



# Assessing Supplies of Micro and Small Scale Enterprises to the Tourism Industry in Aksum Town, Ethiopia

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## Abstract

The town of Aksum is historically the richest tourist destination in Ethiopia. Thus, it is known for its cultural tourist attractions i.e. archaeological, religious and historical attractions. The objective of this study is to assess the supplies of micro and small scale enterprises to the tourism industry in the town. A qualitative research design was pursued in this study. Data were collected from primary and secondary sources. Interviews were conducted with purposely selected subjects as the main instrument of primary data collection. In addition, field visits were conducted to observe the sites and take pictures. Both published and unpublished secondary sources were used, particularly for the literature review. Participants of this study were selected from the tourism and hotel industry, the Small Scale Enterprises Agency, micro and small scale enterprises, the Culture and Tourism Agency and other government offices. The Ethiopian Sustainable Tourism Development Project (ESTDP) was also consulted to assess the involvement of micro and small scale enterprises in the tourism sector. The findings indicate that micro and small scale enterprises have been divided into the five main economic sectors including agriculture, manufacturing, construction, trade and service sectors. The Ethiopian Sustainable Tourism Development Project has supported the enterprises in working with the tourism industry. The government's role in organizing and supporting the enterprises however, seems to be weak. Some of the enterprises produce and sell their products to tourism institutions involved as frontline suppliers to the tourists. However, the enterprises are not well-organized and not strong enough to supply the required quantity and quality. Moreover, some of the enterprises don't have any link with the tourism sector. The policy implications from this study indicate that local government in collaboration with private sectors and voluntary donors should support the local small enterprises to increase their capacity and improve their supplies.

**Keywords:** Aksum, micro and small scale enterprises, Ethiopia tourism, agriculture, supply

## Introduction

Tourism is the world's largest industry and it makes a major contribution to the economies of most developed and developing countries (Dimoska et al., 2015). Though its economic significance is more recognized, it also has an impact on socio-cultural and environmental dimensions in tourist destinations.



Ethiopia is a country with untapped potential for tourism. As it has been identified in the Sustainable Tourism Master Plan, since 1990s, Ethiopia's tourism has shown a fast growth rate (Ethiopian Ministry of Culture and Tourism, 2015). It is projected to contribute about 3.6% to the GDP of the country in 2024. The Ethiopian tourism policy also places the sector in a position to be integrated into key development strategies; it is considered to make substantial contributions by expanding micro, small-scale and medium-scale enterprises for the production of goods and services. Furthermore, development investors are encouraged to participate as leaders in the establishment and development of micro, small, medium-scale and big enterprises and service giving institutions (Federal Democratic Republic of Ethiopia, 2009).

Aksum is one of the ancient civilization centers in Northern Ethiopia, and has been a world heritage site since 1980. The town has much to offer tourists. Aksumite stelae, including the biggest one which measures about 33 m height and 520 tones weight (regarded as the world's biggest single stone billboard) and the Ark of the Covenant which is the world's most expensive religious treasure, are among the most outstanding heritages of the town. The town is the richest in Ethiopia with huge undiscovered archaeological, historical, and religious heritages. As a result, when compared to total tourist number of Ethiopia, significant numbers of foreign and domestic tourists visit the town every year. Consequently, many local small enterprises have been started. The town has received international attention and was one of the three main tourist destinations of Ethiopia, together with Addis Ababa and Lalibela, which have been funded by the World Bank. The fund was provided since 2008 to support the Ethiopian Sustainable Tourism Development Project which is engaged in enhancing the quality and variety of tourism products and services.

Tourism businesses are distributed across five main industry groups: food and beverage services, recreation and entertainment, transportation, accommodation and travel services (Government of Canada, 2011). The above mentioned tourism service providers receive inputs from sectors which are not directly involved in providing services for tourists. These comprise agriculture, manufacturing, construction, trade etc. According to Dimoska et al.(2015), tourist destinations are traditionally dominated by small and medium-sized tourism enterprises which provide a wide range of products to the tourists such as accommodation, catering, transportation, attractions and activities and thus contribute significantly to the range, variety, authenticity and quality of their positive 'tourism experience'. Therefore, understanding the linkage between small scale businesses and tourism sector is believed to be highly relevant.

