

VALUE CHAIN STUDY OF WOOD CARVERS IN TANZANIA AND ZAMBIA



AN ASSIGNMENT

SUBMITTED BY

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DBA VALUE CHAIN ASSIGNMENT

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NATIONAL POSITIONING IN TOURISM FOR WEALTH GENERATION TO THE POOR. A COMPARATIVE STUDY OF THE COUNTRIES' TOURISM REGULATORY FRAMEWORK; AS AFFECTS WOOD CARVERS IN TANZANIA AND ZAMBIA.

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EXECUTIVE SUMMARY

Introduction

A comparative value chain exploratory study of wood carvings in Zambia and Tanzania was undertaken in 2008 and early 2009 as part of pro-poor tourism as affected by the two countries regulatory framework.

Methodology

A simple exploratory approach was used first to familiarize with existing government regulations that affect woodcarvers by visiting and talking and observing. Ministry of Natural resources and tourism were visited in both Tanzania and Zambia. Finally wood carvings sellers both big retailers and small ones were visited. A questionnaire was developed for woodcarvers and wood sellers. The questionnaire was administered by the researcher attached in the appendix. Information gathered was used to calculate indicative simplified margins for each group as well as stakeholders mapping and value chain mapping.

Study propositions were;

- Pro-poor national policies and regulatory framework increases tourism-woodcarvers linkages, therefore increasing their incomes.
- There is disconnect between national regulatory framework and destination management for poverty reduction of woodcarvers

Key findings

The Tanzania and Zambia both have pro-poor tourism as one of the objectives in their Tourism policies. Pro-poor tourism involves promoting the poor's participation in the tourism industry directly by providing goods and services required to build tourism facilities and operational requirements as well as indirect benefits by providing second level or downstream goods and services. Pro-poor tourism promotes linkages between tourism and local economy while minimizing leakages. Tanzania and Zambia have many natural attractions but as with other developing countries, are faced with many challenges and constraints in developing the tourism sector. National policies and actions are required to build infrastructure, human capital, supply capacities and build effective linkages between tourism and various sectors in the national tourism value chain so as to ensure economic wide gains and pro-poor results. Wood carvings a traditional skills that has potential to provide employment in creating unique primary hotel facilities as well as presenting a unique brand of handcrafts for shopping as well as cultural education.

Majority woodcarvers were poorly organized, exploited by few middlemen and exporters with export licenses as well as direct link with tourists while the actual carvers remain obscured from consumers of their products. Much as the wood carvers were aware of environmental conservation and sustainable tree harvesting, their product were not

graded or certified as fair trade wood handcraft. If certification was done, the Tanzania Makonde crafts would fetch better prices and therefore good income for the carvers. Additional finding was the multiplicity of government Ministries and agencies that the wood carvers have to deal with to operate their business. Yet none of the ministries were supportive to link carvers to the tourism industry. Key constraints faced by wood carvers included; lack of credit, bypassed by tour excursionist; lack working tools and working space; lack business skills, presentation and marketing skills; generally not linked to the National tourism value chain.

There were clear governance issues when in Tanzania the structure between carvers and lead firms who are the buyers and exporters was of captive market at one level, hierarchical in another and modular value chain in another as described by Gereffi *et al* (2005). The lead firm made 65.5 SGM while individual carvers in a modular value chain made 43.8%. Small curio sellers had the lowest SGM at 35.4%.

The Zambia market was more of the modular chain. However the government protected woodcarvers at Kabwata had the higher indicative SGM at 62.5% while the roadside carvers barely made 35% SGM. The small entrepreneurs selling curios in city market had highest SGM at 68%. This was because they do not pay any tax and municipal rent was very low compared to local government in Districts like Kafue who paid more. It also emerged that in both countries many woodcarvings sold are imported from neighbouring countries. This would show that woodcarvings industry is at initial stage of linking woodcarvings and tourism, whereby local supply is limited as demonstrated by Kirsten and Rogerson (2002).

