultural Tourism Program

has four tour guides on staff in Pangani

Town and has begun training an additional

10 guides in Ushongo Village. It has also

developed numerous community based tours

for people visiting the area which include

village tours, biking trips to local sites, and

visits to Maziwe Island, a green turtle

breading ground and protected coral reef. In

addition, the center has begun a new

microfinance program geared towards local groups wishing to participate in the tourism supply

chain. Projects funded by the program include an egg farm to supply local hotels, micro

restaurants, and basket weaving initiatives. The UNWTO has committed five-years of funding

for this project, at which time it is hoped that the program can become self sustaining through

locally generated revenue.

6.1   Research

I spent 2 months living and volunteering around Pangani Town in the fall of 2008. Utilizing the resources of the PCCT, I conducted 6 village focus groups in tourism sites throughout the district (Table 22) and over 20 personal interviews with local business owners and hotel staff. I also talked with five hotel owners, all of whom were westerners.

Table 22: Village Focus Groups in Pangani District				
Village	**No. of Participants**	**Tourist Attraction**	**Approximate Population**	**Number of Tourist Hotels**
Saange	3	Beaches	50	1
Ushongo	7	Beaches, Village Tours	250	5
Matikani	5	Pangani River Cruise Tour Destination	50	0
Sakura	8	Last Daladala Stop to Saadani	10,000	0
Bushiri	16	Woman's Craft Group	2,000	0
Kipumbwi	20+	Weekly Ferry to Zanzibar	150	0
Pangani Town	10	Tourist Hub	150,000	10

While living in Pangani, I resided with two different local families and made a number of local friends. I volunteered at the PCCT office and taught English at a local school. I used public transportation, rode bicycles, or walked to all the focus groups, traveling side by side with local merchants. Being thoroughly immersed in the local culture gave me further insight into the problems and challenges faced by the indigenous people living in both the villages and the town and allowed trust to develop between myself and the community members.

All village focus groups were conducted in Swahili and I used a translator to communicate with participants. The interviews were recorded then sent to Dar es Salaam for

transcription and translated by two independent translators. Twelve grand tour questions were used as a guideline (Appendix A) and additional questions were asked based on the responses and concerns of each individual group. Each focus group lasted approximately one hour and concluded with an open question and answer period where village specific advice and personal information was provided to the villagers. These question and answer periods ranged in duration from 15 minutes to one hour depending on participation. For personal interviews, only notes were taken and will be used as background information in presenting the focus group data.

The data was analyzed in Nvivo® utilizing the themes found in Chapter 5 (Formal and Informal Political and Social Leadership). Due to the nature of the grand tour questions used in conducting the focus group, the character of the themes varied slightly from the themes in Chapter 5. In particular, villagers discussed definitions of community, tourist behavior, and the benefits of employment versus self-employment which were not apparent in the

Conducting a Focus Group in Bushiri Village

government interviews. Economic Performance Measures were omitted by the villagers as well as Research Advice. The nature of private/public partnerships was not apparent to the villagers, so discussion mainly revolved around tourism and non-tourism private enterprises and nongovernmental organizations (NGOs) adjacent to their communities. In total, there were five themes and nineteen subthemes: Community (definitions of community and migration), Private Enterprise and NGOs (private enterprise and NGOs), Tourism (attractions; tourist behavior; hotel behavior; and affects of tourism on communities), Employment Opportunities (benefits of jobs

and benefits of self-employment), and Barriers to Economic Participation (finance; education;

government; economic; community-based; property rights; social, political, and cultural

exclusion; and miscellaneous including corruption and aid dependence). See Table 23 for details.

Table 23: Pangani Interview Themes	
General Themes	**Sub-themes**
1). Community	A). Definitions of Community
	B). Migration
2). Private Enterprise/NGOs	A). Private Enterprise
	B). Nongovernmental Organizations
3). Tourism	A). Attractions
	B). Tourist Behavior
	C). Affects of Tourism on Communities
4). Employment Opportunities	A). Benefits of Jobs
	B). Benefits of Self-employment
5). Barriers to Economic Participation	A). Financial Constraint
	B). Educational Constraints
	C). Government Constraints
	D). Economic Constraints
	E). Community-based Constraints
	F). Property Rights
	G). Social, Political, and Cultural Exclusion
	H). Miscellaneous – Corruption and Aid Dependence

6.2   Community

The theme of community contains two subthemes: definitions of community and

migration. In discussing community development, the aspect of how local populations define

their communities is often overlooked. The lack of clarity results because the definitions can be

contextual and often overlap (McMillan & Chaves, 1986). That is the case in the Pangani area as

well. General definitions of community included:

> *"The community is all about getting different clans or sub-tribes to live together
> in brotherhood."* (Bushiri)

"Say someone has passed away somewhere else; here we decide to go for the burial to that place." (Kipumbwi)

"First the community is the group of people of different tribes. Secondly, it is every person living with other people. And everyone comes to earn his or her daily bread here. It's the daily struggle for every individual to survive by doing different forms of activities to earn a living." (Matikani)

There was disagreement as to the extent of the community. One village would consider the neighboring village as part of their community, while the neighboring village excluded the first village. One village saw the whole country of Tanzania as their community, but most limited their community to Pangani District.

"The community of Tanzanians is the people of Tanzania and the community of Ushongo Village is the people of Ushongo. All of those are the ones who are the community. (We have had) relationships since our ancestors. I think the community is nationalized because if you have your own activities here, you will meet even with the person in Dar es Salaam. It is also our community because it is the head quarters of our nation." (Ushongo)
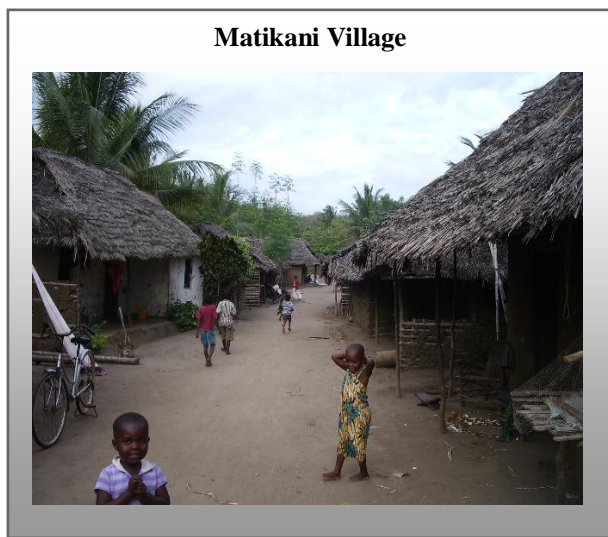
Matikani Village

All the villages are facing some form of in and out migration. Migration is a means for households to maximize welfare through land acquisition or job improvements (Stark and Bloom, 1985). Many local villagers are moving into Pangani Town to seek wage labor over their traditional agricultural occupation. In turn, mountainous and/or conservation areas are suffering land shortages (see chapter 7), reducing income opportunities for younger generations and forcing young adults to find farm land where available. Many come to rural Pangani is search of agricultural opportunities. Villagers welcome these new residents and accept any Tanzanian as a member of their community immediately.

"When a Swahili man arrives here today, he becomes part of our community. For example, he's a visitor and he lives here, he is now considered a member of this community. If I am not acceptable I cannot stay here." (Ushongo)

In talking with the hotel owners, they often feel that they have been wholehearted accepted as members of the community because they bring infrastructure and have good relationships with the village leaders. The villagers feel different about the resident white population, and do not include them as members of their community. They claim that the differing cultures between local villagers and expatriates cause problems in their relationships.

"There is a difference between these visitors. When there are white visitors and us, our communities get troubles. The visitors are not related to the community. (Just) because he came, he is not in our community." (Ushongo)

An incomplete understanding of community definitions results in the unequal distribution of economic benefits within community development initiatives. For example, in the initial round of microfinance disbursements by the PCCT, rural communities were overlooked and focused remained on Pangani Town residents. This oversight was the result of two causes. First, knowledge of the program was inadvertently limited to word of mouth through town cannels, bypassing rural communication networks and leading to rumors about loan procedures and restrictions. Secondly, the perception of the PCCT's community was limited to those in immediate sight. Town folks often do not consider villagers as part of their community whereas villagers are reliant on the urban markets creating a one-sided community bond. While Pangani Town is receiving numerous inward migrations from these same villages, government and social focus still remains within the urban centers. Through these focus group conversations, the PCCT became aware of their unintentional oversight and has committed to including rural villages in their next round of microfinance distributions.

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6.3   Private Enterprise and NGOs

The theme Private Enterprise and NGOs refers to hotel owners and the nongovernmental organizations operating in the area. The villagers had a hard time distinguishing between tourists and expatriate residents, so conversations about tourist behavior was often attributed to hotel owners and non-tourism operators (such as the sisal plantation owners). The distinctive characteristic that was used to define these groups was their skin color. As mentioned in the community section (section 6.2), these whites are not considered members of communities, no matter how long they have resided in the area.

Hotel under Construction in Saange Village

> *"When they come they are God's people. They want something. But once they get that thing, they don't bother about you anymore. We like them, but we can't understand one another. They are in their huts all the time."* (Ushongo)
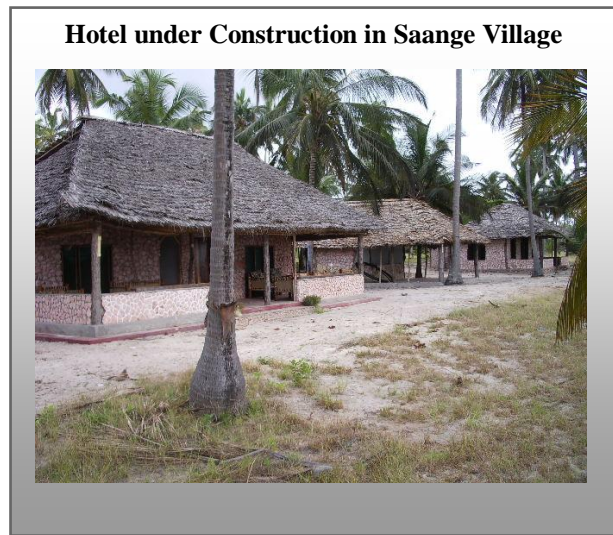
Relationship barriers are derived from differing cultures, a lack of language skills between both parties, and the overwhelming needs of the community that often create expectations above and beyond the private investor's capabilities.

Hotel operators make up a majority of international investment in Pangani District. Unlike other tourism destinations in Tanzania, most of the hotels in this area are sole proprietorships that struggle to survive in a seasonal economy. Two of the hotels interviewed were less than three years old and had not yet turned a profit. Therefore, reducing costs and generating revenue are of the utmost importance to the hotel owners. Weekly shopping trips to Tanga are a regular practice as there is more selection and the prices are cheaper. Local vendors are in the habit of charging more to their white customers and fail to realize that they do not hold

a monopoly on local produce. Additionally, hotels have begun to offer their own tours as a means to collect additional revenue.

> *"The tourists are taken from here and (the hotels) make the boats themselves. They could have enabled the citizens to make the boats. That could have helped the citizens to get jobs. Where, if the citizens were enabled, they would have done the jobs, but the whites have monopolized all jobs. They have built boats and placed everything, such that we here have nothing to do."* (Pangani Town)

> *"Those shops with tourist equipment should have been opened here in the village instead of being run by hotel owners."* (Kipumbwi)

The major benefit of hotel investment for villagers comes from the construction of new properties. Not only do hotels use local labor for construction, they purchase land, building supplies, and are required to have a Tanzanian business partner. These partners are often local villagers.

> *"Probably, if a person sells his farm, that's when he will benefit and by entering into partnership with the investors. The whole village helped build the new hotel. We were partners in that project."* (Saange)

All hotel operators believed that they are a valuable asset to the villagers because they provide jobs and buy some supplies locally, but villagers have additional needs that they expect the hotel owners to fulfill.

> *"I am only saying that the benefits which people expect from the tourism industry are like roads, health services, and then water which is also a problem... The road must be rehabilitated to tarmac grade, and after estimations (of) how much does tarmac grade cost and how many people are there for rehabilitation. Maybe we need 10 or 20 million (shillings) from each rich person and then the district council can supplement something that we get the tarmac road at least from Tanga to Saadani. But even that idea is not there."* (Sakura)

> *"When they have their own cars they don't offer us a lift. The cars pass empty and we walk."* (Ushongo)

Table 24 shows a compilation of the needs of the six villages that they believe tourism should remedy. Many of the hotel owners have tried to fulfill a few of these needs but have found that

the requests are too large or that local participation is limited. For example, two hotels began to offer English language classes but after two weeks no one attended. One hotel contributed funds towards a primary school which were quickly embezzled. Another owner began offering rides to the hospital, but had to impose a number of restrictions as the requests became too time consuming and expensive. He has limited rides to those extremely ill or to woman in labor. Many hotel owners claimed that the constant requests for money resulted in their avoidance of the villages. The villagers have noticed this trend.

> *"It's like this, these whites who have invested here, up to this moment have not*
> *organized with the villagers to perform any partnership agreements, like where*
> *they work, what they work on, visiting facilities. Sometimes the villagers can't*
> *even visit them. It is they who don't want to mingle with us. Don't you see, we*
> *have managed to mingle with you here (referring to the researcher)?"* (Ushongo)

Table 24: Expected Village Contributions by Hotel Owners				
Employment	Roads	Schools	Mosques	Fishing Technology
Business Profits	Hospitals	Teachers	Transportation	Farming Technology
Business Training	Doctors	Electricity	Clean Water	Building Construction

Hotels owners were also criticized for limiting access to beach areas and restricting travel along connecting pathways. These restrictions are discussed more fully in section 6.66, property rights; however the use of dogs to protect these boundaries and guard hotel properties were frowned upon by villagers.

> *"The other effect, when they come with their animals, perhaps their pets. If we,*
> *the villagers, pass by and they accidently bite us there is no case for that. It's a*
> *problem to us. I, myself, have even been chased."* (Ushongo)

There are very few NGOs operating in the Pangani area. While there have been a few over the years, most have left the area.

"There was an organization here which actually was involved in making chips from cassava. And also, they were making chips and then making them into powder. They came (and) it was simply a project; we don't know where they ended up. They had us form a group and up to now, we have no registration. We tried to unite for the purpose of getting a loan. We did the enquiry and tried to register the group but we were told the registration is not done at the district level; it's only done at the Ministry. When they united and wrote a paper to the district, it was sent to the ministry. We made several follow ups on the money. (When) we went to the ministry, we were told that the registration is done at the district. Many people followed up and they were told there would be payment of loans. Having seen that there are many people going to the district, they realized that many people go there so that they can be given loans. That's when they stopped everything and said they would not register us anymore. It was in 2002, but that group has not yet died." (Bushiri)

"Once someone came to study red rats. They are gone now" (Bushiri)

"There was Coast Zone, Natural Resources. But the coastal zone does not exist anymore. It has died completely, it's time is over. Then came Masembo, They are in the interior, they came just recently." (Sakura)

The Netherlands Development Group (SNV) has formed a partnership with the Tanzanian Ministry of Natural Resources and Tourism. Its goal is to help develop tourism sites and ensure local participation in tourism investments and activities. As a key sponsor of the PCCT, they have been actively involved in the Pangani District and have provided direct support to Pangani Town, Ushongo, and Saange. This organization is discussed more fully in chapter 5. The PCCT is becoming better known locally and is staffed with Tanzanians, although they are all originally from areas outside the Tanga Region. As a new organization, their reputation has not been solidly established in the rural areas. Villagers are often confused as to its affiliations.

"There are these people from tours that came to look for the youth and gather them so that they could deal with tourism. They conduct training. The activities themselves have just started recently; they have built the office there. There is the hut there down (by) the market place" (Ushongo)

One of the main objectives of the PCCT is sustainability by reducing reliance on donor funds and new revenue options are in the plans. Many of these revenue ideas completely negate the

program's pro-poor objects as they plan to compete with existing micro businesses a short distance from the center. Additionally, during the interviews, it was discovered that the center had not paid the local villages for their participation in the village tours that were offered to tourists through the center.

> *(Translator) "She asks, do you charge some fee for village entry?" (Respondent) "No. When they arrive at Pangani District headquarters they go to the tourist office of culture. They want probably to enjoy themselves. But it is not that they are invited by the hamlet, no. We just hope to sell coconuts and palm wine. But they never buy."* (Matikani)

In a follow-up visit three months after these interviews were conducted, the center was working on these discrepancies and new pricing policies were in effect to secure sustainability without negative consequences to the villagers.

Private enterprise and NGOs have been utilized by the Tanzanian government as a means to supplement the provision of development initiatives. However, villagers do not readily admit foreigners into their community, thus creating a divide between the reception of ideas and the objectives of community development. Those organizations that hire Tanzanian administrators are more readily accepted, and are better able to incorporate the needs of the villagers into future development projects, although often at the expense of industry needs. Close cooperation between international donors and investors must be coupled with local front-line representation. However, the overwhelming requirements of the villagers can create a burden on any organization that attempts to provide social services to the area.

6.4   Tourism

The Tourism theme was divided into three subthemes: attractions, tourist behavior, and the effects of tourism on villages. As mentioned above, the villager often could not distinguish

between tourist behavior and hotel owner behavior, so the researcher was required to separate between the two.

The villagers were asked why tourists came to the Pangani area, particularly to their village. Table 25 lists the responses.

Table 25: Tourist Attractions Mentioned by Villagers		
Beaches and Ocean	Amboni Cave	Peace
Forests and Game Parks	Sisal Plantations	Traditional Ceremonies and Dances
Animals	Cultural Heritage	Photography
Farming	Historical Heritage - Abushiri	Land Purchase

Tourist behavior was a controversial discussion and the villagers readily admitted that while they know tourists' actions, they did not understand why tourists behave as they do.

"We can't know those (people) because they simply pass and go back. A tourist can come and go to Kipumbwi. What thing will he/she do?" (Kipumbwi)

Tourists in Matikani Village

Tourists currently do not buy supplies from local businesses. However, villagers are optimistic about what tourists will buy locally if given access. Table 26 is a list of things villagers believe they can supply directly to visitors.
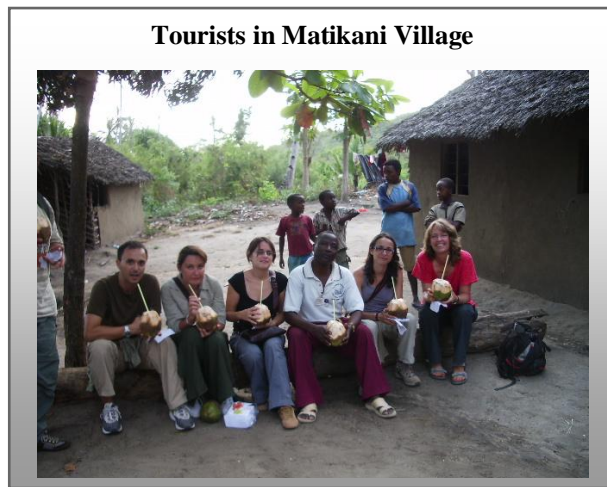
"Tourists are people who come from far and they like things which are easily portable, not otherwise. Things like wooden earrings if well carved. They look nice. Do you see that wooden nose ring? If available (it) can also be good. Just small things" (Pangani Town)

Table 26: Potential Tourist Purchases		
Handicrafts	Palm Baskets and Rugs	Doughnuts and Fried Cassava
Fish	Jewelry	Palm Wine
Coconuts	Sisal Rope	Traditional Meals (Prepared)
Bananas	Sodas and Biscuits	Land
Clothes	Spices	Tea/Coffee

One village believed that the tourists could offer advice on the quality and the selection of crafts to help increase sales.

Palm Leave Weaving in Bushiri

"Our businesses are very uncertain. Probably we don't have good quality. They would help us improve their quality. They would say friends make such and such a thing. We need it instead of us guessing." (Bushiri)

Most of the villagers believe that the tourists bring more positive effects than negative effects. Only two of the villages had a community development fee that was added to the visitor's room bill and used for community development projects, creating a direct benefit valued by villagers.

> *"Nothing, tourism has nothing bad because there is no chaos. Tourists come to see our difficult environment and probably we can ask for aid that they support us and teach us about a good life. And that's why we Tanzanians like visitors because no chaos."* (Matikani)

The only real complaint was the lack of respect for traditional dress standards and that tourists bring Western influences.

> *"The other problem again is their clothing. (They dress) the way my child does!"* (Ushongo)

> *"Most of the time when they come, they gather with the children, give them sweets and take photos with them, that's all."* (Matikani)

Villagers recognize the opportunities that tourism can bring to their communities. Not only are economic benefits sought, but honest dialogue and partnerships are desired. Just as tourists seek exposure to differing cultures, so do local Tanzanians in the Pangani area. Because of their lack of exposure to tourists, the villagers have had little negative experiences with travelers in their area.

6.5   Employment Opportunities

One of the main objectives of this study was to understand differing constraints between business ownership and employment. In three of the villages interviewed (Matikani, Kipumbwi, and Bushiri), there were no job opportunities, and all employed people in these village worked for themselves. Many of these businesses were in the form of farming, fishing, palm wine production, or running small shops. In Sakura, the only employer was the sisal farm and in Ushongo, Saange, and Pangani Town there were job opportunities in tourism, including guide work and hotel employment. The villagers were asked to elaborate on the advantages and disadvantages of each and to look at their preferences between the two. First, the villagers were asked to define work as it relates to their lives.

> *"Work is the individual's everyday needs so that one can survive, being able to manage one's life. I get to work so that I can be able to give hope to my life…Because it is like this, there are three types of people, the first person, even if he does not go to work, he is sure of eating his stiff porridge tomorrow and the day after. Another person is sure of getting stiff porridge on the particular day and there is another person who is not even sure of getting lunch by the time he wakes up. He has neither maize flour nor money."* (Ushongo)

> *"(Work) protects our status. This means that after I have worked I have to feed my children, also the old ones depend on me. We send children to school and just fulfill domestic needs."* (Kipumbwi)

The villagers repeatedly mentioned jobs opportunities as a benefit to tourism expansion. While each sector has an official minimum wage, expatriates are known to follow wage laws

better than locals making tourism job highly sought after. The minimum wage in hotels is 50,000 Tshillings per month with meals or 100,000 Tshillings without meal. Employees are expected to work 10 hours per day, six days per week.

> *"Something good with the white person is that when you work with him, the payment is normally good. His hire will have better payment than ours."* (Kipumbwi)

Wage employment offers a few advantages over self-employment.

> *"First he gets money; he is sure about his life. The employed person is guaranteed and has a special contract."* (Sakura)

> *"When I am employed, I will have my fixed monthly salary and if am sick, I am taken to the hospital and my children too. But a person who is self employed has no such contract and his contract is his health."* (Ushongo)

> *"When employed, we shall eat for free (in the hotels), but others may accuse you for stealing a bag or something."* (Kipumbwi)

It also has a few disadvantages

> *"As I have told you, it is more relief, but if you are working for someone, you can be called and interrupted anytime. And if I receive salary, it can all be deducted if I don't observe employment conditions."* (Kipumbwi)

> *"The disadvantage is that for the employed person if he previously got low income by the time he is 70 years or 75 years old he cannot have even a house."* (Sakura)

Self employment is preferred over wage employment by most of the participants. Self employment provides more leisure time and provides assets that can support children in the form of inheritance. It is also believed that self employed people are better prepared financially for old age and retirement.

> *"Because when you are doing your own activities you will have your own timetable that today. I have worked this much, I am tired, I have a little benefit, I consume it. But if you are employed you won't have leisure."* (Matikani)

The villagers thought that self employed people earned much better incomes, although they

recognized that it is dependent on the nature of the business.

> *"I would like to be employed, but self employment is more beneficial. You can
> invest two hundred in your shop and get
> one hundred thousand in turn. I say that
> the self employed person earns more from
> his own work."* (Matikani)

Small Business Owners in Pangani Town

> *"For self employment, if your plans go
> well, then you will be on a higher
> standard than the one employed."*
> (Sakura)

> *"It depends on what he is doing; if it is
> the business with high capital he must be
> paid a good salary. But the small
> business, like that kiosk there, you might
> find that they are selling the equivalent of a half kilo of sugar. What benefit can
> you get? Nothing."* (Matikani)

However, the nature of self employment in the area does not allow people to plan for their future.

Farming and fishing are dependent on many variables outside of the business owner's control.