Linkages between tourism and the local economy strengthen economic efforts of destinations through tourism. Therefore, local enterprises are advised to be active in supplying necessary inputs for the tourism industry. Strengthening the linkages between tourism and local economies is not dependant on a simple donation of the tourism sector to local social institutions such as schools. A key principle is to harness the 'core competencies' of business, by finding synergies between commercial goals and ways to generate local benefit (ODI, 2006). In Aksum, there are a total of 1,914 local communities that run enterprises in the town. Among these, almost 60% of the communities running ventures are related to the agriculture sector, while only 7% are engaged in tourism services such as tourist guiding, souvenir shops and traditional transport (Ethiopian Sustainable Tourism Development Project, 2012 as cited in Tadesse and Weldegebriel, 2016). The agricultural sector has much to offer to tourism entities as far as the practice of tourism is concerned so as to become a viable sector.

In their study, Tadesse and Weldegebriel (2016) have indicated challenges that influences the linkage between the tourism industry and small scale enterprises in Aksum town; but their study does not show the level of linkages between the sectors. The study also did not address products



supplied by local micro and small scale enterprises to the tourism industry. The objective of this paper is to investigate the supplies of micro and small scale enterprises to the tourism industry. It will also examine the integration between local suppliers and consumers (in the tourism sector).

### **Literature review**

The three main important building blocks of tourism are tourist attractions (locale), transportation and accommodation. Furthermore, the sector is cross-cutting in its nature that involves many other economic activities such as agriculture, construction, manufacturing and retail which supply inputs used for production of holiday related services (Munikrishnan and Verakumaran, 2009).

Though the sector is a very recent phenomenon as compared to economic sectors, it is increasingly contributing to economic development in many developing countries and it seems to contribute significantly to MSE growth (Mshenga et al., 2016). According to Blackburn and Kovalainen (2009) and Thomas et.al, (2011), tourism scholars agree that though the entrepreneurship and small business in tourism industry is a fruitful research area, it is given poor attention (as cited in Mehraliyev, 2014). Existing studies show that the growth of small enterprises is important for regional development (Mehraliyev, 2014) and tourism is one of the sectors dominated by small scale enterprises. Biswas and Rashid (2018) explain that very few studies described the relationship between tourism entrepreneurship business and economic development. Consequently, they have conducted their study to show how tourism entrepreneurship contributes to economic development. This study will also have similar output but seeks to magnify how small businesses, in fact which are not totally dependent on tourism, support the survival of the tourism business. Given that tourism by its multifaceted nature is required to be integrated with many sectors, this makes it an increasingly important sector in consuming products of micro and small enterprises.

Many studies have been conducted with regard to the contribution of tourism for growth of small scale enterprises. However, it is very difficult to get comprehensive literature reviews that deal with supplies of small businesses for the tourism industry. As a result, small scale businesses which are very crucial for preparation of travel packages could not get the attention of concerned bodies such as the local authorities and financial institutions. Tadesse and Weldegebriel (2016) have indicated that small business lack financial power for the expansion of their business. According to this study, small businesses cannot get the required amount of credit due to the collateral requirements. Economic incentives also focus on larger existing enterprises and few programs are aimed at micro and small business (Pretorius and Van Vuuren, 2002 (as cited in Therford, 2006).

Tourist destinations should work to replace what their customers lack when they are away from their home. This makes tourism service providers receptive to a variety of products from local suppliers. For example, provision of high quality food every day is essential to hotels, lodges and restaurants and sourcing food from local farmers as far as it satisfies tourist taste is a usual activity in tourist destinations. According to International Trade Center's (2012) technical paper, if agriculture is locally strengthened, it will ensure tourism enterprises get more alternatives to buy locally produced products rather than being dependent on imported products. However, an opportunity to buy organic agricultural products by hotels and restaurants is not exploited due to the lack of experience of local enterprises to supply the required quantity and quality. Often, small farmers and farmers' associations cannot get credit to invest for upgrading their supplies and at the same time small farmers in developing countries are not sufficiently aware of hotel and restaurant requirements (UNCTAD, 2015).