A number of constraints as listed above were identified but also opportunities for partnership, product upgrading and process upgrading like:

- i. Training woodcarvers to upgrade their skills and build critical success factors for the industry.
- ii. Local branding and fair trade certification
- iii. Product differentiation in terms of type of wood used, rarity, cultural story behind the carving as well as the artist message.
- iv. Accessing carvers to credit
- v. Improving display facilities by providing entertainment, hygienic restaurant as well as improving financial transactions, where buyers can pay by credit card.

There were opportunities to link woodcarving industry to the national tourism sector for pro-poor objectives. Government intervention would facilitate the process.

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LIST OF ABBREVIATIONS

GATS	General Agreement on Trade in services
GDP	Growth Domestic Product
PPT	Pro-poor Tourism
SGM	simplified Gross Margin
UNWTO	United Nations-World Tourism Organisation
USD	United States Dollar
WTO	World Tourism Organisation
WT&TC	World travel and Tourism Council

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TOURISM OVERVIEW; AN INTRODUCTION

According to World Trade Organisation (WTO) structure ([www.wto/services-gateway](http://www.wto.org/services-gateway)), Tourism is classified as one of the 12 categories of trade in services. It therefore falls under 'The General Agreement on Trade in Services' (GATS). Services Trade under GATS are defined (WTO Secretariat, GATS; 2005) in four modes of supply:

- *From territory of one member into the territory of any other member (Mode 1- cross border supply),*
- *In the territory of one member to the service consumer of any other member (Mode 2- consumption abroad,*
- *By a service supplier of one member, through commercial presence in the territory of any other member (Mode 3 - commercial presence, and*
- *By service supplier of one member, through presence of natural persons of a member in the territory of any other member (Mode 4 - movement of natural persons).*

Source: (WTO, GATS: 2005)

Tourism is classified in GATS's second category; consumption abroad. The World Tourism Competitiveness report (Blanke J and Chiesa T. 2007) reported international arrivals at 687 million in 2000 and 806 million in 2005. Reported International tourism total receipts as of 2005 in current prices was USD 682 billion dollars. In addition, the World Travel and Tourism Council (WT&TC, 2007) reported that, Travel and Tourism industry accounted for 10.4% of global gross domestic product (GDP), 12.2 of world exports, 9.5 of world's investments and generated gross revenue of over USD 7 trillion dollars in 2006. As a 10.4% GDP contributor,

Tourism is a major player in the global economy, where both developed and developing countries are competing for the finite tourist arrivals and receipts at any given time. But then, what is Tourism? From the [sidestore.com website](http://www.sidestore.com), Tourism was defined as early as 1910 by an Austria economist as; "...*directly relate to the entry, stay and movement of foreigners inside and outside a certain country, city or a region.*" Hunziker and Krapf (1941), defined tourism as "*the sum of the phenomena and relationships arising from the travel and stay of non-residents, insofar as they do not lead to permanent residence and are not connected with any earning activity.*" In 1976, Tourism Society of England defined tourism as "*the temporary, short-term movement of people to destination outside the places where they normally live and work and their activities during the stay at each destination. It includes movements for all purposes.*" More recently, the authoritative United Nations World Tourism Organisation (2004), defined tourism as, "**The activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited**". This is now a frequently used definition in literature. George (2007) elaborated this United Nations World Tourism Organisations' (UN-WTO) definition of Tourism that it involves:

- *The movement of people*
- *Two key-elements; the **journey to** and the **stay at** the destination*
- *That this journey takes place outside the usual residential environment*
- *That the movement to destination is short term and temporary*
- *That the destinations are visited for purposes **other than employment** and taking up permanent residence.*

This elaboration clearly shows how Tourism fits into GATS's supply mode two of 'consumption abroad'.

