



Round Table **Africa**



## **TOURISM COMMUNITY- BUSINESS PARTNERSHIPS IN NORTHERN TANZANIA**

Possibilities for a win-win approach? A  
comparative analysis

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## BACKGROUND

- Tourism is a growing industry in Tanzania (nearly 737,000 tourists in 2008 an increase of 11% since 2007 – TANAPA)
- Contribution to GDP of 65 million USD in 2008 (TANAPA)
- The proportion of tourism as part of the Tanzanian economy has grown from 7.5% in 1995 to 16% in 2002 (URT – MNRT)
- However, the level of development in rural areas has not changed much in the last 10 years (Wohlmuth, 2009)



- Tanzania remains an overwhelmingly agrarian country, with more than 70% of Tanzanians residing in rural villages and over 80% deriving their livelihoods from agriculture and pastoralism (URT, 2006)
- Economic development policy prioritizes supporting smallholder agriculture and increasing the linkages between rural livelihoods and macroeconomic growth (URT, 2006)

*So can the government create a win-win situation  
between communities and tourism businesses*



# RESEARCH OBJECTIVES

1. To examine current practices / relations between companies in the tourism sector and local communities with respect to local economic development.
2. To assess the potential for local economic development through agreements between communities and private sector firms.
3. To identify ways in which the Government/ district provide an enabling environment for local economic development linked to tourism



## MAIN RESEARCH QUESTION

- What are the benefits and the limitations of the different business-community tourism models for local economic development?
- Which tourism business-community model has most impact on local economic development?
- Which conditions are necessary to generate as much local economic development as possible?



# TARGETGROUP

- Business = a private sector company or investor
- “Community’ is here used to refer to the village members living near or within the physical location
- Village is the village council and chairman and is part of the local government structure
- District government = local government authorities linking central government with villages
- Central government = government at the ministerial level. This study specifically considers the role of the Wildlife Division under the Ministry of Tourism & Natural Resources



# THREE COMMUNITY-BUSINESS PARTNERSHIP MODELS

- I. Direct agreements: Business + Community  
(authorization required since 2008).
- II. WMA – Business + Community + District government  
with authorization of the Wildlife Division (MNRT).
- III. Hunting - (Transactional) agreements between  
business and central government.



# RESEARCH FRAMEWORK: PARTNERSHIP ASSESSMENT USING AN INPUT-OUTPUT APPROACH

- Based on literature research (Hailey (2000), van Dijk (2009), Pfisterer (2009), Spenceley (2008) five critical success factors (i.e. INPUTS) affecting the performance of partnerships are considered:
  - i. Level of commitment
  - ii. Level of Transparency and accountability
  - iii. Mutual benefits
  - iv. Number of tourist bed-nights per year
  - v. The institutional structure through which the benefits pass i.e. the type of partnership arrangement.



# LED PERFORMANCE ASSESSMENT (ASHLEY AND ELLIOT, 2003; SPENCELEY, 2008)

## OUTPUTS/OUTCOMES

- a. Financial: waged jobs, sales of goods and services and shares of collective income
- b. Non-financial impact: improved or decreased access to infrastructure, communications, water supply, health, education, security services, transportation services
- c. Empowerment impacts: opportunities for institutional development and participation in local economic decision making



# RESEARCH METHOD

- Analysis of community-business partnership on local economic development at village level (study of six villages);
- Analysis of three community-business partnership models in relation to local economic development
- Analysis of six main criteria for assessment of the enabling environment



# RESEARCH METHOD

- Literature review (primary and secondary)
- 3 cases in Longido and 3 cases in Babati
- Interviews and open questionnaires with 30 different stakeholders including:
  - 5 private sector actors – photographic and hunting
  - 16 community members: a village chairman and village council, CBO chairman & representatives, members special village committee
  - 2 NGO representatives working in the tourism sector
  - 5 Local Government officials: District Tourism & Game Officers
  - 2 Central government representatives