> *"Someone plans what to do as he goes to sleep, and when he wakes up he goes to
> do the work. When you come back you get an answer if you succeeded or not...I
> may plan that now I am going to the ocean (to fish), but once you arrive at home
> you find people or the bicycle has got a puncture."* (Ushongo)

Tourism development literature places much emphasis on job creation within the tourism

industry. While villagers feel that wage employment as tour guides or hotel staff can be lucrative,

generally speaking self employment opportunities are held in higher esteem. Leisure

opportunities, life time security, and higher salary potentials are the main attributes that warrant

self employment preferences.

6.6   Barriers to Economic Participation

The barriers to economic participation derived from the sustainable tourism literature include: finance; education; government; economic; community-based; property rights; social, political, and cultural exclusion; and miscellaneous which includes corruption and aid dependence (See section 2.4 and Appendix B for more details).

6.61   Finance

Financial constraints include a lack of financial resources, a lack of borrowing capital, and financial regulatory restrictions (Hampton, 2003). The villagers recognize their need for financial capital to expand their businesses, however they had no ideas where such capital could be found. They were usually unaware of local bank or NGO options in microfinance. Many wait until someone comes to the village to educate them or provide financial assistance through NGO sponsored development initiatives. Often, they rely on others to facilitate these loans.

> *"The major thing for us is that there are portions of loans which are for people with low income. There came women with some loans, from TASAF (Tanzania Social Action Fund). But why? That money has not yet reached us. We don't even know when we shall get it, and there is not even a plan of bringing it here. Therefore, we are still being hurt. They have already started making a follow up to our problem. It is serious. Will the one with low income be considered? Which income does he have? If his business is small and he has decided to get the loan to increase his capital it is good, but you can't give the loan to somebody who has got nothing."* (Matikani)

One micro business owner sold her necklace to get enough money to open a small restaurant. Others borrow from family members, utilize inheritance, or receive lump-sum government pensions to use as start-up capital.

> *"First you need to have capital. That's where it becomes a problem; you can get it from a sponsor. Yes, how do you get it, from the brother (or) the parents?"*
> (Sakura)

None of the villagers that participated in the focus groups had received a loan, although a number of small business owners in Pangani Town regularly used loans to support their businesses. The villagers believe that the townspeople are against helping the villages.

> *"We have asked for loans. We farmers have even asked for farming loans. I don't know. Maybe we have no ability or system of paying back the loans. We have no other reasons; perhaps they are just ignoring us."* (Bushiri)

Word of the PCCT microloans had reached a number of villages before we visited, but rumors as to the amount of money available, the loan restrictions, and application procedures were confusing and had given the program a bad reputation before it had even begun.

> *"Yes, I heard some members of the groups complaining that the loans to be provided are not enough and bare strict conditions. But those who were to receive the loans, when they presented their project write-up, they were asked why their project is asking for a lot of money. Now Kibaha instructed me to ask the crab group if they have already modified their business plan as the plan itself was not properly prepared. When I came there, they wanted to give us a small amount of money but with stringent conditions."* (Kipumbwi)

While there are a number of loan options in and around Pangani, most villagers are unaware or do not have adequate collateral to participate in formal financial markets. As mentioned in Chapter 5, the bank in Pangani has made available short term financing to those businesses already established or to those with recognized collateral, such as titled land, but access to these loans has not yet reached the rural outlying areas. The PCCT has begun offering microloans to tourism based businesses, but focus on Pangani Town is still prevalent, excluding the remote villagers.

6.62   Education

Education limits villagers' ability to qualify for jobs in the tourism industry and be successful in business endeavors. Public educational constraints are discussed further in section 2.42 and many of these constraints are evident the Pangani data. These constraints include a lack

of educational facilities, a lack of qualified teachers, and limited English skills. A new constraint, access to modern technology, was also added.

The major educational problem in Pangani District lies in the lack of facilities and lack of qualified teachers. Many schools are overcrowded, resource scarce, and teachers are underpaid resulting in a lack of continued commitment by the teachers to the students.

> *"Here you stay with the child from standard one up to standard seven. He doesn't know how to read or to write because one class carries 200 children. In fact, we could have three primary schools, that is how it was suppose to be. If you observe carefully, you'll notice that one class was supposed to have 45 students, but there are 200. That means it's three times the number, although we are building a secondary school instead of another primary school. Now others who want to solve it, those who have capable relatives, send their children to some place in town."* (Sakura)

Villagers recognize that their limited English skills prevent them from participating in income earning activities with the tourists. Adults have few avenues through which to improve their language skills, so talking with tourists is their only means of practice. Due to restrictions in social spending by the Tanzanian government in the 1980s and 1990s, middle aged adults suffer the most.

> *"One might know to speak English and he takes (the tourists) around. They want to, but we can't understand one another. When you meet them, they might ask you to enlighten them on the kind of animal you see, but you can't, so he leaves. It doesn't mean they don't want to. They do. The problem is education. They come and ask you questions, but you can't answer them. They look at you and leave and we feel sorry for that. They want us to take them around the forest but we can't do it!"* (Ushongo)

A more common educational complaint was access to modern technology. Many villagers use traditional fishing and farming techniques that make them less competitive. New regulations require modern equipment that is unaffordable or unavailable to villagers. Large scale commercial fishing occurs in Tanga City, flooding the market with low priced fish stock, reducing the value of many species.

"It's because of our work at the ocean, in the past there was no technology, but nowadays the technology has developed so we need more advanced tools. The tools we have are the old ones since 1800. So right now we need the modern tools. The fish are outnumbered by the people." (Ushongo)

Ushongo Fishermen Using Traditional Equipment

"We don't have the modern tools for farming, most of us use hoes." (Sakura)

Villagers also realize that they need general business knowledge. This knowledge includes pricing, marketing, and the ability to determine between profit and reinvestment capital. Often shop owners will use daily profits for household expenses, leaving inventories depleted. Understanding markets is also troublesome, especially determining the products demanded in the tourism niche.

"We need business education. We need to know who will do that business. We need to know the area and (we) lack education and experience of running our business, and business technology." (Sakura)

Pangani suffers from all of the major educational constraints mentioned in the government interviews addressed in chapter 5. As population growth increases, overcrowding, educational supply shortages, and travel distance to schools will increase. Furthermore, Pangani villagers realize their need for additional business knowledge and modern technology to compete in the modern economies of fishing, farming, and tourism.

6.63   Government

Government provides the structure that encourages or discourages community members' participation in local economies. The constraints mentioned by Pangani villagers include the government's importation of labor, expensive licensing requirements especially for commercial

fishing, and trade restrictions imposed by the autonomous Zanzibar government. The villagers in

Pangani District appear to be very frustrated by all levels of their government.

> *"Our government, if you speak about education, it is the government that offers education and it is the government that strengthens people and it is the government that opens people's eyes. How do you think you can raise issues if you are covered by the government? Each of us can explain on how the government is suppressing him. Let's start here in the village. Sometimes it might occur we have a chairman who is transparent to us, but they won't accept him."* (Kipumbwi)

> *"The problem in our government is they target up the rich people and the rich people become richer, but the poor people are never considered because they have nothing. That's it. He who has, shall be added; and he who has little, shall (have it) taken away from him. The district administration is hiding all this information and support, instead of facilitating the process to make it reach here."* (Saange)

The villagers are frustrated that government agencies import labor from outside regions. In

particular, Saadani National Park brings park employees from TANAPA headquarters in Arusha

or from the older, more established parks in the Northern Circuit. Most district employees also

originated outside the area, although the current District Commission is a native of the area.

> *"In the case of employment, there is favoritism. For example, Saadani National Park is in our district. We are supposed to be employed but instead people from Kilimanjaro and other regions are the ones employed. The leaders present are the ones exercising such discrimination. Is it because you send your application letter to Arusha and they don't even respond"* (Sakura)

There were differing stories on permits and licenses required within the district. All villagers

thought the licenses were too expensive and complained about the need to travel long distances to

fulfill application procedures. Table 27 shows the permit prices as quoted by the villagers.

> *"Some licenses are here and others at the district. We are provided license for transportation only by the Ward Executive Officer. Fishing licenses are from the district. Weights and measures come from Tanga."* (Kipumbwi)

"They (the Ministry of Livestock and Fisheries) are just lying to us, everyday they are saying the same things. They only come here to collect licenses."
(Ushongo)

Table 27: Permit Prices in Pangani District	
Commercial Fishing License	2,200 Tshillings
Retail Shop Permit	10,000 Tshillings
Income Tax	35,000 Tshillings or 95,000 Tshillings depending on income
Value Added on Retail Goods	20%
Farm Tax	5%
Exchange rate as on 01/2009 is approximately 1,200 Tshillings to 1 USD	

Penalties for the lack of licenses are severe, but again, opinions vary from village to village.

"The licenses are expensive. They nationalize your property. They take all the products and throw them away. The shops are regularly closed." (Kipumbwi)

"They simply come suddenly when they decide to come and ask if you have a license. You will pay for it at once. They might disappear without coming. They are very merciful because they already see that people are leading poor and hard lives. They don't attack us like they do to people in town." (Matikani)

Pangani District is dependent on trade with the island of Zanzibar. Since Zanzibar has an autonomous government, a number of new restrictions on trade have greatly affected the coastal people on the Tanzanian mainland. In particular, restrictions have affected the island's importation of fruit and livestock from the mainland.

"Here in our area we are blocked. People are not allowed to cross to another area (Zanzibar) because to cross over is very hard. People formerly were passing here when they went to do business. For instance, if someone is caught bringing two pieces of cloth back (from here to Zanzibar) for his children, he might say I can't go back. If he wants to bring fruits instead, it will be worthless. Things from here to there, they say food stuff from here is illegal. They say chickens have bird flu, but they catch them by themselves and eat them (when they are here). They take a good cock and eat it. Things from here to there are regarded as black market." (Kipumbwi)

In general, the villagers of Pangani show a lack of trust in their government administrators. Confusion results when government programs are poorly explained and villagers believe that government policy favors the townspeople and the wealthy from Pangani and Tanga. While the Tanzanian government has made great strides in reducing permit fees and reducing the bureaucratic business start-up procedures, local villagers in Pangani still find commercial fishing licenses burdensome. The region is also dependent on trade with Zanzibar and trade restrictions have hurt local villagers.

6.64   Economic

Economic constraints listed in the sustainable tourism literature consist of inflation, the lack of a middle class, a lack of infrastructure, and foreign owned monopolies. These constraints were prevalent in the Pangani data. Many of the villagers believe that Pangani has the worst economy in Tanzania. In my experience, the villagers do not realize the abundance Pangani has compared to other regions.

> *"Don't you know that the economic situation in Pangani is very bad, there is no*
> *even business, which business? The district that ranks last economically is*
> *Pangani; will you do business without vehicles? I cannot even do business. You*
> *can compare us with Muheza.   Pangani is last economically, no business."*
> (Sakura)

Inflation was the most pressing concern to the villagers. Many people, both in Pangani Town and in the surrounding villages, blame tourism for their inflation pressure. Price increases have affected local populations through food prices, construction costs, and clothing purchases.

> *"Things were cheap but now the cost has increased. We bought a bag of cement*
> *for five thousand (Tshillings), now it is seventeen thousand (Tshillings). Ten*
> *years back we bought the iron sheet for six thousand (Tshillings), now it is*
> *seventeen thousand (Tshillings)."* (Pangani Town)

With the influx of migration to the Pangani area, a distinct middle class has developed, and along with it, a growing selection of businesses in Pangani Town. Few of these middle class

populations have migrated to the village; rather they have congregated in Pangani Town. As discussed in chapter 5, townspeople see themselves as separate from the villagers.

> *"The middle class are there. He gets there the same way by struggling hard. But us? The one who didn't sell the farm is because he doesn't have one. He has no wealth"* (Ushongo)

Infrastructure varies from village to village. Pangani Town, Ushongo, Sakura, and Bushiri have electricity and drivable dirt roads. Specifically in Ushongo, the power and road arrived with the hotels. Kipumbwi and Saange have roads, but the electricity grid stops about 2 miles from the villages. The new hotel in Saange is using a generator, but has plans to bring electricity to the village. Matikani has neither roads nor electricity and is a long way from both. The villagers in Matikani have discussed applying for a microloan to purchase a solar panel so that they can charge their cell phones in order to receiving tourists on village tours more readily. The PCCT is considering the request.

The New Road into Saange

Foreign-owned monopolies are a problem for the villagers. Hotels have begun offering their own tours and gift shop services, excluding the local businesses. For further details, see section 6.4.

Economic constraints are rapidly being reduced in Pangani Town with infrastructure improvements to the area. As a trade hub, inflation caused by tourism is encroaching on the supplies that reach the villages. Remote villagers have not yet benefited from the growth in Pangani Town and are often neglected or forgotten by the growing town population.
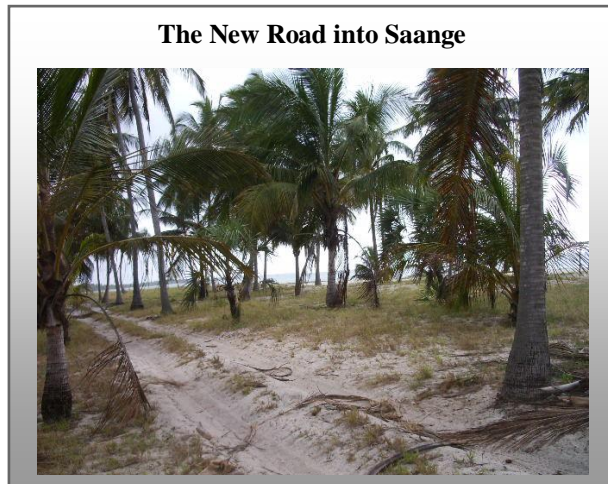
<u>6.65   Community-based</u>

Community-based constraints discussed in the sustainable tourism literature and found in the region include community locations and their remoteness to tourism enclaves, the lack of economies-of-scale or limited supply, hotel imports, and market access. Remoteness has been discussed throughout this chapter. In summary, the poor roads and limited public transport between the villages limits the tourist's ability to travel freely. It also limits the ability of villagers to access tourist hotels and public markets where tourists shop. Hotel owners have provided services for tourists, so that even if villagers could access the markets, there is fear that tourists would not shop there.

> *"Tourists have never bought anything here, because there's no regular tourist flow here. That's why there are no ready products for them, hence there's no market. Even if they are bought, the market is so small, you hear brother. Pangani market is small and those products don't move fast. Now someone must go and connect that chain. (We need) something to connect us together such as this tourism office."* (Bushiri)

Hotel owners have been frustrated by local supply. Many have offered to buy over ripe fruit and vegetables in the market, which are turned into sauces and frozen at the hotels. Local vendors insist on over charging for produce and often unsold inventory goes to waste. Meat is poorly butchered throughout the country, so hotels buy Kenyan or South African meat which is much tenderer. Chicken is very expensive on the coast, although fish is bought locally and is highly regarded by the hotel operators. However, tourists prefer different species of fish that are harder for local fishermen to catch due to limited technology (see section 6.62). Tourist preferences include red snapper, shrimp, lobster, and octopus, and often hotel owners must go to Tanga where there are commercial vessels. These commercial vessels, in turn, have decreased the fish populations, further stressing the village fishermen.

Property rights constraints include a lack of defined property ownership and exclusion from natural resources. Most property in rural Pangani District has been allocated through tribal rights and passed along family lines. Some of this land is being sold off for tourism development. In Saange, for instance, the price of land is determined by coconut yield per year, and foreign investors must pay for 20 years of harvest plus village administration fees. There is no centralized system for land sales, and all village decisions are final. Land sales are controversial in that villagers see the potential to sell land as a benefit to tourism development, yet find that once sold, they are excluded from the very land they once owned.

> *"Probably if a person sells his farm, that's when he will benefit.   He will get profits from that."* (Saange)

> *"Yes we have been played. He bought the harbor, now I can't have even the possibility to pick the shells because the farm has been bought by the white man. This also makes it difficult since the pathway I intend to take is through it. I will have no through pathway"* (Kipumbwi)

Conservation initiatives have also affected the Pangani people. Maziwe Island is a sand bar located about 15 miles of the coast of Pangani. It has been designated a marine reserve to protect the green turtles that nest there. It is also a popular tourist destination, when at low tide the surrounding reefs are accessible for snorkeling and scuba diving. The park is run by the Ministry of Livestock and Fisheries and is rarely patrolled. The PCCT has been given a boat and funds by a conservation NGO to patrol the area, but does not have the man power, the expertise, nor the authority to fulfill its objectives. Poaching, specifically using dynamite, is a serious problem around the reef. These poachers are often perceived as legitimate fishermen by the villagers, who feel further isolated from economic opportunities by their lack of inclusion.

> *"I suppose these sectors are corrupted because our villagers are not allowed to fish in the reserve. For instance the Kipumbwi people were told not to, but you'll*

find people from Pangani fishing and funny enough they are not restricted. I think the leaders have set these places for their own profits." (Kipumbwi)

"I think if it is the matter of benefiting from those areas you are mentioning, it is Pangani District that benefits, but people of Matikani hamlet do not benefit." (Matikani)

Tourists pay 8,000 Tshillings a piece to visit the island, and the money is sent to the general fund in Dar es Salaam.

"The effect is there! Because that's the ocean we want to fish, but we are told even the laws governing this are not of the district council. This park belongs to the central government and the income goes to the central government." (Ushongo)

Tourists and Poachers Sharing Maziwe Island

The northern part of Saadani National Park also falls within Pangani District. None of the villages that were interviewed had experiences directly with the park, but they had heard stories from other villages.

"Really there is no coordination. There is no cooperation between TANAPA and these villages which live around the national parks because if there was cooperation then you would see TANAPA extinguishing the fires once they occur. Perhaps when the animals move out, they (would) come and report. But what is observed is that the guards come and arrest those who eat the animals. Those vegetations which have been destroyed, there is no replacement. There is a need of coordination." (Sakura)

Surveyed and deeded property is also an issue in Pangani District. Hotel owners claim that it can take years to sort out property issues and requires a number of expensive legal battles to get the land surveyed. The villagers never discussed this issue and are unaware of the process or value is acquiring deeded land.

Property rights and land tenure in Pangani follow similar patters found in other areas of Tanzania. The limited resources of government agencies to survey and provide land titles results

in expensive and cumbersome processes to turn land into capital (see chapter 5). Furthermore, exclusion from natural resources, such as Saadani National Park and Maziwe Island, has increased the villagers' dependence on the cash economy that suffers from increasing inflation rates.

6.67   Social, Political, and Cultural Exclusion

Social and political constraints stem from a loss of sovereignty and decision making at the local level caused by a lack of consultation by development and government organizations (Stevens, Bur, & Young, 2003). There is much overlap throughout this chapter, and many of these issues have already been discussed. In the interviews, the villagers never discussed exclusion from decision making as most local decisions are made by the entire group. These decisions include land sales, development projects (when funds are available), and community agricultural plots that are managed together. What is more prevalent is the lack of information sharing that restricts local knowledge on district-wide initiatives. The misunderstandings of Maziwe Island and the PCCT microfinance program are good examples. It also appears that NGOs that come to the area have limited knowledge on the community needs and never stay long enough to facilitate change for the livelihoods of the villagers.

Cultural constraints are more widespread. The lack of trust and low risk tolerance hinders cooperation among the coastal people.

> *"Tanzanians do not help each other. There are two reasons. First people don't want you to be successful with their money and next if you are not family, you can't be trusted. People spend money on houses and consumer goods. They spend it and don't plan ahead."* (Pangani Town)

> *"The coastal people are basically lazy. They live for today (because) there may not be a tomorrow. Even if you gave them money, they would spend it and not save it. It would be all gone in one year."* (Saange)

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A majority of the local people in Pangani District are Muslims who believe in charity and giving to their neighbors in need. Things are readily shared between community members, and no one is allowed to fall below a certain economic standard. That said, there is also a point above which community members cannot rise. Individuals that become successful are often excluded from the community. One small business man was hired to work for a westerner and received a large salary compared to his neighbors. The neighbors promptly stopped frequenting his store and it went bankrupt.

While education is a common need stated by the villages, young students are expected to fulfill their household chores before school work can be started. In one household in which I lived, the twelve year old daughter was awake at 4am, worked on chores until 7 am when she went to school. She then continued with her chores after school until 9pm, at which time she

Riding to a Village along Pangani Road

began her homework. Many of the teenage boys in Pangani Town had access and funds for school, but preferred to sit on the street corner with their friends instead of attending school. Parents rarely complained and accepted such behavior. As mentioned earlier, hotels have attempted to offer language classes for villagers, only to find a lack of commitment by participants. Apathy, as described by Wembah-Rashid (1998), is apparent in the coastal culture (see chapter 5).

Hotel owners criticize the work ethic of local employees. Common tasks that are to be completed every day are often forgotten. Managers must keep a constant watch to ensure that employees are present and fulfilling their duties. Because of close family ties, employees require

time off of work when any family member is ill. Considering the occurrence of malaria and other illnesses and the size of families in the area, absenteeism is frequent. Theft within the hotels is also a problem. While hotel owners claim that they help the economy through jobs, many admit that they import labor from the northern regions of Tanzania and from Kenya because they have a better work ethic.

Lastly, the belief in witchcraft is wide spread. These beliefs have both positive and negative repercussions in the tourism industry. Hotel owners often use witch doctors to limit theft and unite personnel. On the other hand, local medicines, curses, and community feuds that result in the use of witchcraft can hinder employees' productivity.

There is limited social capital, and while a few groups have been formed with the help of NGOs, once these NGOs leave the area, these partnerships become defunct. Section 6.3 further discusses the lack of collaboration between villagers and hotel owners.

> *"We have nothing else we know except business, and if we had an organized group others would be doing weaving, while others do painting but because we have no paint, we got a painter to paint."* (Bushiri)

Women appear to have many opportunities along the coast. Businesses that are owned by women include small restaurants and market stalls. There are also employment opportunities as cooks, waitresses, and secretaries. Often it appears that their culture, more than gender restrictions, prevents women from working.

> *"Not many women have started their own business. I have friends that ask advice and want to try, but don't do anything. They are used to sitting around."* (Pangani Town)

6.68   Miscellaneous

Miscellaneous constraints include corruption and aid dependence (see section 5.48). Corruption appears in two forms in Pangani District, corruption at the government level and corruption within partnerships formed between the hotel owners and the locals. Many villagers

and hotel owners claim that aid money has been donated for the Pangani Road improvements. They believe that the money has been embezzled as the road has not been improved. One hotel owner agreed to pay for the reforestation of Maziwe Island. It resulted in the theft of the plant material. Every hotel owner had been taken advantage of by their business partners or lost money in local development projects, but all claimed that the legal system worked in their favor. It was a time consuming and expensive process. I personally had many conflicts over financial expectations while staying in the area.

In Pangani District, aid dependence is more recognizable in the villagers' expectations rather than in direct conversations. It is apparent that villagers are waiting for their proverbial ship to come in and lack the motivation to find solutions themselves. They believe that the tourists or hotel operators must donate to their causes and are often confused when no one assists them.

> *"First, he (the hotel owner) knows the needs of the citizens. Let him add job opportunities."* (Ushongo)

Using a quote discussed previously, it shows that the villagers' expect others to bring opportunity to them.

> *"Those shops with tourist equipment should have been opened here in the village instead of being run by hotel owners."* (Kipumbwi)

6.7   Conclusion

Pangani has provided a case study that substantiates many of the issues discussed in the sustainable tourism literature. The five themes and fifteen subthemes present include: Community (definitions of community and migration), Private Enterprise and NGOs (private enterprise and NGOs), Tourism (attractions; tourist behavior; hotel behavior; and affects of tourism on communities), Employment Opportunities (benefits of jobs and benefits of self-employment), and Barriers to Economic Participation (finance; education; government;

economic; community-based; property rights; social, political, and cultural exclusion; and miscellaneous including corruption and aid dependence).

Chapter 6 looks at a very different type of community as a means to find similarities and differences as they relate to economic participation by indigenous Tanzanians. The Amani area is a conservation reserve that hosts numerous conservation researchers as tourists each year.

CHAPTER 7 – AMANI NATURE RESERVE, TANZANIA'S CONSERVATION PARADISE

Amani Nature Reserve (ANR) is located in the Eastern Usambara Mountains, in the northern section of the Tanzanian Eastern Arc Mountains. It is part of Tanga Region and spans two districts, Muheza District and Korogwe District. It covers 8,380 hectors and has a human population of approximately 15,500 people living within 18 villages (soon to be 19). The reserve is home to over 450 native plant species, 350 bird species, and numerous African Violets found only in the Usambara Mountain Range. Many of these species are endemic to the area.

Amani was designated as an agricultural research station by the German colonists in 1902 and colonist began the extensive farming of coffee, as well as tobacco, sisal, rubber and quinine.