NATURE OF TOURISM

Tourism has many facets depending on the traveller's objectives, destination economy's objectives and categorization as well as from the researchers'

perspectives. In his book on understanding tourism, Medlik S. (2001) lists many categories of tourism in the form of questions. The many aspects of Tourism are listed as:

1. International vs Domestic Tourism
2. Rural vs Urban tourism
3. Leisure tourism that may include “sea, sun and sand”
4. Grief tourism like visiting the site where the twin towers of world trade centre was in New York, or the Nazi concentration camps
5. Ethnic tourism; closely related to cultural tourism with focus on the indigenous people, or tribe that resides in that particular locality. In Tanzania, Maasai are popularly visited, just like the Samburu in Kenya or Himba in Namibia.
6. Incentive; the motive to leave the work place and go on holiday usually encouraged by the employer through paid travel and accommodation costs. Could be reward for best worker of the year or the case of ESAMI staff ‘team building annual trips to Dubai’ during Easter holidays.
7. Mass tourism; includes budget tourism. The objective is to increase number of tourists at lower returns per person. It the opposite of high-end tourism that targets the rich.
8. Nature, adventure and wildlife (grouped together but not the same).
9. Education; this includes education trips to tourist sites. Very popular with school children but can include university students like a Botany class climbing the mountain while observing and studying different plant features at different altitudes.
10. Congress tourism; involves meetings, conferences/conventions and exhibitions.
11. Health; promotion of the destination as a health spot natural or artificially created. Natural spots include hot springs; beach and exclusive resorts used by convalescence patients. Artificial health resorts and clubs are the new tourist crazy for the affluent society to rejuvenate and remain youthful. Kenya airways’ inflight magazines regularly carries pictures of hotels and various spa services being offered.

12. Cultural tourism is sometimes used synonymously with community tourism or ethnic tourism. It has to do with visitors experiencing culture of the destination place. This may include food, artefacts, cultural entertainment, tribal rituals etc.
13. Ecotourism; according to ecotourism website, ecotourism is defined, '*as a type of tourism where the environment, local community and visitor all benefit*' (<http://www.piedrablanca.org/ecotourism-definition.htm>. 2009). This is tourism with environmental concerns.
14. Community based tourism; Different from cultural or ethnic tourism, the community may be of mixed groups. However their way of life is of interest to the visitor. It is defined on the website; (<http://www.sustainabletourism.travel/communitybasedtourism.html>. 2009) as '*shared leadership emphasizing community well-being over individual profit, balances power within communities, and fosters traditional culture, conservation, and responsible stewardship of the land*' or physical space as in the city.
15. Pro-Poor Tourism (PPT); coined in 1999 (Ashley C., Roe D. and Goodwin 2001), it is tourism that produces benefits for the poor.

Sometimes the terms in the classification above are used interchangeably as if they mean the same. Van der Duim (2007) therefore, cautions on the use of the above such classification. A congress tourist for example, can as well merge into cultural and community based tourist or education tourist. Pro-poor tourism is another example of disputed classification of tourism categories. According to tourism.review.com (<http://www.ecotourdirectory.com>. of July 2008), it is argued that pro-poor tourism should not be considered as a separate tourism category. Any form of tourism could be made to be pro-poor. It is more of the destination country's policy management to minimize leakages and promote the poor linking into tourism benefits. In addition to the above listed categories, there is another group of Day-tourists who spend or stay in the destination for less than 24 hours referred as excursionists by the UN-WTO. Excursionists equally bring into the destination the many desired benefits of tourism like shopping, and consuming other services even though the stay period is limited.

There exists in literature concepts and theories that refer to Tourism as an Industry (Mill C. and Morrison A. 2002; George 2007). If it is an Industry in the real sense of the word, what are the outputs? According to Lickorish and Jenkins (1997, as quoted by George 2007), tourism can not be called an industry as it does not have a tangible outputs compared to an industry like a tyre factory that produces so many tyres or tons of cement from a cement factory. This argument is supported by Mills and Morrison (1992:Xiii) who concluded that tourism is a process. Tourism as a sector comprises a multiplicity of activities, enterprises and programmes that when combined meet the tourist's needs or 'experience intensity'. There is therefore consumption at each activity. Researchers and academics on Tourism (George 2007; Mills and Morrison 2002; Enright M. and Newton J. 2004; Murphy, Pritchard, & Smith, 2000) have divided the tourism system or process into two distinct sets; demand and supply. The classification is useful in focussing inbound and outbound tourism issues of concerns. Figure 1 below shows the demand and supply side of Tourism, of which production and consumption occurs at all level, so as to create prominence in the tourist's experiences.