According to Philips et al. (2017), the link between art and craft and tourism should also be very apparent. The International Trade Center (2010) estimates that the sales of handcrafts to tourism sector in Ethiopia was as much as 55% of the sales going directly to the raw material suppliers and traders of craft products (as cited in Philips et. al., 2017). In Ethiopia craftsmen operate small scale businesses. For example, the town of Aksum has plenty of small scale souvenir product sellers. Some of them engage in both production and sale of local souvenir products.

## **Methodology**

The design of this research is exploratory in nature and tends to use qualitative approach of analysis. This study was conducted with purposely selected respondents by using semi-structured interviews, and field observations. The intention of the research was to analyze the current interaction between the tourism sector and micro and small scale enterprises in the study area. Creswell (2012) suggests that qualitative studies are rich in description of phenomena and enable the researcher to understand phenomena from the participants' view point. Qualitative research does not employ statistical manipulations rather it provides complex textual description of viewpoints of different people. This research approach also requires people to manage different ideas of interviewees into meaningful analysis and interpretation.

Purposive sampling was used to ensure the selection of potential respondents who are restricted to key institutions and areas that contribute to the realization of the objectives of the study. By using non-probability sampling (purposive), respondents were selected from different stakeholders that included culture and tourism agency (Aksum Branch), agencies of micro and small scale enterprises, hotels, restaurants, tour guides, Ethiopian Sustainable Tourism Development Project, Women's Affairs Office, Youth Association, Agriculture and Rural Development Office and souvenir shops. A total of 23 respondents participated in this study and their standpoints were considered for the analysis work.

Field works (observation) and structured and semi-structured interviews were used to gather primary data. The tools were very relevant to the study because they helped in the gathering of in-depth information. Secondary data sources such as books, journals, articles, magazines, brochures etc were also used for data gathering. Finally, the researchers used thematic analysis to code and look for themes from the data. The data were analyzed by a qualitative approach of analysis which describes the existing phenomena of the topic of the research and that needs close interaction with the data collected.

## **Major findings**

### **Products supplied by micro and small enterprises to tourism industries in Aksum town**

Small firms can supply a variety of necessary raw materials for tourism businesses which may not be easily supplied by large enterprises. It is also argued that sharing expertise and decision making among small businesses contributes to the competitiveness of the tourism offering (Thomas, 2007). The Ethiopian government has devised a new Small & Micro Enterprises Development Strategy that enables it to support micro and small scale enterprises (MSEs). According to the strategy, micro and small scale enterprises which are considered to be growth oriented are classified into five main categories. These include manufacturing, service, trade, urban agriculture and construction (Konjit, 2011) and it is only these since the government has limited capital to support MSEs depending up on the importance of the sectors in the economy.



Out of the total MSE establishments, 38.8 % were involved in the hotel, trade and restaurant business (Gebrehiwot and Wolday, 2001).

### **Potential areas identified for the establishment of Micro and Small Scale Enterprises in the town of Aksum**

**Agriculture:** Aksum is surrounded by various agricultural activities. The practice of farming activities within or immediate outside edge of a city is a common practice in most cities and towns of Ethiopia (Kebede, undated). Local authorities also encourage city dwellers to engage in urban agriculture. The kebeles (*the lowest administrative units in Ethiopia*) around the town of Aksum are productive areas of cereal products, mainly Teff (*Eragrostisteff*). Teff supports 60-75% of Ethiopian population as a staple and co-staple food (Birhanu et al., 2018). Moreover, the town is close to agriculturally rich areas like the districts of Tahitay Adiabo and Shire (Tahitay Korero). Therefore, agriculture is a very important economic activity for the town, where MSEs can be organized to supply food for the tourism industry. According to agricultural experts, fruit and vegetables, and animal farming items such as butter, dairy and poultry are potential sectors for establishment of MSEs in the town. Farmers who produce on a very small plot of land supply these agricultural products to consumers including tourism enterprises. A study conducted by Philip, et al. (2017) in Brazil indicates that constraints for small farmers wanting to supply their fruits and vegetable to hotels include poverty of beneficiaries and lack of access to credit. Jenkins (2014) who conducted a study in St. Kitts indicates that there are challenges for agricultural practice which in turn affect agro-tourism. Some of the challenges include misconceptions on how to access land and financing, and the negative attitude of local communities towards agriculture. In our study site, major constrains for small scale urban farming practices are lack of credit access and problems of suitable market outlets. Areas of potential development of agricultural small scale enterprises are cereal products, fruits and vegetables, and animal products.