As soil conditions deteriorated, the British replaced coffee with large scale tea plantations, which still exist today. It wasn't until after independence, and the development of the Sikh Saw Mill, that commercial exploitation of the natural resources began and continued into the 1970s. It is not believed that the

Views of Amani
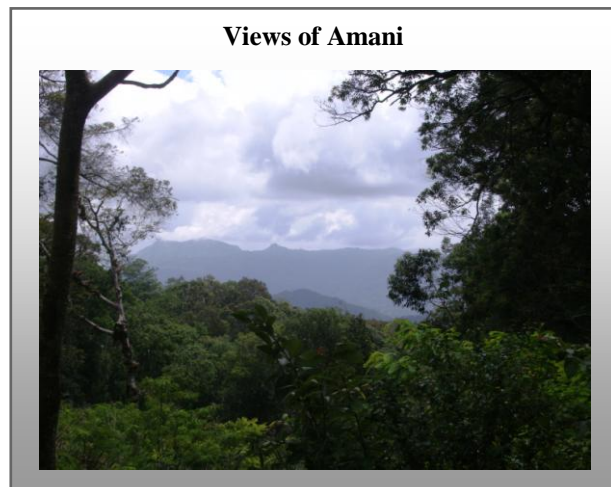
exploitation was intentional (Ngaiza, 1991) although serious degradation ensued along with the deterioration of the water shed. In 1985 the Amani Forest Inventory and Management Project was complete and the Tanzanian Forest Action Plan was adopted which heighten awareness into the ecological problems of the area. Since that time, Amani had held strict environmental protection status, and the reserve was gazetted in 1997.

ANR is managed through the Division of Forestry and Beekeeping within the Ministry of Natural Resources and Tourism (TMNRT). The Division maintains autonomy in managing the reserve largely due to independent financing through conservation grants (Scurrah-Ehrhart & Blomley, 2006). Of the nineteen reserves in the Usambara Mountains, Amani has the tightest access restrictions and is managed by a Board of Trustees and a Conservator (Scurrah-Ehrhart & Blomley, 2006). Since the reserve's inception, managers have actively tried to improve living conditions for local residents through increased economic opportunities. Some successful programs include the introduction of butterfly farming, dairy production through zero grazing methods, modern honey production, and more recently, eco-cultural tourism programs.

Tourism is relatively new to the area, although tourist numbers are increasing steadily (Table 28). Of the 1082 visitors in 2007, park officials estimate that over 80% are conservation researchers that study biodiversity in the reserve or come to implement environmentally friendly development initiatives. There are three western style accommodations, two run by the reserve, and the ecologically friendly Emau Hill Forest Camp. ANR has a wide selection of guides, and claim that all guides come from the local villages. The guide that was assigned to me was from Kilimanjaro Region and not a local. However, in focus group conversations, each village interviewed had one villager employed as a guide for the reserve.

Table 28: Tourist Numbers to Amani Nature Reserve							
2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
376	1178	1262	1266	1589	1561	1656	1082
Source: Amani Nature Reserve							

Amani is the most remote research site in this study. Infrastructure is a serious problem for visitors to the area. While Amani is only 45 km from the district town of Muheza, the drive takes two hours by car, or three hours by daladala when the roads are dry. As ANR is a rain

forest, the roads are often in bad condition. The road leading to the park has recently been upgraded and all of the switchback turns have been paved to prevent degradation. In between the bends, the road is still dirt. There is heavy truck traffic as well, as sugar cane and other produce is taken from Amani to Muheza daily. Inside the reserve, there have not been any improvements made to the road. There are two daladalas each day to Muheza, but often these vans are filled with agricultural merchandise, leaving little room for passengers. Most tourists arrive by personal car. Once inside the reserve, there is only one main thoroughfare with two daladalas each day. Many villages are not located along the main road.

7.1   Research

I spent one month living with a local family within the ANR. I also worked closely with Emau Hill Forest Camp, an ecotourism lodge that offers training and job creation in the village of Shebomeza. I volunteered with local employees of the lodge and taught English and business skills to a women's craft group started by Tukae, the NGO that supports Emau Hill Forest Camp. These activities allowed me access into the lifestyles of local community members and facilitated trust between myself and the communities. During my stay in Amani, I conducted three village focus groups (Table 29) and interviewed the reserve Conservator, a number of park employees, and the Emau Hill Forest Camp management team and employees. I also had conversations with a number of local butterfly farmers and dairy farmers who had participated in conservation sponsored development programs.

Table 29: Village Focus Groups in Amani Nature Reserve				
Village	No. of Participants	Tourist Attraction	Approximate Population	No. of Tourist Hotels
Shebomeza	8	Park Headquarters	1,000	2
Msasa IBC	6	Located along Tea Plantation Walking Tour	250	0
Kisiwani	12	Located outside park entrance gate	550	1

All focus groups were conducted in Swahili with the help of a park supplied guide. The interviews were recorded, transcribed, and sent to Dar es Salaam for translation by two independent translators. Twelve grand tour questions were used as a guideline (Appendix A) and additional questions were asked based on the responses and concerns of each individual group. Each focus group lasted approximately one hour and concluded with an open question and answer periods where village specific advice and personal information was provided to the villagers. These question and answer periods ranged in duration from 15 minutes to one hour depending on participation. Personal notes were taken in one-on-one interviews and will be used as background information in presenting the focus group data.

The data was then analyzed in Nvivo® utilizing the themes found in Chapters 5 and 6 (Formal and Informal Political and Social Leadership and Pangani District). Due to the nature of the grand tour questions used in conducting the focus group, the character of the themes varied slightly from the themes in Chapter 5. Also, the culture and lifestyles of Amani residents showed different concerns than those of Pangani (Chapter 5). Specifically, the conversations of government are limited specifically to ANR policies as regional and district offices are far removed from the Amani residents and have little influence in day to day activities. In particular, villagers discussed definitions of community and tourist behavior which were not apparent in the government interviews, but noticeable in the Pangani interviews. New themes that came from the

data included park administration and the discussion on employment was hampered as job opportunities are limited in the area. Residents of ANR are mostly farmers and work for themselves. The only employers in the area are the park, Emau Hill Forest Camp, the tea plantations, and the dairy cooperative. Economic Performance Measures were omitted again by the villagers as well as Research Advice. The nature of private/public partnerships was not apparent to the villagers, so discussion mainly revolved around conservation NGOs and community development initiatives

In total, there were five themes and seventeen subthemes: Community (definitions of community and migration); NGO Behavior; Tourism (attractions, tourist behavior, and affects of tourism on communities); Employment Opportunities (benefits of jobs and benefits of self-employment); and Barrier to Economic Participation (finance; education; government; economic; community-based; property rights; social, political, and cultural exclusion; and miscellaneous including corruption and aid dependence). See Table 30 for details.

Table 30: Amani Interview Themes	
General Themes	**Sub-themes**
1). Community	A). Definitions of Community
	B). Migration
2). NGOs Behavior	A). NGO Behavior
3). Tourism	A). Attractions
	B). Tourist Behavior
	C). Affects of Tourism on Communities
4). Employment Opportunities	A). Benefits of Jobs
	B). Benefits of Self-employment
5). Barriers to Economic Participation	A). Financial Constraint
	B). Educational Constraints
	C). Government Constraints
	D). Economic Constraints
	E). Community-based Constraints
	F). Property Rights
	G). Social, Political, and Cultural Exclusion
	H). Miscellaneous – Corruption and Aid Dependence

7.2   Community

The definitions of community can vary from one region to the next. In the Amani area, communities define themselves based on development initiatives in which they must cooperate. Amani has a long history of outsiders managing their resources and influencing their uses, therefore all villages affected by these outsiders have acquired solidarity based on meeting the needs of many villages.

> *You can say that the community is the group of people who live together and do development activities, for instance a shop project and other projects similar to that one. At the family level, the community is that place at home; father, mother and children. We cooperate together when building secondary schools; it means we work with people from IBC, from Kisiwani and Shebo in building the school for our ward.* (Msasa IBC)

There was disagreement as to the extent of the community. Some villages considered Muheza, the district headquarters, and Tanga, the regional headquarters, as part of their community because that is where area-wide decisions are made. Other villages only saw the villages in and around ANR as part of their community.
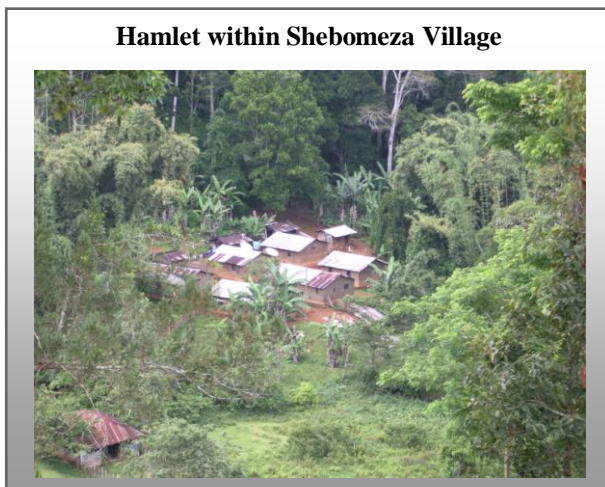
Hamlet within Shebomeza Village

> *"Yes, for example in this village of Shebomeza, we have many problems and the big company/cooperative comes from the district. They come to visit and they help us to solve our problem and we share the experience."* (Shebomeza)

Outward migration is heavily affecting village dynamics. The cause of this migration stems from the population growth rates and the limited supply of farm land within the reserve. New allocations of land must occur some

distance from the villages and young adults are moving outside the reserve to cultivate their property. Migration is discussed more in the property rights section (section 7.66).

7.3   NGO Behavior

The villagers within ANR have extensive experience with NGOs, researchers, and community development projects. Currently there are approximately 10 NGOs registered within the reserve, and many more that visit the area. Thus far, none of these projects have been tourism based (Emau Hill Forest Camp is discussed later in this section), rather their goals are conservation based, human service based, or provide farming opportunities to increase income to resident farmers. The programs that have been implemented are highly regarded by the villagers as a means to improve their standard of living.

> *"Now that butterfly project, just as I already said, that is here in the village. They are working groups that make profits. It is making profits. There are forests (projects) but whose property is that? It is village property, isn't it? It belongs to the groups because the group gets its own money. Then the same groups, with its sponsors, are the ones who pay the tax. So in the village, we only take tax and then we build schools and houses for teachers, but those groups get their own profit if they plant trees and sell. That's their property."* (Msasa IBC)

Development NGOs are highly respected for the provision of support in malaria prevention and HIV treatment.

> *"I simply give thanks for the Malaria program through which this year we got mosquito nets. I would advise the government to continue that program for the children below five because the nets have medicine and it helps to prevent the infection of malaria to the family. Now it should not end up with only children below five, it should be for the entire family. We should all get the nets, father and mother, so that they can help us because that's the program which they have started here."* (Msasa IBC)

However, with over a thousand researchers visiting the area each year, the villagers have also received a number of empty promises. Often the research conducted and the ideas presented to

villagers never materialized into concrete actions and explanations were not provided to the residents.

> *"They have actually come many times. There is nothing that they do when they come. When we tell them about our problems, we tell them we are not financially capable, they write that and go away. They leave us there and they don't come back. They only come to con."* (Shebomeza)

Furthermore, many projects neglected basic start-up support so that villagers could be successful in the project ideas presented.

> *"It's money. The problem is capital because, for example, many of us have very low incomes, don't we? We want to further our development. There are no people among our colleagues who have already developed (and) who can bring us the capital. You might have your seeds and think of developing them further, or selling them, but they are not even bought and thus they perish because there is no money."* (Kisiwani)

Tukae (which means "to sit together" in Swahili) is an education and job creation NGO that has been in Amani for nine years. While their efforts mainly support education, health care, and job creation for the Amani residents, Tukae has opened the first ecolodge in the reserve as an organizational fund raising tool and job skills opportunity for local staff. Through the funds generated in tourism, two new job

Local Staff at Emau Hill Forest Camp
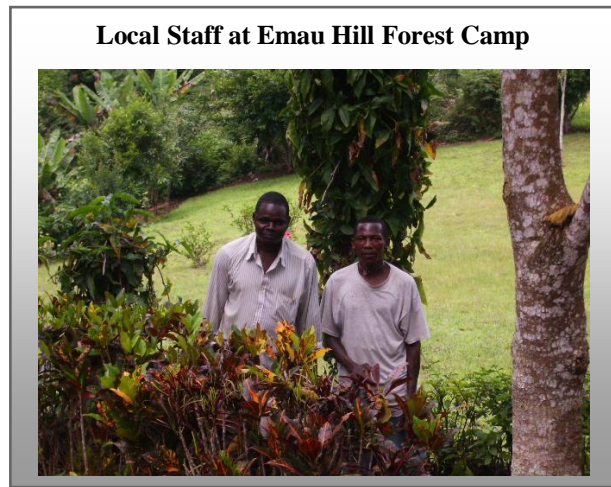
skills programs are supported: a woman's craft workshop that produces clothing, dolls, and bags both for sale in tourism destinations in Tanzania and for export; and a furniture shop that sells handmade furnishings to hotels throughout Tanzania. Local staff are also trained in English, mathematics, and problem solving skills. As an ecolodge, environmental sensitivity is foremost in their design. They operate solely on solar power, use water free composting toilets, and plant

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only native vegetation. This program is still striving for sustainability, as they currently rely on donor funds from their parent organization, Tukae, in the UK and Denmark.

Villagers perceive NGOs as grassroots organizations that bring many economic opportunities to the villagers. However, with the number of researchers in the area, villagers are often conflicted as project ideas do not always materialize. Tukae is the first NGO in the area to address tourism as a viable revenue generating opportunity. Yet, villagers still receive little support in tourism initiatives outside of the few hired to work as guides and hotel staff.

7.4   Tourism

The Tourism theme was divided into three subthemes: attractions, tourist behavior, and the effects of tourism on villages. As mentioned above, the majority of tourists were researchers to the area, with only a small number of nature tourists and bird watchers adding to the mix of visitors. The villagers were asked why tourists came to the Amani area, particularly to their village. Table 31 lists the responses.

Table 31: Tourist Attractions Mentioned by Villagers		
The Environment	Chameleons	Good Weather
Agriculture, Tea, Cloves	Butterflies, Insects	Hiking
Animals	Flowers, African Violets	Photography

Tourist behavior was straight forward. Villagers rarely saw or interacted with tourists to the area. While researchers would interview them in regards to community development or conservation initiatives, tourists were rarely seen walking or visiting in the villages outside of their work. Many villagers had never spoken to a tourist before.

> *"Sometimes there are people who come shortly, and they arrive in guest houses, therefore we don't interact much. They come and do their businesses/activities with the people concerned and go back. But if they came and went around in the village then we could understand them. We could have a good relationship with*

them, but they come, pass, and go back. That's what they do, so we can't understand them." (Kisiwani)

Tourists currently do not buy supplies from local businesses. The villagers feel that the tourists' needs are met by the reserve, so there is no incentive for tourists to venture into the villages to shop. While there is a lack of interaction, the villagers are aware that the goods and services that tourists prefer are unavailable in the villages, but recognize that they have little way to gain this important knowledge.

Tourist on a Nature Hike

"We are responsible for the security of the Amani Mountain and its environment. Perhaps in the Amani office is where they buy things. They only pass by (the village) and observe things and don't buy anything in the village. We have never made the follow up of something like food (that) they might buy. One can buy bananas because he will normally have a guide (with them). They never come alone." (Msasa IBC)

The villagers feel that the reserve has maintained a monopoly over the tourists and do not encourage the tourists to explore beyond the official services that the reserve provides.

> *"Our friendship is there, but there is no close cooperation. They have cooperation with the government (the reserve). This is the great cooperation, but we don't have cooperation with the tourists. We have not been close to them because they have never visited us…they simply come to tour then only reach there at the office. There is no close and official cooperation."* (Shebomeza)

Since there is little interaction between tourists and villagers, there are few effects that the villagers notice.

> *"Effects? Speaking the truth, we have not seen any effects. We have not observed any disturbance. Maybe the only thing which is different is the way they wear their clothes, sometimes when they pass with their short clothes it*

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brings contradiction to our environment, leaving our people astonished and amazed." (Kisiwani)

Tourism has not yet infiltrated village life and therefore ideas of opportunities created through tourism are implausible to many of the villagers.

"Now the question asks, are there any people in this village who are involved in tourism related businesses? Nobody, none. Maybe we could go into the forests with them as casual laborers or maybe they prefer local food stuff. Maybe they bring diseases, like Aids and other diseases, but it is meaningless having visitors who are not advantageous." (Kisiwani)

The reserve has implemented a community development fee of 30 USD per person per day that all visitors must pay. Of this fee, 20% is distributed to the park guides and 20% is used for development projects in the villages. In rough calculations, this amounts to 3,500 USD per village over the past 10 years. While villagers are seeing the benefit of research tourism via these fees collected, the extreme environmental restrictions placed on villagers negates the financial benefit incurred.

"Speaking the truth, there is nothing to add to this sector of tourism because when they enter, we do benefit from the percentage which is offered to the village. It is not enough unless people volunteer to supplement it using their own efforts. Let me add, we set plans to the money provided by the government, like in building schools and building bridges. The money helps the village and so all the villagers benefit. Those with kids will take them to school which will be well built with chairs for students to sit and everyone will cross through the bridge because of the money from tourism. (But) because we have preserved the forests, animals are increasing and those animals are destructive. The ministry could assist us in getting rid of that problem. We, who are near the reserve, are not planting for those animals." (Msasa IBC)

"The percentage that we get is very small compared to the way we protect the natural forest. You won't be allowed to cut a tree for building a house. You are not allowed to collect firewood. We have the disadvantage; they (the tourists) are the ones who benefit." (Shebomeza)

The ANR villagers view tourism as a possible economic driver in the area, however a lack of exposure and tourist interactions has left villagers without a clear understanding of the

impacts or possibilities that tourism development can provide. Community development fees are a positive start, but villagers also need prospects for business activities that encourage local income opportunities.

7.5   Employment Opportunities

One of the main objectives of this study was to understand differing constraints between business ownership and employment. In Amani, there are very few employment opportunities and none of the focus group participants had ever held a job. Employers in the area often complained that farming responsibilities interfered with employees work obligations, and if pushed, people would quit their jobs before abandoning their farms.

> *"Nobody here among us is involved in big activities. It's only these activities of keeping cattle which we are doing, maybe farming spinach and vegetables, things like those."* (Shebomeza)

As it relates to tourism, all employment ideas generated in the focus group discussions returned to self employment as a means to earn income. It was all they knew.

> *"In the tourism sector, education is an important activity and seems to be difficult for one who wants to be employed. In order to be employed in tourism activities, you need to prepare the required things for tourism, and that requires money. You need to prepare yourself, to plant trees, to keep beautiful attractions, probably lions and crocodiles, in order to attract tourists. But also if you want to be employed, you need to be educated. These are two different things because in order to employ yourself in the tourism sector you may construct pools to keep crocodiles and other things likely to attract tourists, thus you will have employed yourself."* (Msasa IBC)

Self employment was much more desirable by all the interviewees. Self employment is believed to generate more income than working for someone else, and villagers respect the freedom that self employment offers.

> *"The benefits of having your own business, first for example, I am sure of having a meal in the morning, at noon, and in the evening. Secondly, I can set aside any*

*amount for emergencies. Thirdly, since it's an office, I can get a loan. I might
come to you and ask you to lend me ten thousand (shillings) for my business and
you'll easily trust me, so these are the benefits."* (Kisiwani)

Currently, tourism is neither offering extensive wage employment nor self employment in
the area. Without adequate tourism-based NGOs and limited hotel operations in the reserve,
villagers are missing out on a viable market for goods and services.

7.6   Barriers to Economic Participation

The barriers to economic participation include: finance; education; government;
economic; community-based; property rights; social, political, and cultural exclusion; and
miscellaneous which includes corruption and aid dependence (See section 2.4 and Appendix C
for more details).

<u>7.61   Finance</u>

Financial constraints include a lack of financial resources, a lack of borrowing capital,
and financial regulatory restrictions (Hampton, 2003). Bank access is a major challenge for
participating in microfinance opportunities. There are no banks or ATMs in the Amani area. A
few villagers use banks to keep their savings but must travel to Muheza or Tanga to use bank
services. The Saving and Credit Cooperative Union League of Tanzania (SACCOS) is not yet
active in the area. The villagers recognize their need for financial capital to expand their
businesses; however they have no ideas where such capital can be found. Their lack of collateral
is a key concern, and they feel that microfinance organizations falsely perceive their inability to
repay a loan. Often they wait until someone comes to the village to educate them, and then rely
on others to facilitate the loans or provide free start up stock.

> *"It has reached our colleagues (but) we people in this village have not yet been
> motivated and that's what we are fighting. That's the main problem of SACCOS.
> They say that we are weak. They tell us (it is) because we are unlikely to pay*

back the loans, all the while our crops are dying in the farm with weeds. Therefore, they give another person who is full of riches or who has the shop or who is employed because they can easily make a follow up on him. They will avoid me because I am owning the farm. That's what we are shouting for up to the district level." (Shebomeza)

<u>7.62   Education</u>

Public educational constraints, including basic secondary education, business skills, and knowledge of the tourism industry are detailed in section 5.22. Development fees from the reserve have been used to build a new secondary school in Shebomeza for all the villages in Amani. Each village also has their own primary school, so residents feel that the educational need of the children are being met. From personal observation, the secondary schools are

overcrowded and the expansive nature of the villages limits school for very young children. As with Pangani, children begin school at an older age to accommodate the physical distances children must walk. However, villagers are pleased with their educational facilities and have few complaints about their formal education system.

Discussion with a Village Administrator

Very few of the villagers have any knowledge of English, but unlike Pangani, only wish that tourists would increase their knowledge of Swahili and do not fault their lack of language skills as a constraint to economic participation. Learning English was not mentioned in a single focus group.

> *"When they come, we can hardly know whether they are good people or not because we don't understand other languages that they speak, you see. They don't speak Kiswahili to us"* (Kisiwani)
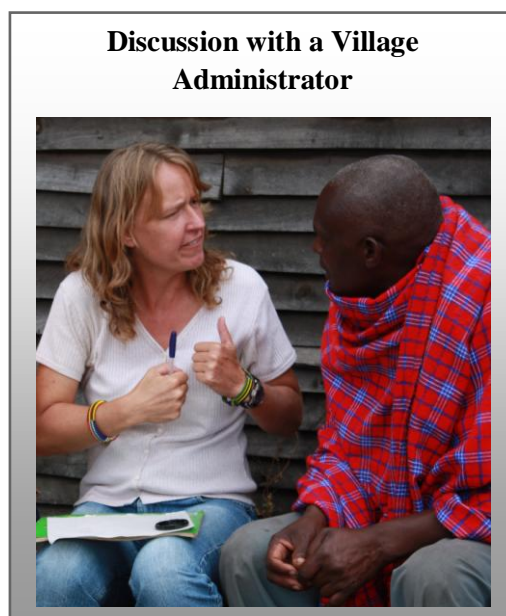
A more common complaint was a lack of business knowledge that excluded the villagers from earning more income through their farm produce. In particular, they felt that they must use middlemen to transport their produce because they have no knowledge of the market environment outside their local area.

> *"For instance, Amani Mountain has things like cardamom, cloves, black paper, and cinnamon bush. It has cocoa, but because those products circulate only around here, the businessmen who know where the markets are for those products will hardly tell you. They don't want other people to know. They come and take the products and you find that it's very few people who know the markets for those products."* (Kisiwani)

The villagers are also interested in learning about tourism preferences so that they can offer crafts and merchandise to visitors in the reserve. While the villagers have learned lessons from other groups around Tanzania, like the Masaai, they understand that they do not possess the skills to excel in certain crafts.

> *"Tourists are fond of things which are striking like mats and baskets, but because we don't have the skills but we can't progress. More often than not, they will prefer things which are not found in their home place therefore they could buy baskets if we had them. But all we have is just these farm things."* (Msasa IBC)

Through observations, I also learned that the local villagers lack basic heath knowledge which affects their ability to participate economically. While most villagers own cows, dairy is not a regular part of their diet. All dairy products are sold to the cooperative for cash, and rarely are local products consumed. Often chickens and eggs are sold rather than consumed as well. Children are often malnourished which is apparent in their orange tinted brittle hair, a sign of protein deficiency. Malnutrition also makes them more susceptible to malaria and other tropic diseases (Schellenberg et al., 1999). Employers frequently complained that employees lose their stamina as the work week progresses, often falling ill after 4 days of continuous work. Employers feel diet is the major cause. HIV/AIDS is a problem in the Amani villages, and villagers seem to know little about the cause or symptoms of the disease.