DEMAND SIDE TOURISM

According to George (2007) tourism demand occur in the **tourists generating** region or countries. This is where there is the desire to want to travel to another environment. George (2007) refers to the UNWTO definition of tourism to be a demand aspect of tourism. What pushes an individual to want to travel to destination A and not B or vice versa. This depends on the perceptions and expectations that the individual traveller would have derived from; international tour operators, friends, family, employer or education institutions and the prominence created of that destination in the traveller's mind. All the activities to generate prominence would constitute tourism marketing in the demand region or country.

SUPPLY SIDE OF TOURISM

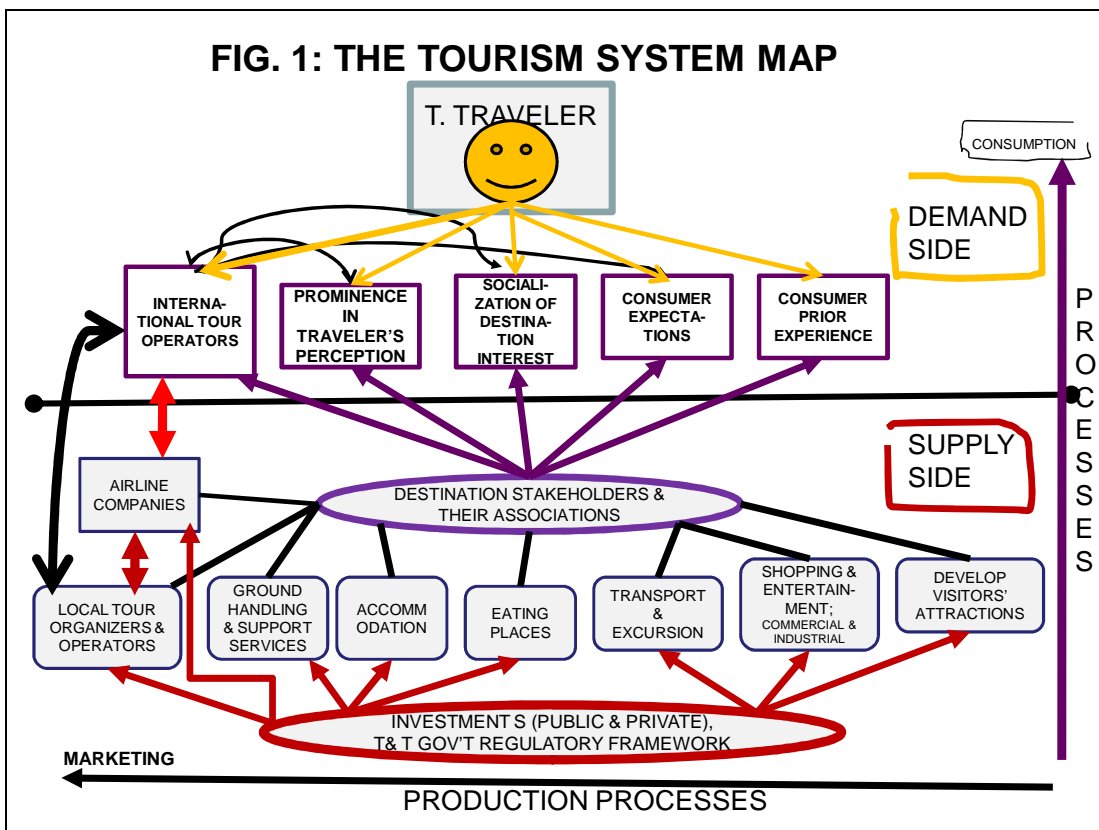
This is sometimes referred to as the 'Destination management'. The "Destination country or region" comprise of many enterprises that provide goods and services

for consumption to the tourist. Mill R.C. and Morrison A. (2002) documents 5 main areas of the destination as:

1. Attractions,
2. Facilities,
3. Infrastructure,
4. Transportation and
5. Hospitality.

These 5 areas are interdependent for the tourist to experience a satisfying holiday based on prior prominence, socialization of the destination, expectation and prior experiences.