Farmers in the kebeles of Laelay Maichew district produce cereal products such as teff, wheat, barley, corn, fenugreek (*abish in Amharic*) etc. According to the agricultural expert from Laelay Maichew district, the first three most produced cereal products are teff, barely and corn. These cereal products are among the main products used, particularly for the preparation of food and beverages. Hotels and restaurants purchase these cereal products directly from farmers or from local traders.

In the market of Aksum town, there are also different types of fruits and vegetables. The fruits that can be found in the local market include mango, banana, papaya, avocado, orange, different types of onions (red and white), tomato, potato and others. Vegetables comprise different species of cabbages and salad. These products are also available in the supermarkets, which directly buy the products from farmers. The kebeles of Dura, Mahibere Selam, Megoya, Aditsehafi and Hatsawo are the main production areas of cereal products, fruit and vegetable products in the district of Laelay Maichew.

Milk, eggs and chicken are also purchased from urban farming practioners/farmers in the market or from traders. Moreover, local farmers drive goats and sheep to the local market. Especially during the main religious festivals, the large flocks of meat animals are transported to the town. The meat market (butchery shop) is another option for households who demand beef. But there are no private enterprises engaged in fattening of livestock used for meat consumption. In the town, there are also dairy farming associations which supply milk in remarkable amounts.

Fish products are supplied in small quantities in Aksum town; fish dishes are not easily found in restaurants. Tilapia fish is purchased from one distributor who brings the product from Tekeze Dam and the Lake Ashenge. As compared to the town of Bahir Dar, which is one of popular



destination in Ethiopia, the supply of fish in the town of Aksum is low. In the town of Bahir dar there are about four licensed fishing cooperatives that supply fish product (Getaneh, 2012). Lake Tana at Bahir Dar provides three commercially important delicious fish species; namely, African Cat fish, Nile tilapia and Labeobarbus (Amare et al, 2018). In contrast, for the town of Aksum, there is no any fishery practice near the town at all. Consequently, hotels and restaurants face shortages of fish product and they bring in additional needed fish supplies from the city of Mekelle, the capital city of Tigray National Regional State.

**Other products:** In addition to agricultural products, accommodation establishments, mainly hotels and restaurants use other types of products that can be used as raw materials for their business. Packed products (supplied by retail traders) such as detergents, beverage (water, alcohol, and soft drink), cheese, butter, different spices and powders are available in the local supermarkets. However, according to a hotel expert (in Birana Hotel), these packed products are imported from other large towns and perceived to be too expensive. Therefore, the hotels bring these products from other cities, mainly from Mekelle and Addis Ababa. According to the local authorities, cultural practices and handcraft industries are also focused areas of the government for the establishment of small firms that have significant contribution in diversification of tourist products. Nonetheless, most of the small firms lack resources and needed expertise in either producing a good quality nor fair amounts of products demanded in the market.

### **The Tourist facilities and services infrastructure in Aksum town**

Tourism does not necessarily use exclusive products and services. For example, it mainly uses public infrastructure such as telecommunication, power, water supply etc. According to Jamieson (2001), in addition to provision of public infrastructures, the tourism industry requires access to tourist related facilities (categorized into three) for its successful operation. But for the convenience of this study, the research team has taken only the first two categories of facilities (primary and secondary), to describe the existing tourist facilities and services in the town of Aksum. The other important service which is not included under the above classification scheme, but has been described here is the transportation service. Describing the tourist facilities and services of the town in this study helps the readers of this article understand the areas where tourism can contribute for development of MSEs. Therefore, these facilities have been described below shortly.