"Some people might be taking precautions, but others say 'why should they die alone?'. I must die together with someone. They see the elders infected so they decide to manipulate the young children who are students by giving them shillings. Does it mean those who are supplying the food are spreading it? Why do they supply to us when they are only infecting us? They are providing food and then they come to infect us." (Msasa IBC)

Educational constraints greatly affect every aspect of life in Amani. Schools are overcrowded and villagers are excluded from value-added activities because they lack businesses and tourism specific knowledge. The general health of the population is also affected by limited knowledge. While the villagers see great improvements with the opening of Shebomeza Secondary School, education still remains a key constraint for these people.

7.63   Government

All discussions of government in the Amani area referred to the reserve administration. It is my opinion that regional and district government agencies are too far removed to have much influence in the day-to-day lives of the villagers. The reserve, on the other hand, has strict regulations that affect the livelihoods of individuals regularly. These regulation include the restrictions on the collection of firewood, the allocation of land (discussed more thoroughly in the property rights section 7.66), and the transportation of household goods.

Firewood is the major heat source for cooking and water purification by the villagers. Due to the remoteness of the area and park regulations that limit the importation of wood, there is no supply of charcoal or firewood from other regions outside the reserve. Locally collected firewood is the only option. The administration has established certain days of the week when villagers can collect firewood in and around the reserve. Villagers are required to plant trees, but upon maturity needs expensive permits to cut their trees.

"The reserve hurts us a bit because you won't be allowed to cut a tree for building a house there. You are not allowed to collect firewood there. We have the disadvantage because if you are not free on the day that has been arranged, you stay without firewood" (Shebomeza)

The restrictions on the transportation of wood also confine the transportation of household goods into and out of the reserve. Due to restricted land allocation (discussed in section 7.66), many young adults must farm areas outside the reserve. These migrants are heavily taxed on outgoing furniture when they relocate closer to their farm land. Incoming furniture is also taxed. Villagers that want to supply their children with desks at the school must pay fees when desks are brought from outside the area.

> *"According to the reserve regulations that have been established if you transport beds or doors, once you reach the gate there is a certain percentage that we are paying. It is something that was not there before. Formerly we were simply transporting, but today we pay even for the worn out things. A regulation like that is very pressing. We are not in a good financial position because our farms have been moved outside the reserve and many people are moving to Muheza so that one can farm. One must carry the bed with him or what should one move with? One must take the furniture, therefore once you reach (the gate) you are tempted to cheat. In short, that regulation is not useful. It is better that they remove it."* (Msasa IBC)

There has been discussion that these regulations will be removed, but they were still in effects at the conclusion of this research.

The reserve management is viewed as a double edged sword. The reserve collects and distributes development income, but they also impose tight restrictions that confine economic opportunities by local residents.

7.64   Economic

Economic constraints apparent in ANR include inflation, the lack of infrastructure, and the reserve monopoly on tourism purchases. Also, there is no middle class, with the exceptions of a few park administrators, in the area. Inflation is prevalent in every research site and Amani is no exception.

> *"People are getting money, but the items are so expensive. At least clothes, like this, could be obtained at a cheaper price and we could cover our children's needs, but currently it is impossible. You get clothes for ten thousand (shillings)*

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but it is useless and meanwhile we must pay for the children's school"
(Shebomeza)

Infrastructure is a serious problem in ANR, including road access to the reserve,

electricity, and clean water for the villagers. Road access is discussed in the chapter introduction.

While Amani is only 45 km from Muheza, the drive takes two hours by car, or three hours by

Road to Msasa IBC
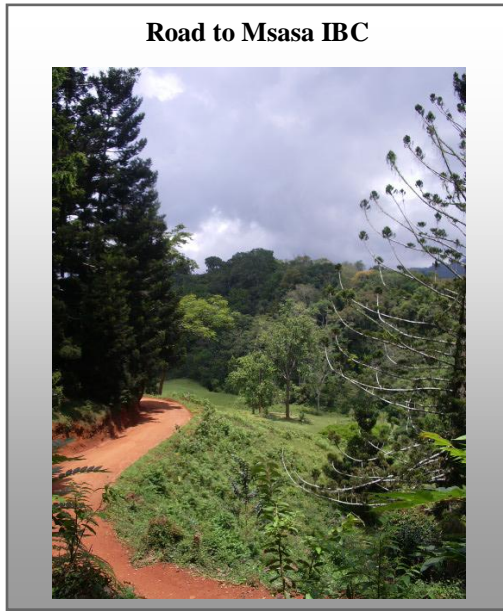
daladala when the roads are dry. As ANR is a rain

forest, the roads are often in bad condition. While

there is moderate public transportation to and from

Amani, these vans are regularly filled with

agricultural merchandise, leaving little room for

passengers.

*"Reaching the market is sometimes a
problem because of transport. It is those
rich people who are engaged in transport.
When you need to travel, you suffer a lot.
You are supposed to get out at 4 pm in
order to get transport.*

*For instance those going to Bela, you sometimes find the daladala filled with
bananas"* (Shebomeza)

Shebomeza has recently had a water system installed in the main village area. However, even

Shebomeza is a collection of hamlets and not all residents are benefitting from this improvement.

Most villagers in the reserve use river water for drinking, bathing, and laundry.

*"You can see that our water here in Amani is from the valleys. During the
summer, there are irrigation problems. It is a very difficult season. We need
people to bring us the machine to lift water to dry areas. That would be much
better."* (Shebomeza)

Because of the remoteness of this mountain reserve, infrastructure is an ongoing issue for

villagers. In Pangani, the increases in tourism, such as the development of hotel properties,

facilitated infrastructure development. In Amani, there are fewer opportunities to bring valuable

electricity, water, and road improvements to the area. Even Emau Hill Forest Camp uses limited solar power and filtration systems for water purification.

7.65   Community-based

Community-based constraints found in the region include community locations and their remoteness to tourism enclaves, the lack of economies-of-scale or limited supply, hotel imports, and market access.

Amani is extremely remote which explains the lack of mass tourism to the area. The majority of tourists that come to the reserve are researchers and conservationists. Other nature tourists arrive via tour operators that include Amani as an add-on tour to safaris. There is only transportation along the main thoroughfare through the reserve, and tourists must bring their own car to reach the villages outside of Shebomeza. While there are extensive hiking trails in the area, the distance between villages reduces tourism opportunities.

There are only three hotels in the Amani area. All three establishments buy their produce in Muheza or Tanga, as the selection is limited in Amani. There is no fish or meat production in the area and villagers mainly grow cash crops in the reserve. Most locally produced agriculture is exported from the area by middlemen who buy in bulk.

7.66   Property Rights

The largest constrain felt by the villagers resided in their physical exclusion from natural resources found within the reserve. As mentioned in section 7.63, strict park regulation limit firewood collection and tree cutting, two key parameters villager feel decreases their quality of life and their ability to advance economically. Overall, villagers are pro conservation, but they feel access to these valuable resources should be made available.

> *"There are advantages and disadvantages. The advantage we get is that we get enough rainfall throughout the year and the disadvantage is that there are destructive animals. These days people don't cut trees carelessly, like before.*

*People were cutting trees a lot but nowadays we know the importance of trees.
But we are prevented from accessing our own trees in public areas. This makes
us become poor because you keep trees in your own area and then you are
subjected to obstacles so you cannot progress."* (Msasa IBC)

The topic of clearly defined property rights was discussed in private interviews but was
not apparent in the focus group discussions. Property rights in Amani follow similar patterns in
other regions around Tanzania. Land that has been cultivated can still be used for agriculture and
is passed down from generation to generation based on traditional land tenure. In Amani, as in
other areas such as Kilimanjaro Region, population growth is high, but land access in not. The
reserve does not allow new land to be cultivated, so
land must be found for young adults in other areas in
the district, outside of the reserve. Most new land is
being acquired near Muheza, the district
headquarters. As mentioned, these plots are only 45
km away from the reserve, but travel difficulties
make daily commutes impossible and many
residents must leave the reserve boundaries on a
semi-permanent basis. These migratory trends tend
to affect men between the ages of 18 and 50 (Carr,

Waterfalls in Amani Nature Reserve

2004), leaving women, the elderly, and children remaining in the local area. Moreover, HIV/Aids
is growing in the area and this may be attributed to recent migratory patterns caused by land
tenure conditions (Fontanet & Piot, 1994).
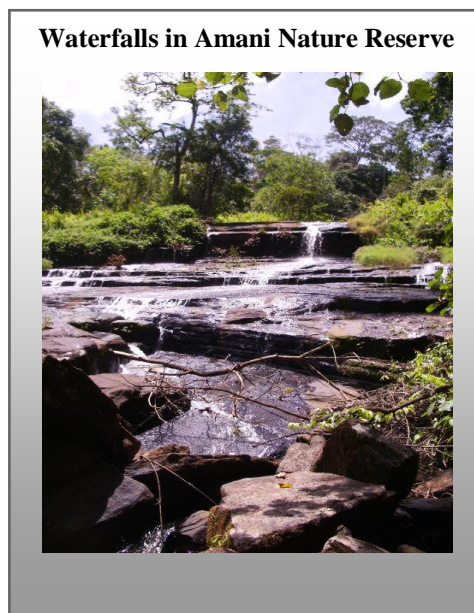
7.67   Social, Political, and Cultural Exclusion

Social and political constraints stem from a loss of sovereignty and decision making at
the local level caused by a lack of consultation by development and government organizations
(Stevens, Bur, & Young, 2003). Unlike Pangani, the villagers around Amani are more organized

and are actively involved in the distribution of community development fees. Every village has a board that discusses how development fees will be used. Requests are then submitted to ANR and the district headquarters in Muheza. Often, the final project decision rests outside the village, but villagers feel that their suggestions are seriously considered.

> *"When they come, they arrive at the village executive office. The village executives have the plans set apart that involve alarming issues. For instance, connecting electricity is an issue to us. Water is an issue. So when they come and ask what they can help us with, among those issues, we, the society, are the ones who mention the issues. If we want the school to be rehabilitated, we mention the school. The same applies to the dispensary and other services. Therefore they help us afterwards."* (Kisiwani)

The district office in Muheza determined that the first major project would be the completion of the secondary school, and that it would be located in Shebomeza. Villages far from Shebomeza, such as Msasa IBC, helped pay for the construction and must find transportation for their children to and from the site. These villages are optimistic that in the next round of fee disbursements, funded projects will be more localized.

The same cultural complaints mentioned in the Pangani data were found in Amani. These include a lack of trust between individuals and low risk tolerance that discourages cooperation between individuals. These constraints were discussed among NGO workers and expatriate business owners, but not in the focus groups. The focus groups mainly discussed village organizations and had a very positive outlook on their inclusion and consultation by village and district administration. Although within the organized groups, there appears to be special interest groups which results in a lack of trust towards those who oversee and administer group projects.

> *"Each village is responsible for their own village development activities. There are groups within the village, each of which has its own project. They work and get profits for their project.   There is a special portion of money which is different. No one distributes that to anyone except in the village. There are*

different groups and each group has its own chair, secretary, and treasurer and they get profits through their groups. That is not for the entire village. " (IBC Msasa)

Social capital is more prevalent in the Amani area than in the other study sites. There are a number of groups that have been organized by NGOs that work together in butterfly farming,

Cooking staff at Emau Hill Forest Camp

dairy activities, and other economic endeavors. These cooperatives help villagers gain startup inventory, such as seeds or butterflies, and helps them find markets for their produce. In turn, these groups sell their seeds to other start up groups around the area. Unfortunately, due to the lack of tourism-specific NGOs, the accumulated social capital does not translate into village influence in tourism decisions.

Women appear to have fewer opportunities in Amani that in Pangani. Women are expected to manage the farm, raise the children, collect firewood, and keep the house. Since there are few employment opportunities, most women do not work outside the home. That said, there are a few female village administrators which implies that given the opportunity, some women would take advantage of increased employment and business prospects if available.

Education is highly valued in Amani, and most children that were old enough to walk to school, were actively enrolled in education. In Amani, I did not see children skipping school or hanging around during school hours as was commonly found in Pangani. However, overall, I found the adults in Amani to be less educated than those in Pangani. This could be because the

secondary school is new to the area and older villagers did not have the option of a local secondary school.

<u>7.68   Miscellaneous</u>

Miscellaneous constraints include corruption and aid dependence. Corruption was not evident in the focus group data, but was expressed clearly in person interviews by expatriates and NGO workers in the area. The reserve had recently acquired a new conservator, and interviewees were optimistic that the problem would ease with new personalities involved in management. The primary concern was the distribution of community development funds and bribery to ease reserve restrictions. At this time, there is no known investigation of such practices and no evidence of such speculations.

In Amani, aid dependence is less apparent than in other research sites and this may be attributed to development projects that promote self reliance and the reinvestment of profits into projects. However, residents still expect the government and NGO community to initiate income earning ideas and many villagers wait patiently for help to arrive rather than instigate small business opportunities themselves.

> *"We say it like this. There are jobs that we can give to each other if it is good at generating an income, or they can bring us business, which is also lucrative. We will take it because our income is very low. We don't have any support because the support comes through the (reserve) office, it has no jobs for us. If a lady passes here and says madam do you have any problems? Then they will assist her or gives her the direction to progress, but there are no such people."*
> (Shebomeza)

Support for victims of HIV/Aids is controversial in the villages. People with HIV/Aids received both financial and medical help by NGOs and the government. Those infected often have higher incomes and their families receive a higher standard of living through this support. Villagers feel that there is an incentive to become infected so that additional aid, income, and opportunities can be bequeathed on the family.

"They are continuing to destroy people because if you compare a person with AIDS and the one who doesn't have AIDS, the one with AIDS has better health. Those with good health are trying hard to spread it to school children because they are sure of getting a nice diet. Now my question is, if the government wants to eradicate AIDS, it is us Tanzanians that are suffering. My concern is these small children whom you find that are left alone/orphans because of AIDS. My point is that the government would take tests of all the people men and women, me inclusive. The government should call upon all the people to take the test so that the disease can stop spreading. The situation is very bad. Formerly, one would walk from here to Mombo without any problem but today people are very afraid. You don't know if a person you will meet is a rapist. We have school children who meet a lot of obstacles on their way back home (from school). We have infected children nowadays, but it is the government that is bringing AIDS because people have a better life." (Shebomeza)

7.7   Conclusion

Amani is clearly the most remote research site within this study and the people are the poorest. While new opportunities are being presented to accommodate the villagers' isolation from natural capital, education limits gains in these endeavors. The use of middlemen to reach larger markets, knowledge of health care to improve their stamina, and tourism specific opportunities leave the residents of ANR dependent on researchers to provide the opportunity to improve livelihoods. The deficiency of tourism specific projects results in tourism specific businesses leaving the area to supply with much of the same produce that is grown in and around the reserve.

Chapter 7 looks at Arusha, the main tourism gateway into Tanzania. The area studied was Arumeru District, the main thoroughfare between Kilimanjaro International Airport and Arusha Town, the start point of most safaris. Arumeru District is also the home of Arusha National Park, Mount Meru, and a number of upscale tourism hotels. This area of urban villages faces a number of unique challenges, but also a number of similar situations that were found in Pangani and Amani.

CHAPTER 8 – ARUMERU DISTRICT, TANZANIA'S WILDLIFE PARADISE

Arusha Region is located around Mount Meru in the northern section of Tanzania and is the tourist gateway to Serengeti National Park, Mount Kilimanjaro, and the Ngorogoro Conservation Area. There are approximately 2.1 million residents in the region. Because a large portion of land is protected around the national park, the inhabited areas are some of the most

Mount Meru and Arusha National Park, Arumeru District
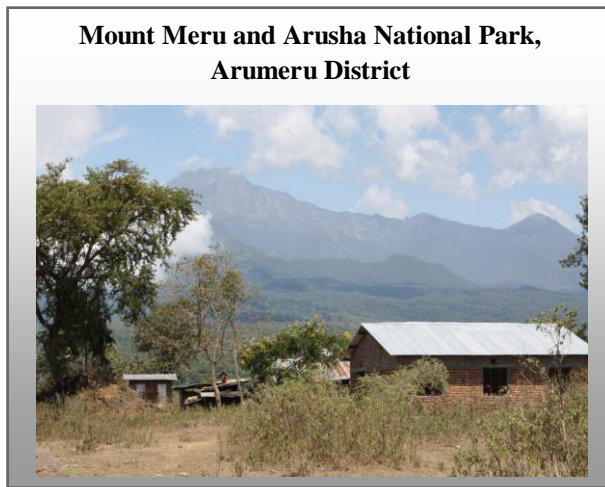
densely populated areas in Tanzania. The region is divided into five districts, of which Arumeru District houses just above 40 percent of the region's population. Arumeru is located directly between the urban center of Arusha Town and the Mount Kilimanjaro International Airport and encompasses Mount Meru and the Arusha National Park. All tourists that visit the northern tourist circuit must pass through Arumeru District.

The rich natural amenities in Arumeru District have encouraged a number of 5-star hotels and resorts throughout the district. As an area that is facing increasing inward migration and competitive land-use pressures, conservation issues have created serious competition between hotel establishments and local farmers is the area. Wildlife encroachment and watershed issues dominate the discourse (Mbonile 2005, Rodgers, Melamari, & Nelson 2003). Furthermore, development funds distributed by the Tanzania National Park Authority only support villages directly neighboring the park boundaries, creating an uneven distribution of benefits. Nongovernmental organizations are widely found in the area and most support occurs around

HIV/AIDS awareness, orphanages, and faith-based charities. Hotel and tour operators expressed that they regularly donate to local aid agencies that support neighboring villages.

Arumeru District is a series of tightly packed urban villages with many of the same social constructions and agricultural-based industries as the villages in Pangani District and the Amani Nature Reserve. However, the sheer volume of inward migration leads to urban problems such as overcrowding, unemployment, and crime. My visit to Arumeru occurred shortly after the economic crises hit Tanzania, resulting in the closure of a number tanzanite mines, a reduction in tourism numbers, and lower cash crop prices. Crime, drug use, and vagrancy noticeably increased during my stay. Many expatriates frequently expressed concerns over their continued safety as economic conditions worsened. Corruption was far more prevalent and transparent is the area, especially with village officials and local police.

Figure 6: Map of Arusha Region, Tanzania
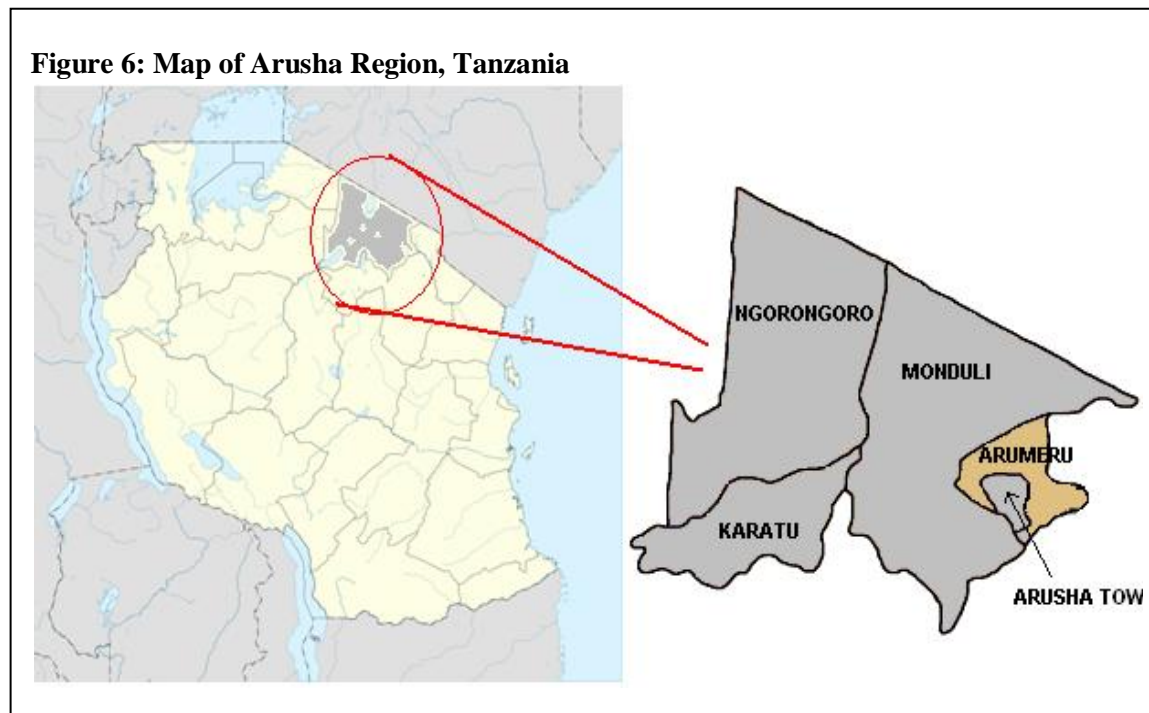
Infrastructure is unevenly developed throughout the area. The Moshi Road that connects Moshi and Arusha Town, and on which lies the airport, is well maintained although heavily

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congested. Water networks have been established to many of the villages, but increased

construction and outdated systems create regular water shortages. All east-bound bus routes pass

through the major towns of Tengeru and Usa River, as well as numerous taxi stands and daladala

options for residents and tourists. However, not all villages are located along Moshi Road, and

once of the beaten path, road, water, and power supplies deteriorate quickly.

8.1   Research

I spent 2 months living and volunteering in the town of Usa River in the winter months of

2009. I worked closely with a number of aid agencies and employed local villagers to help

conduct 6 village focus groups, one tour guide focus group and over 15 personal interviews with

local business owners and hotel staff (Table 32). I also talked with six hotel owners, all of whom

were expatriates.

Table 32: Village Focus Groups in Arumeru District			
Village	**No. of Participants**	**Approximate Population**	**Number of Tourist Hotels**
Maji Ya Chai	7	3,000	5
Nguruma	8	4,000	2
Patandi	5	1,000	3
Uswahilini	7	3,500	3
Ngongongare	30	1,000	2
Usa River Widows Group	20	25	1
Regional Tour Guides	20	N/A	N/A

While living in Arumeru, I rented a room at the Siafu Guest House in Usa River. The

project was started by an expatriate hotel owner who created a support group for HIV widows in

the area. The three bedroom house is rented to visiting NGO workers and cost-conscious tourists

on a nightly, weekly, or monthly basis. Living in the center of town allowed me to become

familiar with my neighbors and their lifestyles and witness many of the social problems affecting the area.

Some village focus groups were conducted in Swahili, while others were conducted in English depending on the participants' preferences. I always used a translator in case there were difficulties in communication. The interviews were recorded then sent to Dar es Salaam for transcription and the Swahili sections were translated by two independent translators. Twelve

Ngongongare Focus Group

grand tour questions were used as a guideline (Appendix A) and additional questions were asked based on the responses and concerns of each individual group. Each focus group lasted approximately one hour and concluded with an open question and answer period where village specific advice and personal information was provided to the villagers. These question and answer periods ranged in duration from 15 minutes to one hour depending on participation. For personal interviews, only notes were taken and will be used as background information in presenting the focus group data.

The data was then analyzed in Nvivo® utilizing the themes found in Chapters 5, 6, and 7 (Formal and Informal Political and Social Leadership, Pangani District, and Amani Nature Reserve). Due to the nature of the grand tour questions used in conducting the focus group, the character of the themes varied slightly from the themes in previous chapter 5. Also, the culture and lifestyles of Arumeru residents showed different concerns than those of Pangani (Chapter 6) and Amani (Chapter 7). Specifically, job opportunities, specifically those in tourism are far more

prevalent in the Arumeru District and residents have much more exposure to tourism as an industry.

In total, there were five themes and seventeen subthemes: Community (definitions of community and migration); Private Enterprise and NGOs; Tourism (attractions, tourist behavior, and affects of tourism on communities); Employment Opportunities (benefits of jobs and benefits of self-employment); and Barrier to Economic Participation (finance; education; government; economic; community-based; property rights; social, political, and cultural exclusion; and miscellaneous including corruption and aid dependence). See Table 33 for details.