Figure 1's focus is on the impact or influence of the regulatory framework on the Tourism Industry especially as it impacts on the destination management and eventually the degree of prominence created to the would be traveller.



PRO-POOR TOURISM VALUE CHAIN IN TANZANIA

Tourism in Tanzania contributes about 9.4% of the Growth Domestic Product (GDP) equivalent to USD 1,329 millions dollars as of 2007(*The Travel & Tourism Report 2008. World Economic Forum, 2008*). Tourism is the second GDP contributing sector after Agriculture. Given this importance, Tanzania developed a Tourism Policy that has several objectives including pro-poor concerns (Tanzania **National Tourism Policy**; Ministry of Natural Resources & Tourism Tanzania. 1999). The Policy seeks to assist development efforts by promoting:

- the economy and livelihood of people,
- poverty alleviation, through encouraging development that is sustainable,
- quality tourism that is culturally and socially acceptable, as well as being ecologically friendly,
- sustainable environment that is also economically viable.

The Tourism Policy further aims at marketing Tanzania as the **favoured** tourist destination and has one of the objectives to promote Pro-Poor Tourism.

Pro-poor tourism (PPT) was defined as; “tourism that generates net benefits to the poor” (Ashley C., Roe D. and Goodwin H. 2001). PPT is not a specific product but an approach to the industry. It is an approach that seeks to increase participation of poor people at many points in the supply side, and aims at increasing their economic and social benefits from tourism while reducing the negative impacts on the poor. Pro-Poor Tourism approaches include :

1. Promoting linkages in the economy in activities where the poor participate
2. Increasing length of stay of tourists
3. Increase tourist expenditure
4. Limit/minimize leakages especially in supporting services and industries

Studies on tourism and its impact on the poor are numerous (Ashley C, Roe D, Goodwin H. 2001, 2000; Cattarinich X. 2001; Kirsten M. and Rogerson C. 2002; Chok S, Macbeth J. and Warren C. 2007). Ashley et al (2006) shows different types of linkages between tourism and the local economy (Figure 2).

FIG. 2: TOURISM & LOCAL ECONOMIC DEVELOPMENT

Figure 1: Different types of linkages between tourism and the local economy



Extracted from Making Tourism Count for the Local Economy in the Caribbean, Ashley et al 2006.

Wood carvings fit into this area of tourism and linkage to local economy

On the other hand, if goods and services consumed in the Tourism business operations are imported, then there is economic leakage, and therefore less benefits to the destination economy. The actors in the Tourism destination economy are many (Mills and Morrison 2002). This study however focuses on the wood crafts producers in Tanzania, a product predominantly bought by tourists.

THE STUDY ON WOOD CARVERS IN TANZANIA (CRAFTS)

Destination enterprises are many and varied. The researcher chose the Wood carvers to see how Tourism impacts on their wellbeing as majority tend to be categorized as poor, living on less than \$2 dollars per day. Tanzania has traditional woodcarvers from Southern part of the country bordering Mozambique, specifically from, Songea and Ruvuma Regions. These wood carvings are traditionally known as ‘Makonde’ because the carvers were traditionally from the Makonde tribe. The traditional makonde wood carvings were crafted for specific cultural ceremonies using the African Blackwood

known in Swahili as 'Mpingo' (<http://www.lightyearsip.net/scopingstudy/blackwood.html>. December 2008). With the removal of chieftainship in Tanzania after Independence in the 1960s, then introduction of Socialism in 1967 as the chosen form of Governance, Makonde wood carvings became popular with socialism theme like family unit, community people working together on different economic and cultural activities, abstract figures as per traditional folklores of spirits and African religions and tree of life as the carving being polished in the picture in figure 3.