**A. Primary tourist facilities and services:** Primary tourist facilities and services are the main service providers of tourists in destinations. These category of facilities includes accommodation establishments and travel intermediaries.

- ✓ **Accommodation establishments:** In the town of Aksum, the main accommodation establishments which use the products or services of MSEs are hotels and restaurants. According the supervision experts of accommodation, during the period of this study, there were about 33 hotels, of which 11 were of a tourist standard. Similarly, out of 45 restaurants, four were tourists standard quality. In addition, the town has pensions, cafeterias, juice houses and coffee houses that mostly serve local customers. Many of these establishments are categorized under micro and small scale tourism enterprises, based on the size of capital and number of employees (with the exception of hotels and restaurants).
- ✓ **Travel agencies:** The head offices of many of the licensed tour operators and travel agencies working in Ethiopia are located in Addis Ababa. In the town of Aksum there were about five representatives of travel agencies. Among these, Abune Yimeata Travel and Tour is the travel agency which has head office in this town. According to the local key informants, the direct economic contribution of travel agents in regional towns is not significantly noted by local institutions involved in the tourism industry, either directly or indirectly.



**B. Secondary tourist facilities and services:** Among the secondary facilities, in the town there are plenty of souvenir shops, a recreation area, and 223 bars/night clubs. Most of the entities in this category can serve only local communities. In other words, they do not have facilities for supplying tourist standard services.

**C. Transportation:** Easy access to tourism destinations in terms of international transport and facilities for easy movement within the destinations are generally considered to be prerequisites for the development of tourism (Economic and Social Commission for Asia and the Pacific, 2001). According to a tourism survey conducted in 2009 by international consultant hired by Tigray Culture and Tourism Agency, around 58% of the international tourists come to Aksum by road transport, while the remaining 42% come to the town by air transport (Ephrem and Tadesse, 2014). For the city tour, the main means of transportation are four wheel drive vehicles organized by travel agencies. Transfer services from/to the airport and hotel are provided by hotels. Most of the tourist standard hotels have their own cars for transfer service provision. Backpackers use Bajaj transportation for travelling in the town.

### Supplies of Micro and Small Scale Enterprises

Small scale enterprises have a great role to play in the provision of tourist services. The current situation of integration between tourism and small enterprises in the town of Aksum has been dealt with in this section. In the study site, the local communities are in main actors in micro and small enterprises. Though the local communities are engaged in different MSEs, they are not strong enough and many of them do not have any relationship with tourism industry. This is due to low cooperation among the concerned bodies of the government. Even though different committees have been organized to support job creation, tourism development, and development of micro and small scale enterprises, the enterprises are not getting the necessary support from these committees in an organized manner.

As the interview conducted with different the local officials shows, linking micro and small scale enterprises with tourism industry is not well established in almost all areas. In the town, relatively substantial numbers of micro and small enterprises have been organized by the Ethiopian Sustainable Tourism Development Project (ESTDP). ESTDP has been financed by the World Bank and its projects are facilitated by the Ethiopian Government. According to the tourism experts, the small scale enterprises organized and financed by the local administration are few in number. Most of the enterprises currently working are either supported by ESTDP or established by their own financial capacities.

The research team was interested in investigating the current situation of the MSEs and in exploring the products and services supplied by them to the tourism industry. Investigation of these institutions has helped the researchers show the supply-demand relationship between the local suppliers and the tourism sector. The enterprises engaged in the four major categories of MSEs have been analyzed below.

#### A. Service

The small firms in the service sector are very essential suppliers of tourism. In the context of our study area, the main sub-sectors of service include transportation, tour guiding, and traditional music band and marketing and promotion advisors.

**Traditional Transport:** Camels have long been used as a means of transport for long distance travel in rural areas of Aksum. Still they are serving the purpose of reaching places that are



inaccessible by modern vehicles. On the other hand, though there are tourist attractions with no road access, traditional means of transportations are not used widely in Aksum town.