Table 33: Arumeru Interview Themes	
General Themes	**Sub-themes**
1). Community	A). Definitions of Community
	B). Migration
2). Private Enterprise and NGOs	A). Private Enterprise
	B). NGOs
3). Tourism	A). Attractions
	B). Tourist Behavior
	C). Affects of Tourism on Communities
4). Employment Opportunities	A). Benefits of Jobs
	B). Benefits of Self-employment
5). Barriers to Economic Participation	A). Financial Constraint
	B). Educational Constraints
	C). Government Constraints
	D). Economic Constraints
	E). Community-based Constraints
	F). Property Rights
	G). Social, Political, and Cultural Exclusion
	H). Miscellaneous – Corruption and Aid Dependence

8.2   Community

The theme of community once again includes definitions of community and migration.
With the constant flux of people in the area, residents of Arumeru were more inclined to define
their community using formal village and ward barriers that are separated by different
governmental administration units. Again, these political barriers also created natural
partnerships in community development as a single village would be responsible for supporting
primary school construction and the ward would manage the secondary schools.

> *"Our country is Tanzania. Tanzania is divided into twenty regions. Among twenty regions, this is Arusha Region. Arusha Region is divided into five districts in this five districts Meru is among them, isn't it? And within the Meru District, we have three divisions, divisions of Tarafa ya Poli, Division of King'ori and Division of Mbuguni. This is within the district. Now within this Poli Division, which includes Akeri Ward, Seilaseisu Ward, Nkwaranga, and Usa River, you see. Within the wards, Akeri Ward, now, is one includes our Patandi Village, Nguruma Village, and Akeri Village. Ok? So in our Akeri Ward, I have already told you, we have three villages. This is Patandi. It is one among the villages in Akeri Ward. So when you are talking about community, community is a jamii. We relate to each other as I told you before. For example, in development projects, let's say in building school, health centers, infrastructure, we have a road which we use for communication within the ward. There are roads used by residents from each village. We combine and make correct. We remove water rain water from the road. The project of the pipe water, we invite all villagers to arrange together to drill the furrow and to lay the pipe. We relate to some projects and if we are raising fund we contribute as a village and as a ward."* (Nguruma)

Street Scenes around Arusha
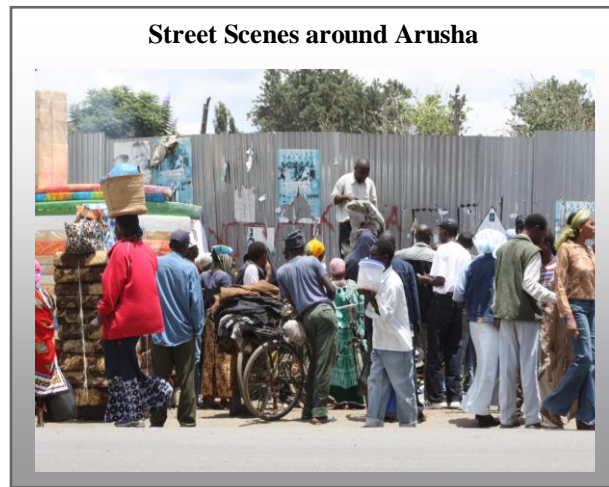
Because of the extensive industry around the region, inward migration is evident in the area. People from villages around the country come seeking jobs in the mining industries, flower and coffee plantations, as well as within the hotel industry.

> *"Because Arusha is a tourist town, we get a lot of people from the villages. From the villages, they come seek(ing) jobs. They are many. As you know, people come to seek jobs, but as their number increases, they hardly get jobs. That is, on the other hand, costly as well. People have to look for places to live and every one of these has his own characters. So you find that things keep on changing."* (Maji Ya Chai)

With the constantly changing population, increases in crime have made life in the urban villages very difficult. Drug use is increasing, especially the use of khat, an amphetamine-like stimulant cheaply grown in neighboring Kenya (Ubwani, 2009). Increased drug access has also increased rape rates in the area and women rarely travel at night, even in groups. Locals told many stories of street crimes that had affected members of their families. Many of the NGO workers in the area had been robbed, mugged, or worse. I heard stories of a few whites that had been murdered in robberies gone awry. Communities in Arumeru District face ever increasing challenges to their economic development.

8.3   Private Enterprise and NGOs

The theme of Private Enterprise and NGOs refers to aid agencies and hotel operators in the Arumeru Region. While there are numerous NGO and hotels, again most organizations are focused on HIV awareness, women's groups, and orphan care. The Netherlands Development Organization (SNV) is the only tourism NGO in the area. Most of the hotels are upscale are rarely interact with villages, although are actively involved in donating to the NGO operating in the area.

Most of the hotels in the Arumeru District are owned by large international chains, hotel conglomerates, or by expatriates and Indian Tanzanians. Through interviews with many of these properties, it was established that most hotels have their own plantations and grow their own vegetables. Meat was imported from Kenya or South Africa and alcohol and other food products were purchased in Arusha Town, either at a large-scale grocery store or from import companies. Fruit was bought locally and fish was brought from the coast regions of Tanzania. Villagers felt that their food quality was a concern. With the size of these establishments, it meant that hotels preferred to pay on credit or with checks which could not be accommodated by local merchants.

> *"They prefer buying things from Shoprite. They see that the products in our markets are not of good standard, the standard they want. What they do is they pay by check. It is a matter of entering an agreement with them so that we can do business. They can enter a contract with the business people. They say we shall be supplying certain products to a given shop and then they make a business agreement with such people, so they hardly go to a specific citizen. That's a bit difficult. It is difficult, especially security-wise because that's the food that they eat in their own country."* (Nguruma)

Hotels also tended to hire hospitality school graduates who are rarely from the villages in the area.

> *"In those hotels, they don't employ a person unless s/he has the required*

Hotel in Maji Ya Chai
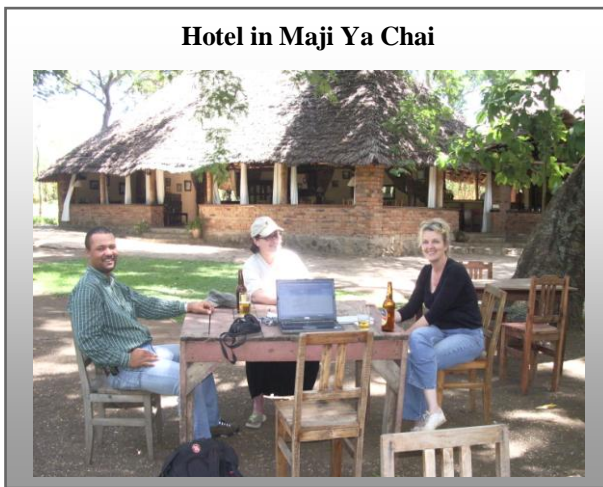
> *qualifications. Therefore, when our people go there to ask for jobs they are told to come back to the village offices for the introduction letter. Even when they go back, if their CVs do not meet the required qualifications, the hotels will still only take people who meet those qualifications. Therefore, they encourage people to study more about tourism and hotel management so that they may work for such hotels. But there are other jobs which are not hotel oriented, for instance accounting and materials management. Such jobs are taken by the*

professional people and they need people who are nearby in order to avoid costs.
You know an employee who comes from far has a lot of costs so s/he becomes a
burden to the company or hotel." (Ngongongare)

In my experience, I saw a number of local residents working as gardeners, servers, and maids in many of the hotels. Every focus group could list of a number of villagers who worked or had worked in the hospitality industry in the area. Employment was always the first benefit of tourism mentioned by the groups.

One of the key frustrations mentioned by the villagers was the hotels use of water and road services without paying for upkeep and maintenance.

"Yes, there are problems. First of all those tourists/investors we have in this
village use water that has been brought by villagers and even when it is scarce
the white man will continue watering his creeping grass while the target people
miss out. That has brought about a conflict which still exists up to now. Another
thing, when we construct our roads, we put our roads like this and the same
tourist is using the road. But it is the village that put it up and incurred costs.
You will find people, ladies like these, digging while the whites continue to pass
and go." (Ngongongare)

NGOs in the area tend to focus on HIV related problems such as widow groups and orphans. Many of their funding does come from tourism organizations or from direct contributions by tourists themselves.

"There is a centre for the disabled
children. There are times when we work
for them. We want them to assist us but
they say that the profit they get at
Kigongoni is used for the centre of the
disabled children. That centre serves
the children of our entire community. So
when they give us such an answer we
find them quite right despite the fact that
they are also supposed to contribute
something." (Patandi)

Usa River Community Center and Rape Crises Center

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The Tanzanian Cultural Tourism Program is effectively operating in the villages around Arusha Town. Most programs in Arumeru District involve half-day or full day hiking tours of Mount Meru, village tours, and local meals. SNV requires villages to be actively engaged in cultural tours before admission and support can be provided by the Tanzanian Cultural Tourism Program. Many villages have begun to organize tours in hopes of being admitted to the program. Some of these programs are run by the entire village, others by entrepreneurial individuals who receive support from neighboring farms and schools. Direct competition exists between villages fighting for a limited number of interested tourists. However, without outside help, the villages are often disorganized and lack marketing avenues to succeed.

One hotel owner has begun a guest house (Siafu House) that is designed to support widows of HIV. Because this is the house in which I resided during my research, I was able to interview the recipients of this project. After two years in existence, the widows group is losing interest in the project because overhead costs have left very little income available to be disbursed to the women.

> *"There is nothing good from tourism. We had nothing when we started Siafu, no money and we had to borrow (from the hotel). It cost 5 million TS, and they say we have been paying this back for 2 years. We have not gotten anything out of it yet. (The hotel owner) makes all the decisions. When the loan is paid off, we want to manage our own money so we can get income."* (Usa River)

However, it was later admitted that the widows had received two grants totaling 400,000 Tshillings, half of which was distributed to the women and half of which was used to open a bank account in the organization's name. A lack of communication can often create internal turmoil in tourism-based development initiatives.

As with other study locations, direct support for tourism is hard to recognize. Hotels contribute through donations to NGOs and NGO frequently address the needs of marginalized groups such as widows and children. Because the hotels work behind the scenes in funding

community development, residents are often unaware that they are being supported by hotel operators in the area. Instead, villagers see hotels as users of their infrastructure without compensation. NGOs specifically working in tourism are rare, and those that attempt to develop tourism opportunities can quickly become overwhelmed with requests.

8.4   Tourism

The tourism theme is divided into three sub-themes: attractions, tourist behavior, and the effects of tourism on villages. Villagers were initially asked why tourists come to their area. Table 34 shows the results.

Table 34: Tourist Attractions Mentioned by Arumeru Villagers		
The Environment	Cultural Heritage	Animals
Mount Meru	Water Falls	Tanzanite
Lake Duluth	Hiking	Coffee Plantations
Caves	Good Hotels	Photography

Knowledge of tourist behavior varied depending on the village's location and proximity Arusha National Park and to Moshi Road (the main thoroughfare between Arusha and the airport). Although all villages have tourism hotels nearby, unless tourists are visiting markets, walking to the park gates, or using public transportation, tourists are rarely seen in public. Tourists are highly regarded as friendly and respectful, except when taking photos of villagers without permission.

> *"Many times when they are passing in the market area, they take the photographs and those photographs are not the real ones. They find all that is bad. That's what they take. For instance the day before yesterday, they were in Usa River to work on the project of the children living in difficult environments. If you want to take a photograph of me, you have to tell me and I agree with you to take my photograph. If we agree upon it, I will go to the market there and tell*

the people here is somebody who wants to take the photograph for studies or for his personal use. Then he may take, but they just pass and do that. It is not good. I think many white people want to take photographs, that is their culture. On their side, I think it is not a problem." (Patandi)

Tourists rarely shop in the markets and villagers understand that tourist preferences are different from market offerings.

'They don't come because we don't sell attractive things to them. Can they really buy beans and maize grains? Where will they take them? S/he could like to buy for somebody else." (Maji Ya Chai)

Drivers who escort the tourists have control over where tourists shop and what they buy. Villagers realize that drivers expect commissions and getting drivers to frequent their stores is often difficult.

"Because when you see a car coming with the visitors, you will also see a person guiding them. And he has his own objectives. Even when we spread out our carvings on the road, the visitors can hardly stop unless you buy off the driver." (Ngongongare)

Villagers in the Arumeru District are acutely aware that most tourists have paid their international tour companies, so little tourism money stays in their region. Furthermore, factors that limit tourist shopping expenditures include luggage restrictions at the airport and the export of African art to the tourists' home countries.
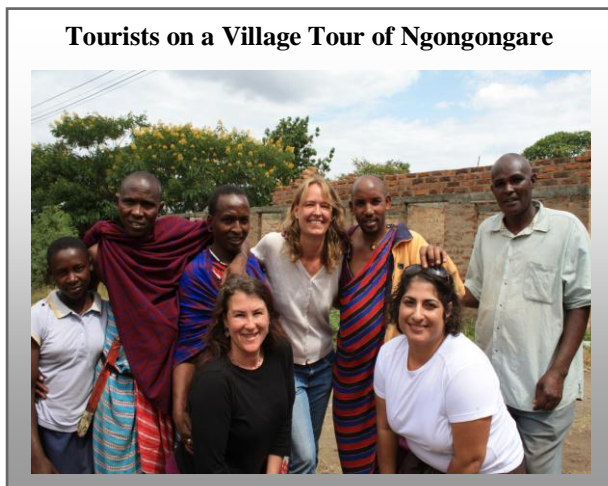
Tourists on a Village Tour of Ngongongare

"Once they come here, they normally have already paid to the company. So they come after they have paid for everything, so it is not their fault, it is the problem of the company. The company is in their home area. " (Patandi)

"It depends sometimes on transportation. When you go to the plane, they have limits on the number of the cases to travel. The weight maybe such as if you have

got more than twenty kilos or more than that, they have to pay too much money." (Uswahilini)

"Yes, other people are also doing business. They take sculptures from here to Europe and USA and they sell there. So when a tourist comes here s/he will compare the price here and that of Europe and find it better to buy in Europe because if he buys from here he will incur transport costs and they are the same sculptures as those found in their countries." (Nguruma)

Villagers discussed the benefits of tourism to the area. Job creation, foreign currency earnings, and community development projects, such as health centers, top the list of advantages created through tourism. Moreover, many individuals have directly benefited from tourist donations.

'Tourism has a lot of benefits, like here in our place we have a centre for street children (orphans) whom tourists visit and decide to support, some from nursery school to form four. Also the lack of clothes and food make these children disturb us, they become a nuisance in the streets. Now without the arrival of tourists, we would go on to suffer. Others benefits, the same tourists come and assist a lot of women's groups. For instance, the other group down the street was assisted. They came and looked at what we women do in our groups and they assisted us. Tourists give us things like cows. They simply gave us, they gave to the entire group. There people's children get school sponsorship." (Maji ya Chai)

Tanzanians value information exchanges and the knowledge held by visitors. However, through these exchanges, culture is eroding and many people feel that tourism is the primary cause of cultural changes.

"Yea, it destroys some of our culture, different trans-culture. We can see the transformation in Tanzania. You can feel it in Arusha. The people who are living in Arusha, they don't follow their tribes nowadays. They learned so many different things from the tourists. They forget where they come from, a different culture. Even the way they are wearing." (Uswahilini)

People in the Arumeru District have had the greatest exposure to tourism and tourists out of the three study sites in this research. They still have a very positive opinion of tourism and have had more exposure to the generosity of tourists to the area. Yet, they feel excluded from the tourism industry and are frustrated by their inability to break into the tourism value chain. Their

biggest frustration is with the tourism hotels that isolate the guests and often bypass local supply chains.

8.5   Employment Opportunities

Arumeru District offers a number of employment and self-employment opportunities. Residents were well versed in the benefits of each, but still overwhelmingly preferred self-employment to wage employment. Unlike Pangani and Amani, business ownership spanned industries outside of agriculture and fishing. Many residents owned shops, stores, and made garments or crafts.

Discussions on jobs in the tourism industry resulted in many mixed opinions. Some people felt hotel employees were poorly paid and treated like slaves; others viewed tourism jobs as lucrative. Tour guide jobs were viewed in a better light because of the freedom resulting from flexible scheduling. Nobody really seemed to understand how much workers make or that there were minimum wage laws for tourism workers.

> *"Tourism work is a very good one only that you cannot get paid daily because it is just like a contract. When the number of tourists is huge, you get money during that period. But when there are no tourists, there is no money. They are being paid thirty or forty thousand and probably the same person is renting a room as he wants to get independent of his parents. That's almost nothing, so you find one cannot even build a house and as a result he stays at home. The work is good but the payment is very low"* (Ngongongare)

> *"In order to protect your work, to protect your job opportunity, you have to make sure you follow each and every thing your boss is telling you. I don't mean that we are here maybe fishing some troubles, but many bosses think that they are right in everything.   So I think if you own your job you might have got enough chances of deciding by yourself. But employed by somebody else means that you have to follow, if not your boss, the administration or the board of administration."* (Nguruma)

Self employment is valued over wage employment by the residents of Arumeru District. Self employment provides freedom to set your own schedule and participate in leisure.

> *"Self employment is better than wage employment because when you are employed by somebody else you are like a slave, you must wake up early in the morning at around 6:00 am. But when you are self employed you simply decide your own time to wake up, like I will wake up at this time and do this and this."* (Maji Ya Chai)

Self-employment also secures a person's future and provides an investment for old age.

> *"Friends I am saying employing oneself in your business is better than being employed by another person. In the latter, the employer wants to know what he gets from you and we have witnessed a lot of people do such jobs till old ages without securing even a house or anything."* (Ngongongare)

Many of the villagers had innovative ideas for new businesses that could be supported by tourism such as craft shops, walking tours, and campgrounds adjacent to farm land. Wage employment is a necessary stepping stone as income saved usually provides start-up capital for businesses. However, tourism employment is seen as hard work with small financial benefits.

Local shop in Ngongongare

8.6   Barriers to Economic Participation

Barriers to economic participation found in the sustainable tourism literature include: finance; education; government; economic; community-based; property rights; social, political, and cultural exclusion; and miscellaneous which includes corruption and aid dependence (See section 5.4 and Appendix C for more details).

Financial constraints include a lack of financial resources, a lack of borrowing capital, and financial regulatory restrictions (Hampton, 2003). Unlike Pangani and Amani, residents in Arumeru have many microfinance options, both through local bank branches and through NGO sponsored programs. Property rights are more established in the urban areas and many participants used houses as collateral for small business loans.

> *"In many cases you can't have access to a loan in a bank unless you have fixed assets. Those fixed assets are normally certified; we can even certify them at the village office and take it to the bank so that the required loan may be issued. The problem that sometimes happens is that people misuse the loans they get from banks and that leads to selling out their collateral to recover the borrowed money. In most cases they try hard to use it properly."* (Nguruma)

Many of the interviewees had also used microfinance (non collateral based loans) and felt their success was partially attributed to these opportunities. However, having a track record in business was vital for loan approval. This track record was usually established through a work history, such as government employment, agricultural endeavors, or trade work.

> *"They normally advance loans to people who have already put something on the ground or established businesses, not the start-ups. He is sure of paying back. No, if you are starting, you have to use your brain. They mostly prefer businesses which are already established. They write a permit and allow you to get that money."* (Ngongongare)

Repayment is difficult although many interviewees had repeated the loan process as a means to grow their businesses.

> *"I only started buying maize grains and beans and sold bit by bit. When they started giving out money, I also went to register and received a loan and went on like that. But paying it back is very difficult. It is like this, you take the money this week and pay it back the following week. They get loans just like that, and then they grow slowly."* (Maji Ya Chai)

Success through microfinance expansion by the Tanzanian government can be clearly seen in the urban areas around Arusha. Residents have a number of loan options and clear

property rights give them collateral to participate in financing options. Although residents feel repayment is difficult, many people claim that their business success can be attributed to increased access to financial capital.

<u>8.62   Education</u>

The quality of education in Arumeru District is much higher than the quality of education in the other study sites. Even those with only a primary school education speak English well and have used computers in the local internet café. Villagers did not discuss overcrowding in schools or teacher quality. Instead they were concerned about the cost of education and their lack of business knowledge, especially in marketing themselves to tourists.

School fees are often paid in food products rather than cash. Since not all villagers are farmers in this area, many found school fees difficult to acquire.

> *"But concerning education, we did not talk about the problems public schools face, primary schools in this regard not secondary schools. You are told to take a 20-litre container of maize, three thousand for fuel and sugar. If you are not well off, you cannot afford those expenses, they are very high. They say primary education is for free, but it is better that we were told to pay five thousand. That would be much better instead of being told that take the three containers of maize, whereas I don't have even maize for food at home, where do I get the three containers of maize? I have no money, I have no farm, no job to do that I could get maize and still I am told to pay money for the guard. I don't know five thousand for the guard per one pupil. It is better to establish the payment in cash."* (Maji Ya Chai)

Many of the villages have businesses ideas that relate to tourism. However, even those villages with establish programs, access to the tourists is difficult. Knowing that tourists pay for their excursion before arriving in Tanzania, they believe advertising internationally is key to their success in tourism.

> *"Concerning tourism here in Tanzania, for the indigenous person like me, I might be having a plot. What is amazing is that even if I start tourism activities, they won't prosper because one is required to be well set, why should a person all the way from Europe come to visit here? There is no body like me in this*

village who can receive a visitor because a visitor comes following someone's name. A visitor comes from Germany because of your name. For example, I have opened my culture there at home but I don't get enough visitors unless I beg. That being the case, the visitor will give me 1USD or 2USD instead of 5USD because that is something out of his/her timetable. I already have carvings and other items there and I am a good designer, but it would be by luck that I can get to the hotel to sell my products. If I get to the hotel I will be chased away." (Uswahilini)

Villagers are aware that advertising technology could advance their efforts, but access and technological knowledge constraints them. Designing and displaying advertisements are beyond their current capabilities.

"You know tourism needs to be marketed. If it is known in Europe that tourism sites are here at Ngongongare, or when tourists arrive at the airport KIA (Arusha International Airport). When they arrive here, they don't recognize us because we are not yet well marketed in Europe. Alright, there is a style that our colleagues have come up with. They use computers to register themselves. People read the contents there and come to visit. That knowledge needs some expertise and it is still hard for that technology to reach us here in the village. People use computers to advertise their products worldwide. Let that technology assist us to advertise our products. Therefore there is no visitor who comes here in our village, s/he might not be aware of the place and if you try to direct him, you are prevented completely to do so." (Ngongongare)

The residents of Arumeru District have extensive knowledge compared to the residents of Pangani and Amani. This knowledge has provided a number of opportunities for the residents, but further work is needed. School fees are still a burden to families, especially those with large family sizes or caring for orphans in the extended family. Furthermore, their knowledge of tourism has made them aware of the advantages of technology, especially when dealing with international villagers.

<u>8.63   Government</u>

In Arumeru District, most of the government complaints stem from the Tanzania National Parks (TANAPA), and corruption at the local level. Corruption will be discussed in more detail in section 8.68.

With Arusha National Park situated in Arumeru District, TANAPA plays a major role in development initiatives in neighboring villages. TANAPA's Support for Community Initiated Projects (SCIP) fund was established in 1992 and works with communities bordering or close to National Parks. It emphasizes support for community initiated projects by donating 7.5% of each park's operational budget. In order to access the SCIP fund, communities must established procedures, including community-wide meetings on the projects to be supported. Villages then presents an application letter outlining the request, the amount of money requested, project description, drawings and cost estimates. District authorities must be involved and all projects must have approval from the Park SCIP committee. Generally, the Park contributes up to 70% of the project cost and the community contributes the remaining 30% (www.tanapaparks.com, 2009). Only two of the villages interviewed received funds from SCIP, Ngongongare and Maji Ya Chai. Both villages felt the park had benefited their village, however TANAPA was not helpful with animals destroying crops. Reimbursement was promised but rarely received.

> *"Our government has tried to protect some areas but not all, and due to that point of view, you will find the quality of agriculture is dropping and thus negatively impacting the community in terms of poverty. This problem arises when somebody's farm is destroyed and s/he tries to consult the reserve management. They don't have help apart from advising that we should not harm the animals. We should build a good relationship but we are not even allowed to hunt because if we are caught we can be killed so it brings some sort of hostility. The government should see to it that they put a fence so that animals can stop coming into people's farms. Because of this same environment, our animals are being affected by diseases, and you find that the medicines are expensive. Ticks are increasing in number because of wild animals. So you find than animal husbandry is lagging behind."* (Ngongongare)

Government constraints take a different form in Arumeru than in Pangani, but rival the frustrations felt by residents of Amani. In this case park management causes the greatest disturbances for villages neighboring Arusha National Park. Villages further away from the park feel that they too are entitled to development funds even though they do not suffer from the same problems, primarily agricultural destruction, facing closer villages.

8.64   Economic

Economic constraints mentioned in Arumeru District include deflation in the prices of goods sold, and a lack of infrastructure. Villagers in this area also had a better understanding of how the world markets affect the village. This awareness may be attributed to the global economic crises that hit Tanzania during my stay in Arumeru.