Figure 3: Makonde carvers in Dar-es-salaam, Tanzania



Today in Tanzania, wood carvers are not only limited to Makonde in southern Tanzania but are found in Dar-es-salaam, Tanga, Arusha and other parts of the country. Tourism has been the major driver of the proliferation of the trade as most carvings are produced for sale to tourist or for export.

According to O'Connor (2008), woodcarvings are a neglected aspect of tourism. His quotation below was another push for the author to study woodcarvings. He is specifically quoted saying, *"A good quality handcraft taken home from an enjoyable holiday has continuing power to evoke wonderful memories, and indeed to arouse the interest of others who see it and to encourage them to visit the destination. But the linkage between tourism and handcrafts has not yet been fully explored, understood or developed, with a resultant loss of valuable revenue and job creation opportunities"*. Woodcraft was further selected for this study because:

1. It is one aspect of the destination pro-poor linkages that could be intensified to increase that portion of tourism income to remain in the poor's pockets.

2. It provides self employment to many Tanzanians with minimum or no education. Average years of education of head of household countrywide was 4 years in 1991/92 and 4.9 years in 2000/01 (Utz R.J. Ed. 2007; quoting National bureau of statistics reports on household budget surveys of 1991/2 and 2000/01). This means majority of Tanzanians have not even completed Primary education which lasts for seven years.
3. Use indigenous knowledge and culture that need to be preserved. The wood carvers interviewed all learnt the skill from family members, working as apprentice usually starting with the polishing aspect, eventually upgrading their competences.
4. Limited leakage in the industry compared to hotels and tour operators that attracts the educated, who in many ways turn out to be expatriates.
5. The sector is dependent on Tourists as buyers and lead firms as exporters. Art work in Tanzania is valued by a small percentage of the middle class. Promoting woodcarving, a traditional art work would increase linkage into the tourism industry and therefore benefit the poor,
6. Majority wood carvers are poor and some physically challenged as shown in Figure 4. If such a person with one hand, is self employed and produces products of exceptional quality for tourists and for export then such enterprises must be supported at all costs.

Figure 4: Wood carver with one hand



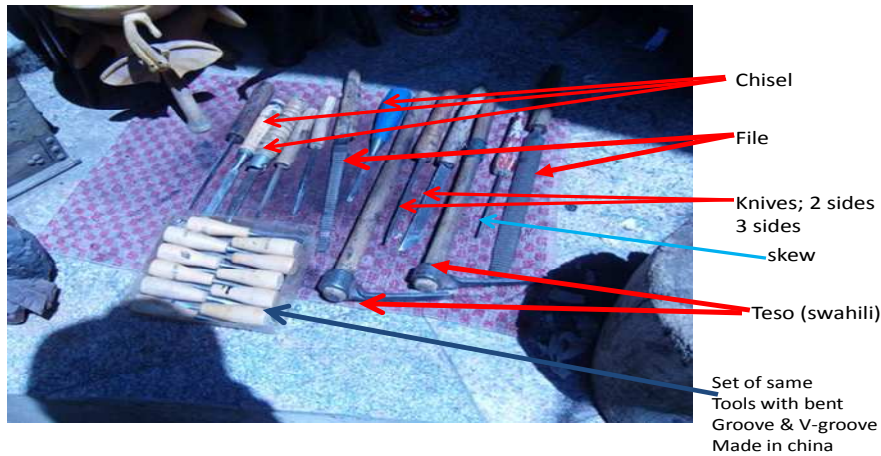
THE STUDY WILL INTERROGATE KEY PROPOSITIONS AS:

- How does the tourism regulatory framework upgrade or downgrade the citizen's quality of life?
- What pro-poor strategies are in place to ensure that wealth generated from tourism reaches the poor and leakages are minimized?
- What constraints does the government face in promoting the poor linking into the tourism benefits pro-poor tourism?
- To what extent does the regulatory framework, tourism policies and other government programmes address wood carvers upgrading issues?
- How has the government managed the governance issues between woodcarvers and tourism stakeholders?