The ESTDP project has trained and procured some important materials for the service of traditional transport. The project has purchased one local chariot (*Seregela* in Amharic) for provision of traditional transport services for tourists, who want to travel in sensitive heritage areas of the town. But the service of traditional transport was planned to be started after completion of the road construction project because during the time of this study, the roads to be used by horse driven chariots (*seregelas*) in Aksum were under construction. Even after completion of the road construction, driving modern and heavy modes of transports to main attractions is not allowed. The only means of transport to reach the main tourist attractions such as the Northern Stelae Park, gigantic tombs, historic churches and other archaeological sites will be environmentally friendly means of transportation including cart drawn traditional transportation (*Seregela*), camels and bicycles.

**Traditional music band:** - Aksum does not have many facilities for night life for tourists. To improve the service of entertainment in the town, two associations of traditional music bands have been organized by funds donated by the World Bank. Their activities include organizing and presenting both traditional and modern styles of music. However, the associations were not at all well organized to deliver suitable entertainment services. This indicates that more effort is required to enhance the music played by bands. Tourism experts insist that the local entertainment services should be strengthened since they contribute in diversification of tourism products and increase length of tourist stay in the town. On the other hand, the enterprises of traditional bands will be beneficial from income that can be generated if they perform well and tourists enjoy their music.

**Tour guiding:** - It is clear that tour guiding is a tourism business by itself but it also contributes in linking local enterprises with tourists. In the town of Aksum, there is an association of tour guides comprising 45 members. The Culture and Tourism Agency has an intention to train more guides to cope with the increasing trend of tourist inflows. The ESTDP on its part has supported the association to fulfill its office furniture needs. Furthermore, it was working to improve the multilingualism of guides. But due to capacity problems and lack of suitable trainers, only the French language was provided. The guide association mainly supports itself by financial contributions to member guides. The association has a plan to create other businesses that can help them to transform from the level of MSE to a medium income level business.

**Marketing and promotion advisors:** - In the town, it is not customary to see more enterprises engaged in promotion. Usually the government promotes the tourism activities by using mass media and rarely by using print media such as folders and brochures. The ESTDP in collaboration with the government has established one licensed association of marketing and promotion as part of its role in enhancing local tourist products and services. This association was established to promote the products and services of hotels and tourist attractions. Basic training such as video editing and photography have been given for the association to make it viable in the promotion of local services and products. However, according to a tourism expert working on the project, the members of the association need more technical skills to show a positive move in marketing and promotion.

## **B. Trade**

In the town of Aksum, without exception, there is no micro and small enterprises in the trade sector formally organized by the government or private donors. The existing enterprises working in this sector were established by the owners' initiatives and in their own financial capacities.





These include Supermarkets, furniture shops, clothing boutiques etc. The businesses engaged in this sector also have no good awareness about tourism businesses. As a result, for instance, traders of clothing (boutiques) and furniture shops have no items that can be sold to tourists. The only time they get benefit from the tourism sector is on the occasion of festivals (mainly Hidar Zion and Palm Sunday). During these occasions, they are provided with market outlets in the main street leading to the Zion church. In other words, festivities have created an opportunity for suppliers of clothing and house furniture to sell large quantity of their products, mainly to local visitors and residents.

### **C. Agriculture**

Aksum is located in the central zone of Tigray region, which has relatively better potential for farming activities. This region has plain and fertile landscapes where traditional agriculture is practiced for a long period of time. Major areas of products in the town include fruit and vegetable, poultry, and milk production. Cereal products such as teff and barley are supplied to the local communities (mainly living at the outskirts of the town) engaged in intensive farming or imported from other regions.

**Fruit and Horticulture:** - Farmers around the town bring fruits and vegetables and they are produced in a traditional way, and on a very small scale. Their products are also available in super markets. However, according to local residents, agricultural products provided by local small businesses are not enough. To tackle this problem, merchants bring the products from Addis Ababa and other places, mainly southern Ethiopian since this region is a major source of fruit for the whole country.