Villagers complained that market prices were rapidly decreasing, rather than increasing as found in the other research sites.

> *"It has affected us because even the market could be better all over the world. That means money circulation could be high and that's why everybody complains about lack of money. The global financial crisis could be a reason that why money is difficult to get because the market is not that good meaning that even the economy is dropping."* (Nguruma)

> *"It affects us, that's why you hear people complain about money being scarce. You find that a person has a child who wants to go to school but money circulation is so limited to sell even a goat. Instead of getting a substantial amount of money, one gives you only five thousand or ten thousand which cannot help you solve your problem. If money circulation was high people could buy a goat for fifty or sixty thousand and that could help one solve the problems."* (Maji Ya Chai)

Each day there were noticeable changes in the price a farmer could receive at the market.

> *"(If) the situation is good, that means instead of selling say a cock for two thousand, you sell it for five thousand. The latter would be a good price for me but because the world market is bad I go to Kikatiti and I may sell the cock for one thousand and five hundred, that's already a loss for me because that money cannot cover my needs. It is currently sold for four thousand and it rose a few days ago, before it was two thousand and five hundred."* (Uswahilini)

Villagers realize that they are dependent on industry that brings opportunity to the region. Industry is usually run by foreigners, such as the hotel owners.

> *"Frankly, we have no way to prepare ourselves because there is no business that we are doing. We depend on the whites and the beans that we take to the market"* (Ngongongare)

Inward migration has caused shortages in the water around Arumeru District. Having worked with NGOs in the area, I know that the theft and resale of water from the pipelines is a lucrative business. Water is piped built from water sources in Arusha National Park through a system that was built during the colonial period. Most of the water is high in fluoride and alkaline and considered unsafe for human consumption (Mcharo, 2009). Even agriculture grown using local water sources greatly affect the health of villagers. Water access is a constant concern to the interviewees.

> *"Our pipe come from there, they call it intake. Water comes down from there except that it is small because there are many more migrants compared to the amount of water we get. It's not that we don't like you? We won't expel you right now so that you must go back to your home place (Laughing). (But) the number of people is much bigger than the amount of water we get. Before you migrated, we had a share of two people. After you had come, we share four people."* (Maji Ya Chai)

Due to the world economic crises that received a lot of publicity in local newspapers, especially as it affected tourist numbers in the immediate area, villagers were acutely aware of their dependence on the world markets. Instead of inflationary pressures in the area, they were concerned about deflationary problems. Infrastructure issues followed similar patterns to other research sites, although water shortages and water quality were especially concerning to the locals.

8.65   Community-based

Community-based constraints found in the region include limited supply, hotel imports, market access, and security. Hotel imports are discussed in Private Enterprise and NGO theme in

section 8.3 and market access (marketing) is discussed in the education segment, section 8.62. Security is a new subtheme not mentioned in other research areas. Living in an urban area has made these villagers more aware of the affects of crime on tourism businesses.

Limited supply refers to the narrow selection of goods and services provided by local merchants. Since most merchandise comes from local producers, there are only so many products available for distribution. If a person is successful in selling a particular product, it is common for other merchants to sell the same items. Specialization of products is not a common practice.

> *"Businesses are more or less similar. For instance, if you are selling soda and someone else finds out that that business is lucrative, s/he will go and copy the same business. So the type of business activities remains the same. You sell and buy from the same market. You can hardly come up with the different business idea."* (Maji Ya Chai)

The residents expressed a number of business ideas to get the tourists into the villages and out of the all-inclusive hotels. During these discussions, security issues were frequently mentioned. As drug use and crime rates increase, security, even for local residents, is a major concern for businesses and citizens. Villagers are aware that security is vital to the success of any tourism venture.

> *"If possible, (we must) make a good environment for the clients, I mean tourists when they come. Not only for them to spend nights in the hotels, but if possible it can allow us to bring some residences, secure ones, so they can come and we can stay together here. So we can get something from them for the rooms and we can build here. If somebody sees it is a safe place, they can come and stay. And that is why we say we need knowledge and some capital. We forget that."* (Patandi)

Community-based constraints are less prevalent in the urban areas as roads and public transportation provide increased access to markets. Remoteness is less of a factor in economic participation. Instead, villagers are aware of copy-cat businesses, access to tourists, hotel monopolies and exports, as well as security issues that affect their success in business.

8.66   Property Rights

Property rights were not mentioned as a constraint by local villagers in the Arumeru

District. Private property has been clearly surveyed and deeded upon inclusion in the urban area.

> *"If a person has a title deed s/he can sell the land to another person through the*
> *land commissioner. We, here in the village, can protect land which is not yet*
> *apportioned. The village can apportion among the people the piece of land*
> *which is not yet allocated to any person. (The village of Kigongoni) bought land*
> *from the white who already had the title, so what they did was a ownership*
> *transfer from the white to Kigongoni."* (Nguruma)

Furthermore, the National Park has a long established history in the region. While there are

clearly problems between TANAPA and neighboring villages, exclusion from natural resources

was not discussed by interviewees.

8.67   Social, Political, and Cultural Exclusion

Social and political constraints result when there is a loss of sovereignty and decision

making at the local level caused by a lack of consultation by development and government

organizations. As in Pangani and Amani, local decisions are made democratically including all

villagers' input. These decisions often include community development projects funded from

public sources. However, while suggestions arise at the local level, all projects must be approved

at the district level and are implemented based on district priorities. Villagers seemed pleased

with choices made at the district level and often talked about their new schools or dispensaries

with pride.

Outside of community development projects, there is little cohesion between villages

separated by a division in wards. Often villagers are facing similar problems, such as the lack of

water quality and supply, and a number of individual projects are competing for attention and

funding.

"So in case of any problem, each village stands on its own, we have never joined hands to solve such problems because it would be a long process, the reserve area is big, dividing these villages. So each stands on its own." (Ngongongare)

Foreign administrators of the NGOs often socialize together, but village politics make working together difficult. Usa River has built a community center with the intention of offering English classes, opening an HIV center, and a rape crises center. Although the building was donor funded for the whole community, after completion village officials moved into the building, using it as their personal offices. The problem was resolved, but facilities build for all community members are easily absconded by the village political administrations.

While living in Pangani and Amani, I heard villagers discuss the new culture emerging in Arusha. This culture was described as forward thinking, motivated to succeed, and modern. Upon my arrival in the Arusha region, it was apparent that there were many successful businesses and trading outposts in the area. On the surface, the culture in Arusha is not much different than in Tanga Region. Some of the key differences I noticed are an increased interest in education, determination in finding sponsorship for entrepreneurial ideas and increased personal improvement, and increased motivation to be successful. Yet, many of the traditional cultures were still noticeable. Family and kinship ties were important. Orphans were generally raised by extended family even when the extended family had many children of their own. Even though crime is a daily occurrence in the area, people were warm and friendly, and eager to talk to visitors. Muslim, Christians, and traditional religions are practice in the same villages without noticeable conflict. Women have more opportunity in Arusha and often own businesses in their own right. Residents are still inclined towards instant gratification, often burning bridges in the process. Women are expected to marry early. The belief in witchcraft is still widely held and I heard many of the same stories shared with me in Pangani and Amani. Traditional clothing is

still worn by the majority. However, increased vagrancy, crime, and drug use, along with the prevalence of HIV/AIDS, are taking a toll on the communities in Arumeru.

<u>8.68   Miscellaneous</u>

Low-level corruption is highly visible in the Arumeru District. Police stand on the main road, randomly pulling over vehicles and asking for bribes. Villagers believe that tourists are not hassled, but my experience showed that police are indiscriminant with personal vehicles. They do avoid pulling over safari or hotel vans with passengers. In my focus groups, I was often expected to bribe the local village administrator as reimbursement for time and mobile phone usage before I could meet with the village. I paid bribes in two villagers, usually around 5,000 Tshillings each.

Once again, aid dependence is noticeable in focus group conversations. Villagers expect tourists to donate or financially support village projects. Often they see tourism as a means to acquire personal wealth. While on village tours, tourists often commented that people would beg for school fees for the orphans in the households. I, too, was often asked to sponsor a child's school fees by strangers I met on the street.

> *"Tourism is growing and money from tourism is getting bigger but me, as an employee, my salary is not growing. We have a little here, we earn a lot of money, but my salary is not growing. Yes, it is growing, but how about us? Are we growing? Are we getting more money out of tourism that's growing? No. It is because maybe nobody is taking care of us. Or maybe nobody knows what this money is doing. So the best way they can do tourism is growing then they also have to rise up our salaries. Because tourism is growing, economy is growing and prices are also rising and we can't afford to pay our basic needs."* (Arusha Tour Guide)

8.7   Conclusion

The Tanzanian government has made poverty reduction a priority in their economic development agenda. Arumeru District provides insight into many of these successes such

increased access to finance, infrastructure, access to NGOs, educational choices, and tourist numbers. Furthermore, the residents of Arumeru have new and innovative ideas to support the growing tourism economy. Nonetheless, barriers still exist that exclude a majority of the villagers. Getting visitors to frequent their villages, shops, or markets is still a challenge. Migration, corruption, and cooperation between villages hinder any advancement individuals attempt to make. Aid dependence pushes the focus of tourism involvement towards additional donations by the traveler rather than income from tourism in its own right. TANAPA support is unevenly distributed, although it has made a positive impact in neighboring villages. Business ownership is still a priority for community members, and while jobs in tourism are evident, residents feel these jobs are underpaid for the amount of work required.

The preceding three chapters have provided site-specific case studies. Chapters 8 and 9 will bring together the data from Pangani, Amani, and Arumeru through data analysis, conclusions, and recommendations. Both similarities between the study sites and unique differences will be highlighted as a means to guide federal, regional, and local governments as well as local NGOs working in these areas.

CHAPTER 9 – ANALYSIS, INTERPRETATION, AND DISCUSSION

The purpose of this chapter is to explain the data analysis process and present the findings

of the study as they relate to the research questions. The research questions are as follows:

Question 1:   What is the role of tourism and its relevance to poverty alleviation in Tanzania?
Question 2:   What is the range of economic opportunities for indigenous communities derived
                from the tourism industry in Tanzania?
Question 3:   What are the barriers to accumulating physical and financial capital for
                indigenous Tanzanians?
Question 4:   How does access to human, social, and natural capital influence economic
                participation in tourism economies by indigenous Tanzanians?

9.1 Analysis

Once themes were developed from the data, the analyses consisted of assessing

similarities and differences between the study sites. Appendix D shows all themes, subthemes

and topics in the research locations. While each case study showed common themes and

subthemes, the topics in each site varied. For example, Pangani and Amani residents are

frustrated by inflation on household goods and construction materials, while Arumeru is facing

deflation on commodities being sold in the local and global markets. Unique differences in

specific regions can be attributed to specific culture, history, and natural environments facing

each research site. For example, Pangani is dependent on its fishing industry, Amani faces

remoteness as a concern, and Arumeru suffers from high individual competition in access to

tourists and capital. The commonalities were then grouped by research site to determine

similarities between each site to the other sites: Pangani and Amani; Pangani and Arumeru; and

Amani and Arumeru. Figure 7 shows this assessment and specific details are listed in Appendix

D-F.

Figure 7: Similarities and Differences Between Research Sites

Formal and Informal Political and Social Leadership

Modern Hinterland Pangani

Modernization Enclave Amani

Dominant Urban Center Arumeru

Pangani and Amani
Private Enterprise/NGOs - NGOs - Grass Root Organizations - Highly valued
Private Enterprise/NGOs - NGOs - Lack tourism knowledge - Conservation-based
Community Tourism - Benefits of Tourism on Villages - No effects/positive attitude
Employment Opportunities -Wage Employment - Availability- None
Employment Opportunities - Self Employment - Preferred - Higher income
Barriers to Economic Performance - Finance - Lack of collateral
Barriers to Economic Performance - Education - Overcrowding
Barriers to Economic Performance - Economic - Inflation
Barriers to Economic Performance - Economic - Isolated middle/upper class
Barriers to Economic Performance - Economic - Infrastructure - Roads
Barriers to Economic Performance - Economic - Infrastructure - Public transportation
Barriers to Economic Performance - Community Based - Remoteness
Barriers to Economic Performance - Property Rights - Exclusion from resources
Barriers to Economic Performance - Social Capital - Prevalence of special interest groups
Barriers to Economic Performance - Social, Political, Cultural - Culture - Lack of trust
Barriers to Economic Performance - Social, Political, Cultural - Culture - Low risk tolerance
Barriers to Economic Performance - Social, Political, Cultural - Culture - Women

Amani and Arumeru
Community - Definitions of Community - No cooperation outside village/ward
Private enterprise/NGOs - Private Enterprise - Prevalence of monopolies
Private Enterprise/NGOs - NGO - Development based
Community Tourism - Tourist Behaviors - Not seen in public
Barriers to Economic Performance - Government - Regulation on resource use
Barriers to Economic Performance - Government - Lack control of development fees
Barriers to Economic Performance - Community Based - Economies of scale - Lack supply

Pangani and Arumeru
Private Enterprise/NGOs - Private Enterprise - Hiring hospitality school graduates
Private Enterprise/NGOs - NGOs - Human services based
Private Enterprise/NGOs - NGOs - SNV operations
Private Enterprise/NGOs - NGOs - Lack coordination - Competitive
Community Tourism - Attractions - Cultural tourism programs
Community Tourism - Benefits of Tourism on Villages - Jobs
Employment Opportunities - Wage Employment - Availability - Many
Employment Opportunities - Wage Employment - Loss of control - Slave labor
Employment Opportunities - Self Employment - Preferred - Investment for retirement
Barriers to Economic Performance - Finance - Loans are competitive
Barriers to Economic Performance - Education - Modern technology
Barriers to Economic Performance - Economic - Foreign-owned monopolies
Barriers to Economic Performance - Culture - Short-term vision
Barriers to Economic Performance - Miscellaneous - Community aid dependence

All - Pangani, Amani, and Arumeru
Community - Definitions of Community - Political boundaries
Private Enterprise/NGOs - NGOs - Top-down approach/lacks follow thru
Community Tourism - Attractions - Nature-based
Community Tourism - Tourist Behaviors - Do not buy locally
Community Tourism - Benefits of Tourism on Villages - Required community development fees
Employment Opportunities - Self Employment - Preferred - Leisure/freedom
Barriers to Economic Performance - Education - Business skills
Barriers to Economic Performance - Economic - Infrastructure - Water
Barriers to Economic Performance - Property Rights - Pro-conservation
Barriers to Economic Performance - Social, Political, Cultural - Social Capital -Democratic local decision-making
Barriers to Economic Performance - Miscellaneous - Corruption - Low level
Barriers to Economic Performance - Miscellaneous - Aid Dependence - Personal dependence

9.2 Data Interpretation and Discussion

The results are organized by research questions listed in section 1.1.

<u>9.21   What is the role of tourism and its relevance to poverty alleviation in Tanzania?</u>

The Tanzanians interviewed are very enthusiastic about tourism as an industry. They are naturally friendly people who value social interactions with different cultures and are proud to show off their natural and cultural attractions. Because tourists rarely interact with the villages, villagers have few complaints and have rarely experienced conflict with international visitors. There were minor frustrations with inappropriate dress by tourists, especially in Muslim communities, and the unwanted practice of photography without permission and compensation. However, villagers do have conflicts with hotel owners and tour guide companies. White expatriates are not easily accepted as members of the community because of cultural differences and income disparities. Local culture that encourages support of the unfortunate leaves villagers baffled by the hotel owners' indifference to their situation. In turn, hotel owners who attempt to employ socially conscious business practices are overwhelmed with requests for support from village families. Hotels are expected to bring infrastructure to the villages in which they operate, and then maintain said infrastructure because of frequent usage. Hotels are perceived as wealthy, regardless of their economic situations, such as recessions, seasonal visitation, and business start-up burdens. Tour companies frequently require commissions to bring tourists to local areas, and villagers feel that these commissions are excessive and prevent locals from earning a reasonable profit.

Interviewees believe that tourist donations or community development fees, when implemented, are the greatest advantage of increased tourism development for communities. Villages, such as Ushongo in Pangani, have implements a bed tax which is regulated by village administrators. Amani and Arumeru, on the other hand, have government sponsored programs

which collect and disburse tourism revenue to selected villages. Because the government is involved in these areas, villagers feel they have less control over how the revenue is used. However, they are witnessing the construction of schools, markets, water systems, and community centers in tourism destinations. Hotels frequently negotiate grants for these projects and will often provide matching funds to supplement a grant. The community/rape crisis center in Usa River, Arumeru, was instigated by a local Rotary Club and the water system in Shebomeza, Amani, was negotiated by Tukae, who also provided matching grant fees.

Discussion

The Tanzanians interviewed have a lot to offer tourists to the area. Their natural environment, cultural heritage, and unique history have already been acknowledged by the success of the Tanzanian Cultural Tourism Program. The use of exclusive tour companies by travelers continues to isolate visitors from locals as the tourist travels from National Park to National Park in private cars. Villagers feel that creating attractions, above the traditional safari offerings, that appeal to tourists and encourage visitation is the first step in assuring tourism revenue generation. Subsequently, encouraging local-tourist interactions and tourist visitation to local businesses can bring some of that revenue to local populations. In Pangani, for example, Maziwe Island has recently been recognized as a tourist attraction. However, the reef surrounding it is continually poached by outside groups and local villagers feel powerless to prevent further destruction. Since use fees by tourists are sent to the general fund, local populations receive little benefit from the conservation area. Fishermen, who value conservation, feel marginalized when they frequently watch as the best fish are exploited by a privileged few. In their opinion, the government has set aside resources for elite groups such as tourists and commercial fishermen. Arumeru has begun to provide attractions beyond the national park, as many villagers have simple museums which can be accessed by tourists in neighboring hotels.

However, the lack of support by hotels in promoting these local sites and the practice of isolating the tourist inside all-inclusive hotels or vehicles during transit creates low visitation for these community owned attractions. Tour operators often charge high commissions to bring tourists to these sites, and villagers feel the commissions are excessive and eliminate profitability. Because most of the NGOs in the research sites are not tourism focused, there is a lack of tourism specific knowledge available to disseminate to community members, such as the type of attractions that encourage visitor participation and how to market attractions so that tourists are aware of their presence.

The Tanzanian federal government is willing to build infrastructure if villages provide some form of matching money towards capital projects. Tourism has already provided a number of villages with funds to develop schools, markets, and other development initiatives. Furthermore, hotel construction has provided electricity and roads to remote areas. Tourists are willing to donate to special projects, such as orphanages, school supplies, and health centers. However, aid dependence has left many communities waiting impatiently for help to arrive. By encouraging increased tourism, villagers are forced to justify these donations and tourism has shown to encourage projects in which all members of society must participate (such as the Usa River community center). The collection and allocation of tourism donations can create solidarity within a village. Unfortunately, low level corruption and a competitive culture can hinder these projects if an unbiased outside organization is not available to mediate and ensure proper accounting processes. Villagers are frustrated by government control in community development, but at the moment local village administrators do not have the skills to adequately account for revenue. That said, according to the interviewees, it is unclear how transparent the federal government has been in the collection and proper disbursement of development revenue. Programs like the Tanzanian Cultural Tourism Program have provided tools for communities, but

more organizations are needed as the list of villages interested in tourism programs is increasing rapidly.

Outside of development fees and government support, the participants in this study believe that tourism businesses, especially the hotels, should play a greater role in poverty alleviation at the village level. This research found ample evidence of local hotel support through the construction of facilities and educational programs for local participants, although villagers quickly forget where this support is derived from. For example, in Amani, none of the villagers were aware that Tukae had facilitated the funds for the water system. There was also extreme jealousy from villagers not actively involved in job creation and skills development programs sponsored by hotels and other tourism businesses, even though these programs could only accept a certain amount of participants. Often hotels would become overwhelmed with the number of requests for help in their local area. The perception was that these programs only benefited a few people, not the communities at-large. Furthermore, the expectation of outside help has facilitated aid dependence, where villagers blame their woes on hotel owners who are expected to invest heavily in the community.

9.22   What is the range of economic opportunities for indigenous communities derived from the tourism industry in Tanzania?

At the individual level, villagers believe employment creation, both wage and self employment, are the greatest benefits of increased tourism. Tourism jobs are regarded as lucrative, although they are considered unstable and hard work. In general, Tanzanians do not attach importance to western working values, such as timeliness and keeping busy throughout the work day. They prefer flexible schedules, value family and social time, and invest their energies into cultivating relationships that have historically provided emotional support during times of hardship. Instead, villagers believe that increased self employment opportunities are a better

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solution for poverty alleviation because it provides people with the ability to manage their family, farm and social obligations while increasing earnings over the long term and providing retirement and inheritance options later in life.

<u>Discussion</u>

Currently, local villagers play a minimal role in tourism economies. Hotels in rural areas tend to hire employees from the urban areas where education and English skills are more advanced. In the urban areas, hotels are more likely to hire hospitality school graduates rather than locals. These practices make migration mandatory for hotel employees. Hotel jobs are also time intensive, requiring employees to choose between family and farming obligations and their employment obligations. Hotels try to accommodate family emergencies, but large family sizes and frequent illness make demands on the individuals' time. Often hotel employees will leave their jobs in order to fulfill these outside commitments.

Currently, many hotels do not utilize local supply chains. The exception is fish and fruit, which is purchased from local vendors. Local fish is usually only purchased to feed local staff, as tourists prefer species of fish that require advanced fishing technologies utilized by commercial fishing companies. Meat is purchased from Kenya or South Africa where the quality is better. Alcohol, soft drinks, dairy, paper and cleaning supplies, dry goods, and vegetables are usually purchased from grocery stores or import companies. There are three reasons for these practices. First, hotel owners prefer the convenience of shopping for all goods and services in one location. Usually hotel operators will dedicate one day each week to the purchase of all their supplies and are willing to travel great distances in doing so. Second, local supply is fairly limited because all farmers tend to grow the same produce and are dependent on seasonal production. Locals may be unaware of non-agricultural products commonly used in hotels and because they are rarely used by local populations, small businesses are less inclined to carry them in inventory. Third, locals

perceive hotels as cash cows, and frequently raise prices when dealing with expatriate businesses. Hotels owners have access to increased knowledge of the market and are able to price shop. Villagers do not travel outside their area as frequently and are unaware that they face stiff competition from urban areas. In response to some of these challenges, hotels have begun to cultivate their own produce.

Self employment allows individuals the opportunity to maintain social contacts, embraces local cultural values, such as leisure, and provides stability for the long term through the accumulation of assets for retirement and inheritance. Job creation is valued as a means to provide an increased income base for the community, but on a personal level, these villagers do not want to be employed, especially in the tourism industry where work is considered hard and the work week long. The villagers interviewed prefer access to the tourism value chain, especially through agriculture purchased locally and opportunities for craft sales to tourists.

9.23   What are the barriers to accumulating physical and financial capital for indigenous Tanzanians?

Local villagers in Tanzania face some form of all of the barriers to economic participation discussed in the literature: finance; education; government; economic; community-based; property rights; social, political, and cultural exclusion; and aid dependence and corruption. However, these constraints manifest themselves differently in each research site. Barriers to physical and financial capital are derived from financial and government institutions, economic conditions, and property right practices (as it relates to land tenure) in Tanzania.

Tanzania has actively been seeking financial reforms at the macroeconomic level, but these reforms are only slowing affecting the livelihoods of rural populations. Bank usage is increasing in Tanzania with improved branch access which is providing loan options for many Tanzanians. However, these loans still remain asset-based and do not translate into increased

economic opportunities for rural villagers. The federal government has begun a micro loan program, although the demand for these loans exceeds the supply. With an interest rate of 24 percent, the loans are difficult for villagers to repay. Micro loans through NGOs are also increasing; however these are rarely tourism specific, as there are minimal tourism NGOs in these research sites. Start-up capital must be acquired through inheritance, retirement payouts, or from family members.

The government has reduced a number of bureaucratic barriers, including business license fees and application requirements to encourage the formalization of business ventures. However, it has placed priority on federal revenue collection over local revenue collection. The practice of sending locally derived conservation and business tax revenue to the general fund reduces participation in tourism by further marginalizing local villages. Regional offices face revenue shortages for business education programs, technology improvements, and lose support for conservation initiatives when villagers see a lack of development support locally. While the government attempts to transfer some of this revenue back to communities, often it is misallocated to different regions or the government maintains tight controls over how that revenue is to be used.