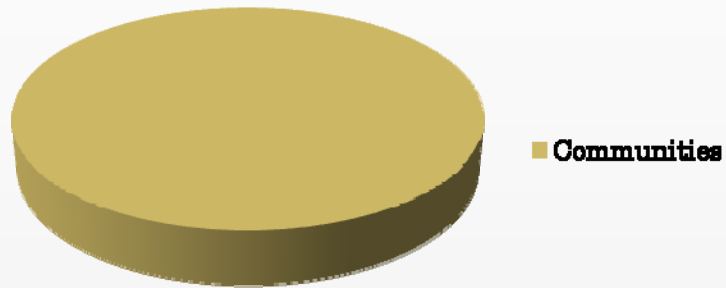


# OUTPUTS & OUTCOMES

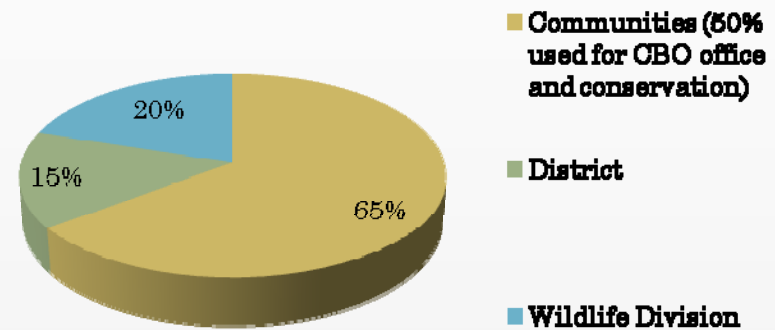
|  | LONGIDO District  |  |   | BABATI District   |   |  |
|--|---|--|---|---|---|--|
|  | Model I (Direct agreements before 2008)   | Model II (WMA)   | Model III (Hunting)                                     | Model I (Direct agreements before 2007)   | Model II (WMA)  | Model III (Hunting)  |
| Revenues   | USD 9000 – 20,000 per year  | USD 1600 – 2300 per year   | USD 2000 per village per year                           | Up to USD 60,000 per year   | USD 2500 per year per village   | USD 1200 per year  |
| Employment and training                                    | Med: 6-9  | Med/High: (6-9) full salaried + 4 VGS + 3 CBO representatives  | Low: average of 2 per village                           | Med: Over 4   | Med/High: 4 full salaried + 2 VGS + 4 CBO representatives               | 0  |
| Local procurement  | Low   | Low  | Low   | Med-low (meat for staff)  | Med-low   | Very low   |
| Increased access to services / infrastructure              | High: office for the village govt, classrooms for the primary school, and a village clinic (not completed) & sponsorship of secondary school students | Med : 105 secondary school students from 9 villages will be assisted with school funding this year               | Med/Low: sponsorship of 30-40 secondary school students | High: more than 20 secondary school students sponsored, classrooms for the ward secondary school, construction of a water well, assistance of orphans | Med: funds put into the ward education fund for sponsorship of students | Low  |
| Stimulation of good governance / institutional development | Med: The village opened a bank account as a result of the partnership   | Med/High: The village obtained a land-title deed, and developed a land-use plan, setting aside land for wildlife | Low   | Med   | Med/High: Villagers demanding participation in decision-making          | Med: village has a land use plan and has set aside land for various uses |
| Conservation   | Med: village employed own game scouts   | High: 4 VGS x 9 villages   | Low, village not required to employ GS                  | Med: 5 per ward   | High: 18 VGS from 10 villages   | 12 VGS chosen by the village, not yet trained                            |

# FINANCIAL BENEFITS SHARING IN THREE MODELS

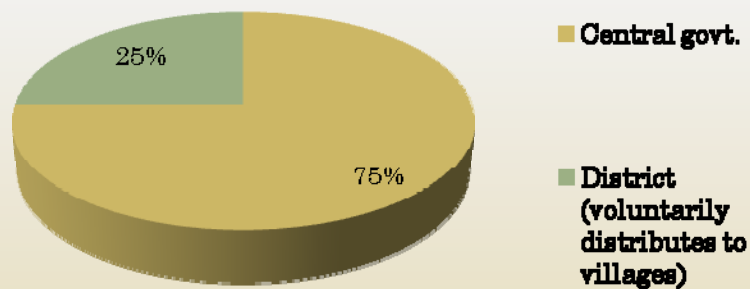
## I. Direct agreements before 2008



## II. WMA



## III. Hunting



# CRITICAL SUCCESS FACTORS / INPUTS

|  | LONGIDO District  |   |  | BABATI District   |  |  |
|--|---|---|--|---|--|--|
|  | Model I (Direct agreements before 2007)   | Model II (WMA)  | Model III (Hunting)  | Model I (Direct agreements before 2007)                         | Model II (WMA)   | Model III (Hunting)  |
| Commitment – level of responsible practice | 4 years   | Process started 8 years ago, implemented from June 2009   | Voluntary  | 4 years (contract was for 30 years with renewals every 5 years) | 4 years  | None   |
| Transparency/ accountability               | MED – Village leadership shares information about tourism earnings through village assemblies | Low/Med – villagers were not always clear on amounts collected by WD and the proportion they received | Low – villagers were not always aware of overall amounts collected by WD | Med – villages shared information through village meetings      | Med/High – payments made to JUHIBU CBO. CBO kept clear records of amounts collected. | Low – villagers were not always aware of overall amounts collected by WD |
| Mutual benefits                            | High  | Med - less for villages than in direct agreements   | Low  | High  | Medium   | Low  |
| Number of tourist beds per year            | Med: 1574 in 2005   | Med: 2197 in 2009   | Low: 579 in 2009   | High: 4848 in 2007  | High: 3857 in 2008   | High: 4900 in 2009   |
| Institutional structure                    | Positive for economic benefits  | Positive for institutional benefits   | Neutral / no impact  | Positive - economic   | Positive - institutional   | No impact  |

## CONCLUSIONS

- Direct agreements between communities and businesses brought the highest economic benefits to villages.
- Highest institutional development and conservation benefits were obtained in the WMA model, however, economic benefits were low for individual villages in this model.
- Financial benefits shared with villages were low in the Hunting model. Levels of awareness of amounts collected by central government were also low.
- Local procurement of food products and crafts was generally low in all cases considered.



## CONCLUSIONS

- Economic benefits from agreements with hunting companies were higher when the business had an ethos of social responsibility.
- Mutual benefits are crucial if business and communities are to remain committed to the partnership, which results in continued LED



# RECOMMENDATIONS

- Direct economic benefits to communities need to be higher in the Hunting and WMA models if communities are to have an incentive to conserve wildlife.
- More investment in WMA areas is needed or the number of villages sharing benefits per WMA needs to be smaller.
- Economic linkages need to be established between rural producers and the tourism sector. Companies need to place priority in sourcing locally, while government and NGOs can assist in building capacity for villagers to produce at required volumes and quality.
- Government should create an enabling environment such that a code of responsible tourism is developed and implemented in order to facilitate LED