The ESTDP has taken an initiative of organizing small scale agricultural enterprises in collaboration with the Aksum Micro and Small Scale Enterprise Agency (AMSEA), and the Aksum Bureau of Agricultural and Rural Development (ABARD). The Aksum University on its part provides training for the agricultural associations and has introduced different types of foreign fruits and vegetables. ABARD also supports the initiatives by supplying different species of agricultural seeds. ESTDP, as a main responsible body, has provided the associations with different equipment such as motor pumps and carts, and it has built stores for their products. It has also tried to create a linkage between the horticulture producers and the tourism industry. Farming associations engaged in horticulture, produce and supply the products to local consumers, restaurants and hotels. However, the linkage between tourism and horticulture is not strong. On top of this, foreign species introduced to the farmers could not get acceptance from consumers. For instance, the foreign species of cabbage and salad are big in size and the price set for these products is beyond their capacity. Therefore, the local consumers want to select the local species that can be purchased at relatively lower prices. This has forced the associations to produce already well-known local products such as potato and tomato, which attract more customers. The associations produce the products only in the Ethiopian winter season. During the summer season, the farmlands are occupied by cereal products such as teff and barley. Therefore, during the summer season the supply is interrupted. This worsens the shortage of fruit and vegetables in the town.

**Dairy:** In the town Aksum, there are also local communities engaged in micro and small scale dairy farming. Agricultural experts indicated that the government has created awareness for dairy farmers about more effective milk production. On the other hand, farmers participating in interviews pointed out that they failed to be successful in harvesting and processing milk products due to the low interest of local government.



Associations of Dairy farming supply milk for local communities and tourism industry (hotels and restaurants). According to the respondents (farmer participants), the milk consumption is not continuous in the town of Aksum. Since most of Aksumite people are restricted in consuming milk for significant number of days in a year due to fasting. In fact, this is also true for most of the Northern Ethiopia, which is dominated by the Ethiopian Orthodox Church followers. Therefore, during the fasting time, the market is not good for milk production. Furthermore, the enterprises have no regular relation with the tourism industry as well. To cope with this problem, the associations and individuals engaged in dairy are intending to use milk processing technology. This will help them preserve their milk and their processing of the harvested milk into cheese. Cheese processing equipment was provided to the dairy associations by the ESDP. According to the farmers (interviewee), the processed milk can be stored for later use and sold when the demand increases.

**Poultry:** - Traditional poultry production is another agricultural activity in the Aksum town. It is mainly practiced by private entrepreneurs and associations. According to tourism experts, the rising of tourism growth in Aksum has created good opportunities for farmers to get new markets for their products. Poultry farmers are supplying eggs and chickens for hotels and restaurants. On the other hand, the enterprises are required to increase the quality of their products as hotel businesses look for better quality products. The ESTDP has also considered this and is trying to intervene through creating an association of poultry farming which can provide better quality products for the hotel industry.

#### **D. Manufacturing and construction**

This study has identified some of manufacturing activities (traditional Ethiopian craft sectors) related to the tourism industry and discusses this below. In this sector, enterprises are encouraged to be established as micro and small scale enterprises including pottery, weaving, food and beverage service, statuette production, leather production and basketry.

Pottery is one of ancient practices of Ethiopia. However, the practitioners are locally dependent and don't have much awareness of working with the tourism industry. To start alleviating such problems, one association has been organized by ESTDP to promote Ethiopian pottery art and to support local communities economically. The association has been providing training and necessary materials. However, it is still not properly producing pottery products due to the weaknesses of the members in terms of skills. Weaving practice is also one of important traditional industries that is believed to show the wonderful ancient wisdom of Ethiopia. Nevertheless, similarly, it is not beneficial from its linkages with the tourism industry because tourists, particularly international tourists don't buy the traditional clothes. The main customers of the products are local residents, Ethiopian Diasporic citizens and to some extent, domestic tourists purchase such items during festivals like St.Mary (Hidar Tsion) and Hosanna/palms Sunday. An expert participating in this study has also provided an explanation as follows:

The products are sold for domestic tourists or Diasporas. International tourists purchase towels and scarf but only sometimes. Since there is no fashion designed for international tourists and the local design is not their favorite design-few buy.