Economic barriers are much harder to placate as they often depend on national and international economic situations. Inflation and deflation are apparent in all research sites, although they have different impacts levels in different areas. There is a growing middle class in Tanzania, but they live in urban areas. While they frequently send remittances home, they do not provide investment to the rural areas. Limited marketing of rural tourism destinations make communities outside of the Northern Circuit more susceptible to tourism volatility. Foreign owned hotels are increasingly become self-sufficient, further reducing local participation opportunities.

Property rights are becoming better established in urban areas, but limited resources make land tenure difficult to remedy in rural areas. Traditional land tenure rights provide communal land for villages which is cultivated and managed by village administrators. Uses for communal land are often contentious as different villagers have different ideas about what to grow and how to disburse revenue from the receipts of these agricultural products. Land tenure affects local involvement in financial markets by decreasing the availability of collateral.

Discussion

Physical capital refers to assets used in production and can include machinery, technology, infrastructure, and buildings. Villagers in Tanzania have limited access to physical capital because of the financial investment needed in acquisition. Technology is more prevalent is higher developed areas, such as internet access, cell phone service, and automobile usage. Unfortunately, the knowledge needed to access this technology is not growing at the same rate. For example, most internet café users are young and older adults expressed the need for training in order to use this new technology. In rural areas, internet is nonexistent. Infrastructure is also increasing in more developed areas, which enhances access to public transportation and taxis. Gas stations increase private automobile/motorcycle ownership. Most people own homes, although without formal title, these homes cannot be used as collateral. As urban areas grow, regional governments are surveying and deeding privately owned structures. In rural areas, individuals are responsible for funding the survey and title costs to deed property and often these costs are beyond the means of rural residents. In urban areas, there is also an increase in securely constructed buildings through which business endeavors can be conducted and larger inventory can be stored in safety. The equivalent of strip malls are being constructed in both Pangani and Arumeru, providing easier recognition and increased supply potential for visiting travelers. These buildings are often constructed near traditional markets.

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Access to financial capital was the most common complaint by villagers. The deregulation by the Tanzanian financial sector has provided more opportunity for residents through increases banking institutions and more bank branches, but banks remain risk adverse and charge high interest rates to users. Often people were unaware that loans are available because many people have not grown accustom to bank usage. In more developed areas, where bank branches are more common, usage is increasing. Amani showed virtually no bank usage. Pangani saw increasing bank usage and business owners had utilized small-sum loans. In Arumeru, all focus groups had at least one participant who had borrowed, repaid, and taken out a second loan. It is also important to note that in urban areas, there is increasing inward migration and rising crime. This influence also makes the use of banks safer than holding savings at home. In rural areas where crime is low, people feel secure in retaining their own reserve cash. Collateral is required by most financial institutions. As tourism is new to many regions, tourism specific loans do not exist. Areas with increased conservation restrictions have experienced a number of conservation NGOs that have provided financial capital to compensate for reduced economic opportunities. In Amani, NGOs have funded a number of butterfly farmers and women's craft groups. Therefore, in economically advances areas, individual financing is available and in increased conservation areas, community financing is available.

9.24   How does access to human, social, and natural capital influence economic participation in tourism economies by indigenous Tanzanians?

Barriers to economic participation that affect human, social, and natural capital include education, community-based, property rights (as it relates to conservation of lands), social, political, and cultural exclusion as well as aid dependence and corruption

Access to education is increasing across Tanzania with the building of new schools in rural areas. Villagers require increased access to technology, either through improved fishing and

farming techniques or through internet marketing as a means to reach potential visitors. They also lack supply chain knowledge and are forced to utilize middlemen to get their produce to market and to promote small businesses to visiting travelers. These requirements increase rent seeking practices by middlemen who maintain control over the tourist populations. Business skill development, such as basic accounting and marketing skills, are needed to ensure that new business ventures are successful.

Community-based barriers are difficult to overcome because they are rooted in the physical properties of a community and its location. Remoteness is a key challenge and is exasperated by limited transportation options for tourists and villagers wishing to access tourism markets. Villagers are constrained by seasonal or limited produce supply and stiff competition between neighboring villagers with similar commodities. Cooperation exists within villages but rarely includes neighboring villages, creating further internal competition.

The Tanzanians in this study recognize the value of ecosystem services resulting from increases in conservation initiatives across the country. Ecosystem services include the belief that increases in conservation have increased rainfall and agricultural yields in the areas studied. However, conservation initiatives often restrict economic uses of the land, such as firewood gathering, hunting, and agriculture, as well as disallowing its use as collateral. In the research sites, the ideal behind conservation initiatives are praised by villagers, but park administration and increased use restrictions create burdens on neighboring populations. Each conservation area in the three research sites are governed by different government agencies. The national park system is highly organized, but often too large and bureaucratic to solve local problems such as the destruction of crops by encroaching animals. Amani Nature Reserve is more in touch with local concerns, but lacks clarity in the goals of its conservation restrictions. For example, the transportation of wood across reserve boundaries is designed to protect the natural environment,

but restrictions on wooden furniture create numerous burdens on communities inside the protected area. Maziwe Island is controlled by the Division of Fisheries who has limited knowledge and resources to govern the reserve while creating increased conflicts with fishermen and misunderstandings as to its purpose.

Social, political and cultural barriers refer to a community's ability to work together and are derived from historic practices and are well established in Tanzania. Focus groups did not mention exclusion as a primary complaint. While decisions at the local level are derived democratically, outside the village, local residents rarely are included in discussions, and the lack of knowledge on local, district, and national issues was prevalent in the discussions. This lack of information translates into a mistrust of developmental and conservation goals. The Tanzania culture facilitates mistrust, creating an underlying feeling that assets and revenues derived from resources are misused. Tanzanian culture is collective, providing a floor beneath which no community member can fall. People are willing to provide foods and shelter to other village members during times of hardship. That said, there is also a ceiling above which no one can rise. Villagers can become very competitive amongst themselves and will sabotage anyone who climbs above their station.

Miscellaneous constraints refer to corruption and aid dependence as it affects the livelihood of local residents. Low level corruption has become an additional burden in that villagers often incur additional expenses when trying to compete in the tourism markets. Police, village and district administrators, and many park and reserve officials must be paid when attempting to complete simple business tasks. Aid dependence has tied the hands of both individuals and communities while they wait for help in the form of development or cash outlays from tourists, tour operators, or NGOs rather than seeking solutions themselves.

<u>Discussion</u>

Human capital refers to the ability of people to gather education and knowledge that translates into business and employment opportunities. While new schools are being constructed, education that leads to success in tourism ventures is excluded. Most villagers only acquire a primary education which teaches reading and writing in Swahili, African history, basic arithmetic, and environmental protection. Secondary school is where more advanced education is taught, including the English language, business math, and trade skills. In high school, proficiency in English is developed and business skills are introduced. In more developed areas, students have more school choices. In rural areas, there is often only one school and it may be located far from certain villages. School fees are burdensome to many villagers, especially when family sizes are large. These fees are the number one reason why many students do not progress beyond primary education.

Social capital involves the social relationships that enhance cooperation between groups. Decision making at the local level is very strong as it relates to village-based decisions, but controversial where tourism development is concerned. Locally made decisions include land allocation and sale, petty crime reprimands, agriculture production, and the prioritization of development goals. With the sale of land, villages have the ability to accept or refuse a land sale offer by a tourism or hotel company. However, the profit earned from land sales is hard to refuse, both for the land owner and for the village that charges an administration fee. Often villagers are unaware of the consequences of land sales and find themselves excluded from the land they once owned. Power relations between expatriates and villagers reduce the village's access to and control over disposed land.

Nongovernmental organizations are trying to build social capital in all the research sites studied. The Tanzanian Cultural Tourism Program is an opportunity for villages to increase

market exposure and offer tours to visitors. However, the initiative only accepts established programs with high social capital, so villagers must be organized to join. Villages are able to develop tours based on community attributes and the revenue earned stays with the village. In areas that have higher development, such as Arumeru, these programs are more successful because of access to travelers. In Pangani, the program has just begun. In Amani, many conservation NGOs are providing economic opportunities, however these programs are top-down initiatives, where NGOs convince villages to adopt the program specified by the NGO. Because start-up capital can be provided, villagers readily accept these proposals without much input. However, villagers are frustrated by numerous proposals that never materialize. Since there is limited tourism knowledge held by the conservation NGOs in Amani, few of these programs are tourism based. NGOs have been very successful in providing social capital for marginalized groups within the villages, such as victims of HIV and malaria prevention for children. Human service NGOs increase with economic development and are more prevalent in Arumeru District. However, as the number of NGOs increase in an area, the competition in fund raising between NGOs also increases.

Natural capital describes the village's ability to utilize their natural environment as an economic development tool. All the research sites recognize their natural environment as a positive asset for increases in tourism. Environmental protection has been well established in the Tanzanian culture, dating back to independence and President Nyerere. While there are noticeable violations of conservation regulations, in general, villagers believe that environmental protection has increased rain fall across the country, increased agricultural yields, and is highly regarded. However, many locals feel that natural resources are managed by the government for the government's benefit alone. In Amani, where conservation restrictions have the largest influence in daily activities, community development fees from tourism have provided positive

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results. In Arumeru, only villages bordering the park receive development funds and villagers complain that these fees are not enough to compensate for agricultural losses by animals. In Pangani, there are no resource-based fees as Maziwe Island revenue in sent to the federal government. This reserve has become highly contentious with local fishermen, especially since poaching by outsiders continues unhindered.

There is no simple solution to Tanzania's poverty issues, but an understanding of these constraints provides insight into the difficulty the tourism industry is faced with in the coming years. The following section provides general recommendations for both governmental and nongovernmental agencies that want to assist in Tanzania's fight against poverty.

CHAPTER 10 – CONCLUSIONS, RECOMENDATIONS, AND FUTURE REASEARCH

The final chapter is divided into three sections. First, the study findings are reported as they relate to the purpose statement of this project. Second, the results are applied to advance the sustainable development framework. Third, recommendations for future research are discussed.

10.1 Review of the findings

Based on a review of the literature, and the sustainable development framework, this research was conducted as a means to better understand constraint to economic participation by indigenous Tanzanians living near tourism destinations. Utilizing instrumental comparative case studies, three independent studies were derived using village-based focus group data. By combining this data with government, NGO administrator, and hotel operator interview data, commonalities and differences were compared across these research sites. It was determined that globalization and high national debt contributed to the lack of access to physical, financial, human, and social capital by villages, however access to natural capital was less of a concern by villagers.

Physical, financial, and human capital restrictions were a direct result of the inability for the federal government to rapidly increase infrastructure, deregulate financial markets, and provide quality education to the majority of Tanzanians. The sheer expense and long-term commitment to these projects has made advancement slow. Tanzania is working to remedy these barriers and improvements can be seen in new school construction, infrastructure development, and increased bank branch access outside the urban areas.

Social capital and natural capital are not viewed as major concerns by the villagers. Tanzania has a long history and culture of command and control type organization. The lack of social capital is not viewed as a problem locally because active community participation is

practiced in local decision making. However, villagers are eager for outside help and quickly accept any economically driven program even if they are not actively involved in the planning process. Natural capital is less of a concern because Tanzanians have been educated on the value of environmental protection. There are minor frustrations with regard to restrictive use of natural environments, but villagers feel that conservation has improved local livelihoods

10.2 Theoretical and Policy Implications

10.21   Finding Applied to Sustainable Development Theory

The sustainable development framework addresses five major principles in the assessment of sustainability: environmental preservation, economic wellness, social justice, institutional reform, and the balancing of opportunity (de Boer, & Hueting 2004, Hall 2000). According to Briassoulis (2007), this can be accomplished through strategic natural, man-made and socio-cultural capital, secure property rights, precaution and adaptation to local/regional conditions and limits, environmental and social stability, diversity and redundancy, democratic governance, sectoral coordination, and policy integration. This research has investigated Tanzania's application of sustainability policy objectives as presented from a local or village perspective.

Tanzania has made a commitment to the preservation of natural resources. All research sites included some form of environmental protection that affected the livelihoods of local populations. While this study did not directly assess the sustainability of environmental resources across Tanzania, it did broach the subject of local input into environmental objectives including community involvement as a means to ensure partnerships to protect the environment. Just as Goldman (2003) discovered that communities around CBCs (forest reserves) were treated as "passive recipients of park-outreach benefits" (p. 836), so too were the villagers around Arusha

National Park, Amani Nature Reserve, and Maziwe Island. All study sites express concern over the restrictive use of park amenities and believe that these amenities were being conserved for the elite. As one villager stated, "*I think the leaders have set these places for their own profits*" (Chapter 5). Often villagers have no clear understanding of why restrictions are in place or how decisions are made within the management organizations. They feel that park administrators have not built relationships with villagers. One villager is quoted as saying, "*This problem arises when somebody's farm is destroyed and s/he tries to consult the reserve management. They don't have help apart from advising that we should not harm the animals. We should build a good relationship but we are not even allowed*" (Chapter 8).

Economic wellness in sustainable development refers to "rewarding employment that is made available to all members of a community" (Kontogeorgopoulos, 2005). This study has revealed that tourism employment is a two edged sword in that it is considered lucrative, but hard work and disruptive to other income earning opportunities, such as farming. Furthermore, tourism employment requires migration as park administration and hotels rarely hire locally. Self employment is more appealing to the participants; however, there are currently few plans to facilitate self employment around tourism destinations. While in Amani Nature Reserve, NGOs have begun a number of self employment schemes, such as butterfly farming in the area, none of these project relate to tourism. As one interviewee mentioned, "*There are jobs that we can do if it is good at generating an income, or they can bring us business, which is also lucrative. We will take it because our income is very low. We don't have any support because the support comes through the (reserve) office, it has no jobs for us*" (Chapter 6). All participants felt that the protected areas actually decreased their economic wellness, as expressed by the following interviewee "*Because that's the ocean we want to fish. This park belongs to the central government and the income goes to the central government*" (Chapter 6).

Social justice refers to the process of adapting development programs to harmonize with local/regional limits and conditions (Briassoulis, 2007). Many NGOs in the areas studied have instigated social justice initiatives to compensate for livelihood changes resulting from increased conservation and tourism development. However two of the study sites face hardship in implementation due to the lack of infrastructure development that restricts the reach of local programs. This limitation was most noticeable in the Pangani area, where most development programs were center in Pangani Town and neighboring villages were noticeably excluded. One participant commented, *"We farmers have even asked for farming loans. I don't know. We have no other reasons; perhaps they are just ignoring us."* (Chapter 5). In Amani, villages closest to the park headquarters have received money for a new water system and a secondary school, while villagers further away are still waiting for development assistance. While gender issues did not materialize in this study, ethnic considerations did. Christians, especially those in high profile areas, areas such as Kilimanjaro Region, the Ngorogoro Conservation Area, and Arusha Town have a clear educational and economic advantage over residents in areas new to tourism. This appears to be the result of increased NGO involvement in certain areas. One villager commented, *"That is why these areas, they have big development in the cultural tourism. But the rest of the county, there is nothings, not because they don't have products to show, It is only because they do not have good infrastructure"* (Chapter 5).

Institutional reform refers to the efficiency of governmental organizations. This research has shown that conflicting policy objectives, resulting in competing Ministry programs and the lack of coordination between Ministries has resulted in power struggles, the uneven allocation of resources, and rivalry between Ministries and departments. In line with Bianchi's (2004) findings, the tourism assets in each research site are governed by differing bodies with differing regulations, implementation strategies, and levels of community involvement. As one

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government employee interviewed said, "*I just work on the assumption that since we have an institution, that it's done*" (Chapter 5).   Government employees' job performance is measured by the number of tasks completed, rather than the assessment of the success of government sponsored programs. One interviewee is quoted as saying, "*The problem now is that the operational level is not there. Yes, we realize the documents are well written, well articulated, but the implementation, it's always the implementation (that) is the problem*" (Chapter 6). As mentioned by Nshala (1999), the lack of clarity within government agencies has belittled the reputation of government sponsored poverty reduction programs in the eyes of villagers. "*The district administration is hiding all this information and support, instead of facilitating the process to make it reach here*" (Chapter 6).

Balancing of opportunity is used to describe the fair distribution of benefits to those populations incurring costs associated with increases in tourism development. In general, tourism as an industry is encouraging migration, especially rural to urban migration by the younger generations as they move in and around Arusha looking for employment. Park administration and hotels tend to hire employees from the Kilimanjaro and Arusha regions, excluding local populations from newly created job opportunities. Tourism hotels purchase goods from middlemen or urban grocery stores, rather than purchasing locally. As one Swahili man said, "*These whites who have invested here, up to this moment have not organized with the villagers to perform any partnership agreements*" (Chapter 6). It appears that while tourism is helping to grow the overall economy of Tanzania, very few of the benefits remain local.

Sustainable development has shifted the spotlight from a commercial, profit perspective to emphasize locally based developmental strategies. Methan (2001) encourages a more diversified, fragmented approach to development that flows from a localized or indigenous base. The goal becomes building community capacity which provides for skill advancement and allows

people to become more self-sufficient and less dependent on the outside world. The negative economic impacts, predicted by Pearce (1989) and apparent in Tanzanians tourism communities, include inflation and an over dependence on tourism donations and community support. Also, increased overcrowding and crime has resulted from tourism expansions (Mason, 2003). Weaver and Lawton (2007) believe that increased tourism development can create positive social impacts through the renewal of tradition, rekindled social identity, internal collaboration, and empowerment. Since in Tanzania there is little interaction between tourists and hosts, this research has shown that increases in tourism have not translated into internal collaboration or empowerment. Instead it has been shown that NGO involvement, which is not occurring around tourism, develops these attributes. Since there is limited NGO tourism support, these sites have seen little or no social impacts.

Lastly, it is important to note that sustainable tourism principles are not currently being applied to the three research sites in this study. This is not a new finding, as many researchers are criticizing both the conservation initiatives and the tourism initiatives across the country (Nelson & Agrawal 2008, Goldstein 2005, McCabe 2003, Goldman 2003). It appears that the main obstacle is the Tanzanian government itself.

10.22 Finding Applied to Tanzanian Tourism Policy

Tanzania policy places self-reliance at the center of economic expansions in tourism. However, the focus on direct foreign investment and currency earnings has marginalized local communities resulting in increased aid dependence and competition at the local level as villages fight for limited tourism donations and access to meager supply chain opportunities. The National Tourism Policy (NTP) focuses on infrastructure development and attempts to minimize local costs. It clearly states that human resource development is essential for success in tourism; however tourism specific education does not currently exist for locals in tourism destinations.

The Integrated Tourism Master Plan (ITMP) specifically looks at the strengths and weaknesses of the tourism industry in Tanzania, but only two of the eight action plans address benefits to local populations. The first is the development of a manpower training policy, which is apparent in the development of numerous tourism educational programs at the university level. Since most villagers do not attend university, they are not privy to these improvements. The second action plan that addresses village-specific needs is the strengthening of economic linkages in tourism. The Tourism Policies and Strategies in Tanzania (TPST) explicitly recognizes sustainable tourism as a means to promote the economy and livelihoods of the people. It restructured the TMNRT as a business environmental regulator to create a secure investment setting. The Ministry has developed successful licensing and investment regulations that encourage international investments in tourism. It has also provided national partnerships to increase hotel construction, conference centers, cultural resource centers, and recreational activities. However, many of the incentives that promote international investment have also increased the power of foreign owned enterprises, creating monopolies that exclude local populations.

There are two possible solutions to help implement these policy objectives. First, it is advised that knowledge must be brought to the villages through increased emphasis on tourism-specific NGO development. Even within conservation NGOs, tourism specialists can greatly improve the success of pro-poor tourism development by providing greater knowledge on industry-specific advancements and by helping communities prepare for and adapt to tourism-specific costs associated with increased visitation. Second, the Ministry of Natural Resources and Tourism should place greater resources at the local level. Offices, with qualified staff, should be expanded into both regional and district governments. With the increase in university programs, and qualified graduates, there are many tourism professionals emerging in Tanzania. Additionally, these advanced educational programs should include community development and

poverty alleviation curriculum, rather than the standard marketing focus that is currently employed.

10.23   Finding Applied to Tanzanian Tourism-related Policy

There are numerous policies that are directly related to expansions in tourism. These policies include community development, education, national employment, microfinance, land tenure, environmental, and wildlife policy. While each policy specifically addresses different issues, the theme of self-reliance and improved social capital are prevalent in all policy documents. This research has shown that these commonalities are far from being remedied. Increased emphasis of foreign investment and NGO supplemented growth has left the tourism industry fragmented as it relates to poverty alleviation. Rather than relying on the government to solve local development issues, villagers have transferred their dependence to international investors, donors, and agencies.   It appears that the solution lies in the access to industry supply chains at the local level. Business ownership is highly valued by Tanzanians and the tourism industry is an avenue to promote locally grown agriculture, cultural diversity, and transportation improvements. Again, the importance of bringing tourism knowledge to the districts cannot be overemphasized. National programs, run by the TMNRT, can facilitate microfinance options, education, craft cooperatives, historic preservation, and local management of tourism resources. Tanzania has already developed numerous programs, but they are scattered and fragmented, applied only in isolated communities. Obviously, funding is needed to facilitate these programs, but collaborative development initiatives that tie all of these policy objectives together should begin to replace the current piece-meal development approach.

10.3 Recommendations

The key barriers to economic participation discovered in this research are not easy to overcome. Moreover, the sheer size and scope of Tanzania result in large financial burdens on the government to make the needed social improvements. Investment made to remedy these issues must include a long term commitment.

In recognizing that the Tanzania government has maintained sizable growth in their economy, it appears that the pledge towards these enhancements has been made. However, some observations and potential solutions by government are provided. Bank access is a top priority in Tanzania's on-going financial reform. The construction of schools is a noticeable improvement for equal access to education by all Tanzanians, but the quantity and quality of teachers still requires increased attention. English language development should be a key priority in education, especially in tourism areas. Basic business classes should be part of the secondary educational curriculum. Because of the general lack of trust in the federal government by community members, government needs to add transparency to its fiscal management. The government has made strides in reducing high level corruption, but needs to focus on low level corruption, especially in district, ward, and village administration as well as the police force. Business licenses and tax structures have been simplified, but again, the lack of trust in government is a strong deterrent to formalized business development and the practice of paying taxes. The growing middle class in Tanzania provides an opportunity for increased domestic tourism and Tanzanian ownership of tourism ventures. The government has recently recognized the importance of this demographic for tourism. By requiring Tanzanian business partners in foreign investment, Tanzania is trying to reduce foreign-owned monopolies. However, the legal structure makes the enforcement of contracts difficult, and long, expensive legal battles often result when there is conflict. Property rights continue to be an ongoing issue in rural areas and district offices

do not have the resources necessary to remedy these problems. In general, some of these issues can be resolved at the local level by private enterprises, such as private schools and the provision of access roads by hotels, but in general, these are federal problems that affect the entire country.

Other barriers, such as social, political and cultural constraints are being addressed by NGOs. These organizations are tackling one problem and one community at a time. It is recommended that NGOs focus more energy into regional development, rather than individual village development, as a means to reduce local competition and allow each village to specialize within the tourism value chain. Furthermore, there is a lack of industry specific knowledge with NGOs in the three research sites. The primary focus of philanthropic organizations appears to be two fold, conservation based and human service based. These agencies see the advantages of utilizing tourism as development tool, but rarely employ staff that are knowledgeable about this dynamic industry. For example, one conservation organization has encouraged local carvers to use a fast growing white wood, rather than slow-growing ebony, for their traditional hand-carved statues without knowing if tourist would purchase these nontraditional crafts.

The accessibility of physical, financial, and human capital must be more evenly spread across tourism sites if tourism is to be used as a poverty alleviation tool. The Ministry of Natural Resources and Tourism has the ability to negotiate with incoming NGOs to address these specific problems. Ecotourism, facilitated through conservation initiatives, needs to focus more on these constraints and less on quick-fix solutions that are top down and negate capital scarcity resolutions. Social capital is not perceived as a problem by local communities who are desperate for outside help. This makes villagers gullible and open to exploitation by NGOs with predesigned agendas. In reality, social capital is a major problem in Tanzania due to a competitive culture and a lack of checks and balances that encourage low level corruption. Kinship and tribal ties divide communities and allow for favoritism based, not on ability or

innovation, but on whom one knows. Individuals that are natural leaders and motivated to succeed may be sabotaged by neighbors if their success is resented. Natural capital has a high potential to supplement tourism endeavors. Villages have physical access to most protected areas and can easily provide walking tours and other low-impact nature-based attractions. However, it is important to acknowledge that continued isolation from the tourism industry as a means to compensate for conservation will increase conflicts as tourism grows. Capital acquisition has become a major focus of sustainable tourism, however, in practice most of the tourism witnessed in these three study sites are not employing sustainability principles as it relates to community involvement.