**Figure1:** Traditional clothes at a shop (left) and Traditional weaving kit (right) Source: Authors own

Another concern of this study was food and beverage service sector. According to the experts of Aksum Culture and Tourism Agency, food and beverage production and service is also an important area in which to establish micro and small scale enterprises that can supply tourists. The local authorities state that establishing more enterprises that can provide food and beverage for visitors reduces the risk of inflation, particularly, during festivals. In the town, one association was established as a micro and small scale venture. A production and catering center has been arranged for the trained members of the association around the archaeological museum of Aksum town. When the research team was conducting field observation in the Aksum Stelae field, the association was giving coffee house service at open air spaces in the compound near the museum. According to the members who participated in the interview, after completion of the maintenance of the old building (a building given for the association) around the museum, they will open a traditional restaurant. They have a plan to offer local food and beverage items to visitors.

In the town of Aksum town, the carving of statuettes in which the local community participates and is well acquainted with, is important. In many of tourist destinations of Ethiopia, carved handicrafts are available in souvenir shops. Aksum is also famous for its souvenir products. Two associations were established in this sector, and they were given production places in Tsiele (a location in the town) and market outlets in the compound of Northern Stele Park. Tourists purchase souvenir products from their mini-shop displayed near the stelae park. According to interviews with the associations, the main challenge of this business is the interference of tour guides. Local tour guides don't advise or recommend the tourists to purchase souvenirs from these souvenir shops. The guides themselves sell the souvenir products illegally at ceiling prices and thus mislead tourists.

The sculptors reflect different cultural, religious, and historical values Ethiopia (see figure2). Some of their sculptures are produced locally, and others are brought from different parts of the country.



**Figure 2:** The sculptors at the market Source: Authors own

Leather production is one of traditional industries and the government has been promoting it to produce high value-added items for export (The Embassy of Japan in Ethiopia, 2008). In the town of Aksum, this sector is a long time practice. The tourism experts argue that the sector should be linked with the tourism sector. As part of sustainable tourism development, an association of a traditional leather industry has been formed by a project supported by the World Bank. The association produces different leather products such as belts, bags and shoes for children.

This study has also attempted to consider traditional basketry, which is a woman's craft in Ethiopia. Basketry is practiced by the younger generation of women, but the weaving practice of basketry has declined sharply. Even though training and material support were given for the small enterprises engaged in this sector, they could do not produce cultural products that can represent



the culture of the local people adequately. According to the local key informants, the reasons that hinder those MSEs to produce local cultural products could be viewed from two dimensions: The first one is the absence of some essential raw materials, and the second impediment is that the local artisans' have misconceptions about the value of basketry in tourism industry. The grass baskets seen below are produced by a woman supported by ESTDP (see figure3).



**Figure 3:** Grass Baskets Source: Authors own

### Conclusion and Recommendations

This study shows that in the town of Aksum different micro and small scale enterprises are supplying products and services to the tourism industry either directly or indirectly. Agriculture is a very important economic activities where MSEs can be organized as suppliers of the tourism industry. According to the agricultural experts, cereal products, fruit and vegetables, animal farming are main areas of farming activities. Other sectors include tour guiding, traditional music bands, restaurants, and traditional transportation, marketing and promotion, manufacturing, construction and trade sectors. The intention of the local government is to organize the abovementioned sectors in the form of micro and small scale enterprises to support tourism.

The Ethiopian Sustainable Tourism Project has played a great role in organizing micro and small scale enterprises in different sectors. The main goal of the project was to link small firms with the tourism industry. It has provided different training based on the nature of businesses and provided material and financial support for the enterprises involved.

However, MSEs established in the town did not get well-organized support from the concerned offices of the government and other stakeholders. Some entities have no more awareness about the demand of the tourism sector and as a result they fail to offer what tourism industries need. In the context of Aksum town, in the beginning the enterprises were given support including awareness creation, training and financial support. However, the support was not sustained. For example, the small scale enterprises given training and other supports at their startup have no appropriate production place and/or market outlets. Therefore, this needs the greater effective collaboration of all concerned stakeholders to sustainably support the businesses. The Culture and Tourism Office, micro and small enterprises office, trade and industry office, and the municipality are the main stakeholders, responsible for coordinating micro and small scale enterprises. With good collaborative efforts being put in place, the capacity of small business should be strengthened in finance, technology, entrepreneurship, marketing and other skills.

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