Lastly, access to tourists and tourism knowledge by local populations is vital if tourism is to be successful as a poverty alleviation tool. Villagers' lack of knowledge of the global world generally, and tourism specifically, has translated into a feeling of helplessness in remedying village specific problems. If tourism is to support self employment in rural areas, access to the tourism supply chain is essential. Tanzanians have an assortment of innovative ideas, but often do not have the tools, such as financial and human capital, to navigate the complex tourism system. The success of the Tanzanian Cultural Tourism Program has shown that villagers can be successful if given support. Programs, such as the PCCT's micro finance program in Pangani, have allowed micro business owners start-up capital as a means to access the tourism industry. However, these programs must include basic food quality training, pricing, and assess the physical constraints of bringing goods to the hotel locations if entrepreneurs are to be successful. The dissemination of tourism information needs to include tourist preferences as a means to ensure success in increased tourism development, knowledge of hotel expectations as a means to increase quality supply chain participation by locals, and knowledge of the practices of other regions in tourism to ensure adequate service offerings, competitive pricing, and standard

business practices within each region. Often, tourist-host interactions facilitate knowledge transfer about tourism as an industry. The lack of transportation infrastructure requires tourists to travel in personal cars or hire a tour company to escort them around. This translates into decreased tourist-host interactions in less economically developed regions. Pangani had the highest tourism-host interactions although less developed language skills decreased the productivity of these interactions. In Arumeru, many villagers had tourism specific knowledge, either from direct conversation with tourists or through word-of-mouth. In Amani, interactions rarely occurred and the residents in this area had the lowest tourism knowledge base.

10.4   Limitations and Future Research

10.41   Limitations of Present Study

The current study was limited to three tourism destinations, selected to fit Weaver's Land Tenure Framework. None of the study sites included the top tourism destinations of Tanzania, such as the villages on Mount Kilimanjaro, the communities in and around Ngorogoro Crater, and the gateway communities to Serengeti, Lake Manyara, and Tarangire National Parks. These areas have witnessed tourism specific development and have a substantial number of visitors each year. Part of the reason these areas were not included in the study was because of complications in gaining access to these communities. TANAPA did not grant access to any national park staff and refused to provide documents or interviews for this research. The bureaucratic research clearance process could not be negotiated within the time constraint of this research. Also, the Division of Wildlife refused to support this research for the same reasons. Furthermore, the sheer size and limited infrastructure of Tanzania resulted in the selection of communities in the northern part of the county. It is possible that the southern and eastern regions have different constraints due to differences in the levels of development and different ethnicities.

The focus groups were organized by the village administrator in each community. It is possible, and highly likely, that participants were hand selected friends of the administrator based on the anticipation of financial compensation for participation. It was requested that focus groups contain a well-rounded sample of the community demographics, but enforcement was not possible. For example, all focus groups were conducted during the day when many farmers, fishermen, and teachers were away at work. Women were well represented, as were seniors and young adults.

This study was conducted by a foreign researcher with limited knowledge of the Swahili language and the local culture. As the data shows, white people are not easily accepted into Tanzanian society. Building trust is a key issue in studies of this nature. While 17 focus groups were conducted to ensure the reliability of the data, it is hard to ensure that communities were comfortable enough to share all the constraints they face. Lively discussion occurred during the focus groups, and often there was disagreement between focus group members. The discussions were recorded and translated, so that the researcher was able to access the nature of the disagreements later. Living with local families helped to acclimate the researcher, but it was not possible to live and become well-known personally in each village that participated.

Additionally, the economic crisis of 2007 arrived in Tanzania half way through this study. Elements, such as crime rates, employment opportunities, and international investments and donations were greatly affected by the world recession. The research in both Amani and Pangani were conducted before Tanzania felt the repercussions on their tourism industry. The research in Arumeru was conducted in the mist of the economic downturn. This may have affected the data collected.

<u>10.42   Future Research</u>

This research provides an in-depth look at constraints to economic opportunities by villagers living near current or future tourism destinations. While the study provides a solid foundation to accessing tourism as a poverty alleviation tool for Tanzania, it is only the first step in such an assessment.   It is important to extend this research by including communities outside the northern circuit. The TMNRT has begun a number of development initiatives in the southern regions of Tanzania, including programs on Mafia Island, Iringa Region, and Mbeya Region, as well as studies within the autonomous regions of Zanzibar and Pemba. Some of these programs are part of the Tanzanian Cultural Tourism Program; others have been started by other NGO groups in the area. Many of these programs have begun to overcome economic constraints, other are facing new challenges not addressed in this document. It is important to understand all the regions in Tanzania if policy changes are to be made.

Furthermore, this study only incorporated challenges facing tourism businesses. Hotel operators were interviewed to provide background data to supplement the villager-based focus groups. It is important to further assess the needs of the existing tourism industry as a means to strengthen the tourism supply chain locally. Without the support of established hotels and tour companies, villagers cannot play an essential role in increased tourism development. Obviously the hospitality industry has supplemented limited local supply with imports and increased self sufficiency. The achievement of local level participation can only be successful if hotel needs are met by increased local supply.

Lastly, a deeper understanding of travel patterns across Tanzania is needed. The TMNRT has focused on visitor surveys conducted at Mount Kilimanjaro airport, however many visitors that travel outside the northern circuit travel overland by bus or train from neighboring countries, or arrive at the Dar es Salaam International Airport. It is important to learn how tourists get

around Tanzania, how public transportation is utilized, and what safety concerns tourists have when attempting to access remote regions such as Pangani, Amani, or when traveling through Arumeru. Villager-tourist interactions are a valuable part of tourism knowledge dissemination. If the Tanzanian Cultural Tourism Program is going to impact a larger section of Tanzania, tourist access is vital.

In conclusion, tourism as an economic development tool and poverty alleviation strategy is highly supported by the local communities interviewed in this study. As with any new industry, tourism in Tanzania needs to be more aware of local needs, limitations, and constraints if community participation is expected. Tanzania has made great strides in economic development in recent years, but the idiosyncrasies associated with tourism are not well understood by the agencies in charge of facilitating change. It is important for Tanzania to include local populations if further emphasis on tourism as a poverty reduction tool is to be encouraged.

Appendix A: Grand Tour Questions for Community Focus Groups
1. Since I am new to your area, can you describe your community to me? How large is it? Are there boundaries? What defines the difference between your community and the next one? What is unique or special about your community?
2. Why do you think tourists come to your community to visit? What is special about your area that draws tourists? Do you have a special term you use to describe tourists? What do you think they usually do while visiting here?
3. How does tourism affect your community? Describe some of the positive effects tourism has on your people. Describe some of the negative effects tourism has on your people? Do you think increased tourism would be good for your community?
4. What types of opportunities does tourism provide for individuals in your community? What are some typical jobs people do here? How are they compensated for their jobs? Do certain types of jobs receive the same type of compensation?
5. What does work mean for you? Tell me about a typical day at work? Start with your trip to work, then describe how your day progresses.
6. How does your community view people who work for themselves rather than working for someone else? Do you have a term that describes a man or woman who works for himself/herself?
7. Tell me about people you know who work for themselves? Describe the type of work do they do? Do they have employees? Are there permit or licensing requirements?
8. Describe the process you would go through if you wanted to start working for yourself? What skills or resources do they need? How do they get these resources?
9. What do you believe are the advantages (disadvantages) of having a job working for someone else? What are the advantages (disadvantages) of being your own boss?
10. Do you feel there can or should be more opportunities for your people through tourism? If so, what opportunities do you envision? Why are they not available now? What do you need to make these opportunities available?
11. Tell me about organizations among your community members that make decisions about tourism in your area? What type of decisions do they make? How are decisions made in these groups? Are there outsiders involved? What is their role? What is your role?
12. How do you feel about conservation and your protected areas? What do you use it for? Has your use changed as tourism has grown?

Appendix B: Barriers to Economic Participation from Literature by Research Site				
	Leadership	**Pangani**	**Amani**	**Arumeru**
Financial Constraints				
Lack of financial resources	X	X	X	
Lack of borrowing capital		X	X	
Regulatory restrictions				
2. Educational Constraints				
Basic secondary education including literacy and mathematical skills	X	X	X	X
Lack of business skills including management and marketing skills	X	X	X	X
Lack of knowledge about the tourism industry or tourist expectations	X	X	X	
Governmental Constraints				
Incomplete policy or lack of policy harmonization	X			
Tax structures				
Bureaucratic business start-up procedures				
Economic Constraints				
Inflationary pressures from foreign investment	X	X	X	
Lack of capitalistic (middle) class	X		X	
Lack of access to tourism infrastructure	X	X	X	
Volatility of the tourism industry				X
Local competition		X	X	X
Foreign-owned monopolies/oligopolies	X	X	X	X
Community-based Constraints				
Remoteness from tourism enclaves	X	X	X	
Lack of economies-of-scale or limited supply of goods and services	X	X	X	X
No market access	X	X	X	X
Lack of social capital	X			
Property Rights				
Physical exclusion from natural and cultural resources	X	X	X	
Lack of defined property ownership	X	X		
Social and Political Exclusion				
Loss of sovereignty and local decision making				
Lack of consultation by governments, international development agencies, and the private sector	X	X	X	X
Ethnic discrimination	X	X		

Cultural norms				
Gender norms	**X**			

Appendix C – Government, Academic Policy Advisors, and NGO Administrators Interviewed			
Government Officials			
Ministry	**Division**	**Department**	**Nationality**
Natural Resources and Tourism	Tanzanian Tourist Board	Administration	Tanzanian
Natural Resources and Tourism	Tourism	Tourism	Tanzanian
Natural Resources and Tourism	Tourism	Licensing	Tanzanian
Natural Resources and Tourism	Wildlife	Wildlife Utilization	Tanzanian
Natural Resources and Tourism	Tourism	Community-based Development	Tanzanian
Industry, Trade and Marketing	Commerce	Business Licensing	Tanzanian
Planning and Economic Empowerment	Public Policy	Poverty Eradication	Tanzanian
Agriculture, Food Securities, and Cooperative	Regional Office	Agriculture and Livestock Development	Tanzanian
Health and Social Welfare	Regional Office	Medical Officer	Tanzanian
Community Development, Gender, and Children	Regional Office	Social Services	Tanzanian
Finance and Economic Affairs	Regional Office	Revenue	Tanzanian
Livestock and Fisheries Development	Regional Office	Fisheries	Tanzanian
Land, Housing, and Human Settlements Development	Regional Office	Land Allocation	Tanzanian
Trade, Industry, and Marketing	Regional Office	Commerce	Tanzanian
Academic Policy Advisors			
Department	**Job Title**	**Specialty**	**Nationality**
Economics	Department Head	International Trade	Tanzanian
Economics	Senior Lecturer	Development Economist	Tanzanian
Economics	Full Professor	Entrepreneurship	Tanzanian
Commerce	Senior Lecturer	Marketing	Tanzanian
Nongovernmental Organizations			
Type	**Government Partnerships**	**Specialty**	**Nationality**
Chamber of Commerce	Yes	Business Development	Tanzanian
Wildlife Conservation	Yes	Conservation Initiatives	Tanzanian
Tourism	No	Regional Marketing	European
Development	Yes	Tourism	Tanzanian
Marketing and Development	Yes	Tourism	Tanzanian
Conference Center	No	Tourism	European
Heritage Center	Yes	Historical Preservation	European

Appendix D: Themes and Subthemes by Research Site

Theme	Subtheme	Topic	Specifics	Government	Pangani	Amani	Arumeru
Economic Performance Measures	The General Economy	Neoclassical growth model	Export Focused	**XX**			**XX**
Economic Performance Measures	The General Economy	Neoclassical growth model	Value-added processing	**XX**			
Economic Performance Measures	The General Economy	Neoclassical growth model	Direct Foreign Investment	**XX**			
Economic Performance Measures	The General Economy	Neoclassical growth model	Piece Meal Development	**XX**			
Economic Performance Measures	Tourism Contribution	Measurement of tourism	Revision of national accounts	**XX**			
Economic Performance Measures	Informal Economy	Formalization		**XX**			
Economic Performance Measures	Informal Economy	Reduction in barriers		**XX**			
Community	Definitions of Community	Clans, tribes			**XX**		
Community	Definitions of Community	Cultural practices			**XX**		
Community	Definitions of Community	Political boundaries			**XX**	**XX**	**XX**
Community	Definitions of Community	Community development initiatives				**XX**	
Community	Definitions of Community	No cooperation outside village/ward				**XX**	**XX**
Community	Migration	In/out			**XX**		
Community	Migration	Out	Limited supply of agriculture land			**XX**	
Community	Migration	In					**XX**
Community	Migration	Does not include foreigners			**XX**		
Community	Migration	Rural/urban dependency			**XX**		
Community	Migration	Crime					**XX**
Private Enterprise/NGOs	Private Enterprise	International investment	Self-reliance	**XX**			
Private Enterprise/NGOs	Private Enterprise	International investment	Government protection	**XX**			**XX**
Private Enterprise/NGOs	Private Enterprise	Joint Ventures	local partnerships	**XX**	**XX**		

Private Enterprise/NGOs	Private Enterprise	Private Enterprise	Overwhelming community needs	**XX**	**XX**		
Private Enterprise/NGOs	Private Enterprise	Private Enterprise	Land access restrictions		**XX**		
Private Enterprise/NGOs	Private Enterprise	Private Enterprise	Construction involvement		**XX**		
Private Enterprise/NGOs	Private Enterprise	Private Enterprise	Grow own vegetables				**XX**
Private Enterprise/NGOs	Private Enterprise	Private Enterprise	Hiring hospitality school graduates		**XX**		**XX**
Private Enterprise/NGOs	Private Enterprise	Private Enterprise	Unwanted use of infrastructure				**XX**
Private Enterprise/NGOs	NGOs	Grass Root Organizations	Highly valued	**XX**	**XX**	**XX**	
Private Enterprise/NGOs	NGOs	Lack tourism knowledge	Conservation-based	**XX**	**XX**	**XX**	
Private Enterprise/NGOs	NGOs	Lack tourism knowledge	human services based			**XX**	**XX**
Private Enterprise/NGOs	NGOs	Lack tourism knowledge	Development based			**XX**	**XX**
Private Enterprise/NGOs	NGOs	SNV operations			**XX**		**XX**
Private Enterprise/NGOs	NGOs	Lack coordination	Competitive	**XX**	**XX**		**XX**
Private Enterprise/NGOs	NGOs	Lack coordination	Village interference				**XX**
Private Enterprise/NGOs	NGOs	NGOs	International donors	**XX**			**XX**
Private Enterprise/NGOs	NGOs	NGOs	Tourists as donors				**XX**
Private Enterprise/NGOs	NGOs	Top-down approach/lacks follow thru			**XX**	**XX**	**XX**
Community Tourism	Attractions	Nature-based			**XX**	**XX**	**XX**
Community Tourism	Attractions	Cultural Tourism Program		**XX**	**XX**		**XX**
Community Tourism	Tourist Behaviors	Do not buy locally			**XX**	**XX**	**XX**
Community Tourism	Tourist Behaviors	Not seen in public				**XX**	**XX**
Community Tourism	Tourist Behaviors	Want information exchange			**XX**		
Community Tourism	Tourist Behaviors	Cultural issues	Clothing		**XX**		
Community Tourism	Tourist Behaviors	Cultural issues	Photographs				**XX**
Community Tourism	Tourist Behaviors	Reliance on drivers and guides					**XX**
Community Tourism	Tourist Behaviors	Tourists pay in advance		**XX**			**XX**
Community	Benefits of	No			**XX**	**XX**	

Tourism	Tourism on Villages	effects/positive attitude					
Community Tourism	Benefits of Tourism on Villages	Jobs		**XX**			**XX**
Community Tourism	Benefits of Tourism on Villages	Community development	Required fees	**XX**		**XX**	**XX**
Community Tourism	Benefits of Tourism on Villages	Community development	Donations				**XX**
Community Tourism	Benefits of Tourism on Villages	Cannot meet needs of tourists				**XX**	
Community Tourism	Benefits of Tourism on Villages	Export of tourist goods					
Community Tourism	Benefits of Tourism on Villages	Luggage restrictions					**XX**
Employment Opportunities	Wage Employment	Availability	None	**XX**		**XX**	
Employment Opportunities	Wage Employment	Availability	Many	**XX**			**XX**
Employment Opportunities	Wage Employment	Job with whites highly valued		**XX**			
Employment Opportunities	Wage Employment	Guaranteed income		**XX**			
Employment Opportunities	Wage Employment	Loss of control	Over your future	**XX**			
Employment Opportunities	Wage Employment	Loss of control	Slave labor	**XX**			**XX**
Employment Opportunities	Self Employment	Preferred	Leisure/freedom	**XX**		**XX**	**XX**
Employment Opportunities	Self Employment	Preferred	Higher income	**XX**		**XX**	
Employment Opportunities	Self Employment	Preferred	Investment for retirement	**XX**			**XX**
Employment Opportunities	Self Employment	Riskier		**XX**			
Employment Opportunities	Self Employment	Not supported by tourism				**XX**	
Employment Opportunities	Self Employment	Farm takes priority over job				**XX**	
Barriers to Economic Performance	Finance	Risk Adverse Banks	Limited loan options	**XX**	**XX**		
Barriers to Economic Performance	Finance	Risk Adverse Banks	Lack of trust for repayment			**XX**	
Barriers to Economic Performance	Finance	Oligopoly Market Structure		**XX**			
Barriers to Economic Performance	Finance	Branch Access		**XX**		**XX**	

Barriers to Economic Performance	Finance	Collateral		XX	XX	XX	
Barriers to Economic Performance	Finance	No long-term financing		XX			
Barriers to Economic Performance	Finance	Heavy usage	Many bank options				XX
Barriers to Economic Performance	Finance	Lack of use	No knowledge		XX		
Barriers to Economic Performance	Finance	Lack of use	Never used		XX		
Barriers to Economic Performance	Finance	Use other sources	Friends/relatives		XX		
Barriers to Economic Performance	Finance	Use other sources	Pensions		XX		XX
Barriers to Economic Performance	Finance	Use other sources	Land sales		XX		
Barriers to Economic Performance	Finance	Use other sources	NGOs			XX	
Barriers to Economic Performance	Finance	Repayment difficult					XX
Barriers to Economic Performance	Finance	Competitive loans			XX		XX
Barriers to Economic Performance	Education	Distance to Schools		XX		XX	
Barriers to Economic Performance	Education	School Fees		XX			XX
Barriers to Economic Performance	Education	Overcrowding		XX	XX	XX	
Barriers to Economic Performance	Education	Quality & Quantity of Teachers		XX	XX		
Barriers to Economic Performance	Education	"O" and "A" level focused		XX			
Barriers to Economic Performance	Education	Language		XX	XX		
Barriers to Economic Performance	Education	Business Skills		XX	XX	XX	XX
Barriers to Economic Performance	Education	Tourism Knowledge	Locally	XX		XX	

Barriers to Economic Performance	Education	Tourism Knowledge	Internationally				XX
Barriers to Economic Performance	Education	Modern Technology			XX		XX
Barriers to Economic Performance	Education	Basic health knowledge				XX	
Barriers to Economic Performance	Education	Happy with schools				XX	
Barriers to Economic Performance	Education	Lack of interest in education			XX		
Barriers to Economic Performance	Government	Command control system	Lack of communication between departments	XX			
Barriers to Economic Performance	Government	Command control system	Power struggles over competing programs	XX			
Barriers to Economic Performance	Government	Command control system	Separation between knowledge and authority	XX			
Barriers to Economic Performance	Government	Command control system	Lack of trust in government		XX		
Barriers to Economic Performance	Government	Command control system	Regulation on resource use			XX	XX
Barriers to Economic Performance	Government	Tax Structures		XX			
Barriers to Economic Performance	Government	Business Licenses	Easy	XX			
Barriers to Economic Performance	Government	Business Licenses	Difficult		XX		
Barriers to Economic Performance	Government	Revenue Disbursement	Sent to general fund	XX	XX		
Barriers to Economic Performance	Government	Revenue Disbursement	Control of development fees			XX	XX
Barriers to Economic Performance	Government	Pro-poor Objectives		XX			
Barriers to Economic Performance	Government	Imported Government Labor			XX		
Barriers to Economic Performance	Government	Land sales negotiated locally			XX		
Barriers to	Government	Import			XX		

Economic Performance		restriction in Zanzibar					
Barriers to Economic Performance	Economic	Inflation		XX	XX	XX	
Barriers to Economic Performance	Economic	Deflation					XX
Barriers to Economic Performance	Economic	Middle/Upper class	Isolated	XX	XX	XX	
Barriers to Economic Performance	Economic	Infrastructure	Roads	XX	XX	XX	
Barriers to Economic Performance	Economic	Infrastructure	Water		XX	XX	XX
Barriers to Economic Performance	Economic	Infrastructure	Electricity	XX	XX		
Barriers to Economic Performance	Economic	Infrastructure	Public transportation - Ferries		XX		
Barriers to Economic Performance	Economic	Infrastructure	Public transportation - Daladala		XX	XX	
Barriers to Economic Performance	Economic	Monopolies	Foreign-owned	XX	XX		XX
Barriers to Economic Performance	Economic	Monopolies	Government-owned			XX	
Barriers to Economic Performance	Economic	Debt Relief		XX			
Barriers to Economic Performance	Community Based	Remoteness		XX	XX	XX	
Barriers to Economic Performance	Community Based	Economies of scale	Lack supply	XX		XX	XX
Barriers to Economic Performance	Community Based	Economies of scale	No tourism products				XX
Barriers to Economic Performance	Community Based	hotel Imports		XX	XX		
Barriers to Economic Performance	Community Based	Cash crop production			XX	XX	
Barriers to Economic Performance	Community Based	Security issues					XX
Barriers to Economic Performance	Property Rights	Exclusion from Resources		XX	XX	XX	
Barriers to	Property	Exclusion from			XX		

Economic Performance	Rights	privately held land					
Barriers to Economic Performance	Property Rights	Land Tenure	Titles	**XX**	**XX**		
Barriers to Economic Performance	Property Rights	Land Tenure	Community Lands	**XX**	**XX**		
Barriers to Economic Performance	Property Rights	Population growth	Land Restrictions			**XX**	
Barriers to Economic Performance	Property Rights	Population growth	Job migration				**XX**
Barriers to Economic Performance	Property Rights	Pro-conservation			**XX**	**XX**	**XX**
Barriers to Economic Performance	Property Rights	Local control over land sales		**XX**	**XX**		
Barriers to Economic Performance	Social, political, cultural	Social Capital	Developed through history	**XX**		**XX**	
Barriers to Economic Performance	Social, political, cultural	Social Capital	Developed through NGOs	**XX**		**XX**	
Barriers to Economic Performance	Social, political, cultural	Social Capital	Prevalence of special interest groups		**XX**	**XX**	
Barriers to Economic Performance	Social, political, cultural	Democratic local decision-making		**XX**	XX	**XX**	**XX**
Barriers to Economic Performance	Social, political, cultural	Historical injustices		**XX**			
Barriers to Economic Performance	Social, political, cultural	Decision Making		**XX**		**XX**	
Barriers to Economic Performance	Social, political, cultural	Lack of communication		**XX**	**XX**		
Barriers to Economic Performance	Social, political, cultural	Culture	Lack of Trust	**XX**	**XX**	**XX**	
Barriers to Economic Performance	Social, political, cultural	Culture	Competitive	**XX**			**XX**
Barriers to Economic Performance	Social, political, cultural	Culture	Low risk tolerance		**XX**	**XX**	
Barriers to Economic Performance	Social, political, cultural	Culture	Short-term vision		**XX**		**XX**
Barriers to Economic Performance	Social, political, cultural	Culture	Self Confidence	**XX**	**XX**		
Barriers to	Social,	Culture	Women	**XX**	**XX**	**XX**	

Economic Performance	political, cultural						
Barriers to Economic Performance	Social, political, cultural	Culture	Ethnicity	**XX**	**XX**		
Barriers to Economic Performance		Miscellaneous	Corruption	High level	**XX**			**XX**
Barriers to Economic Performance		Miscellaneous	Corruption	Low level	**XX**	**XX**	**XX**	**XX**
Barriers to Economic Performance		Miscellaneous	Corruption	Failure of justice system	**XX**			
Barriers to Economic Performance		Miscellaneous	Aid Dependence	Community dependence	**XX**	**XX**		**XX**
Barriers to Economic Performance		Miscellaneous	Aid Dependence	Personal dependence		**XX**	**XX**	**XX**

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