THE WOOD CARVINGS VALUE CHAIN

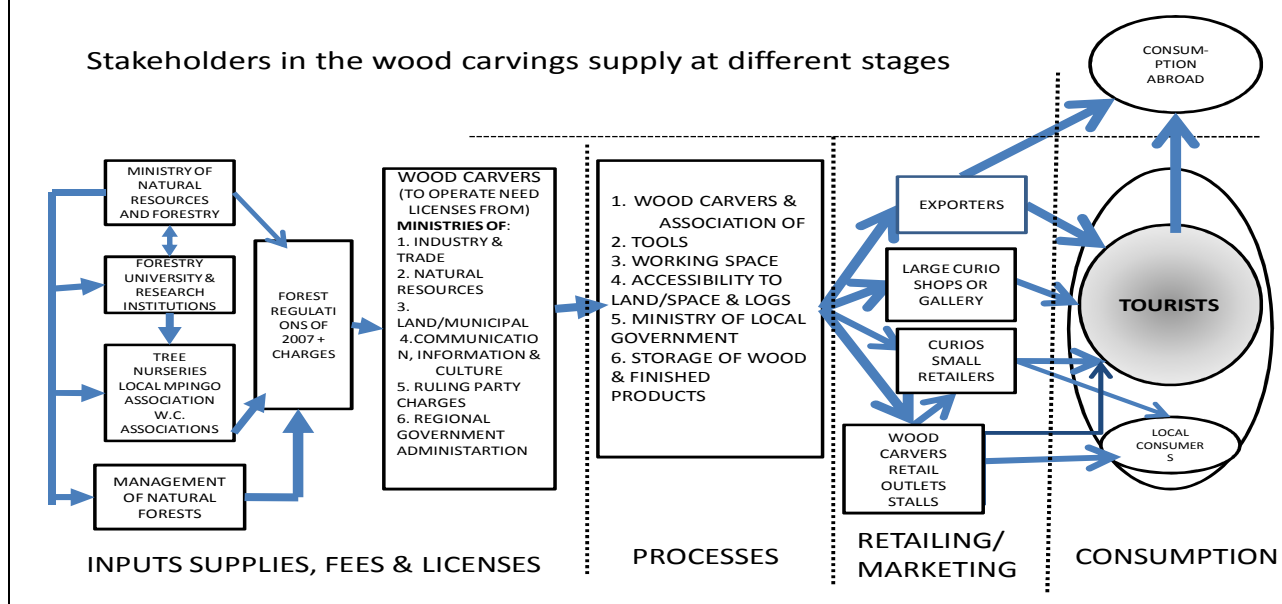
Wood carvings form a small component of the tourism system map (figure 1 above). However when the pro-poor interests are of concern, wood carving are the great resource that the poor in sub-saharan have as a source of income. Looking at beautiful wood artefacts in Galleries, in International hotels, in expatriates' homes and some items carried on the plane when tourists are going home; one wonders who got the lion's share of the price paid by the consumer for these soughtout products. Limited studies exist that explain how the poor benefits from tourism (Mitchel J. Ashley C. and Mann S. 2007). The Tanzania Policy on Tourism and The Zambia's Fifth National Development Plan 2006 – 2010 have the tourism goal that it will enhance economic growth and poverty alleviation through job creation and increase in the country's earnings. It would be more beneficial if the least developed countries in sub-saharan knew 'how' the jobs for the poor would be created and how the increased earning from tourism at national level would reach the poor. To produce wood artefact in rural Africa is a tedious job done using simple implements as shown in Figure 5.

FIG .5: SET OF TOOLS USED BY WOOD CARVERS IN TANZANIA



It is an individual job although occasionally one finds apprentice doing the finishing work like sandpapering and polishing. Every carver must have the 12 basic tools as shown in figure 5 and at least 6 types of sandpapers numbers 60, 80, 100, 120, 180, and 220. The same tools are used to produce simple shapes of animals with minimum details from soft wood just as they same tools used to produce high quality art work from hard wood. To have a good wood carving produced and sold, it involves several actors or stakeholders. Research instruments to collect data from wood carvers and sellers are attached as appendix 1 and 2. The supply chain of actors is shown in figure 6.

Fig. 6: Wood carvers supply chain



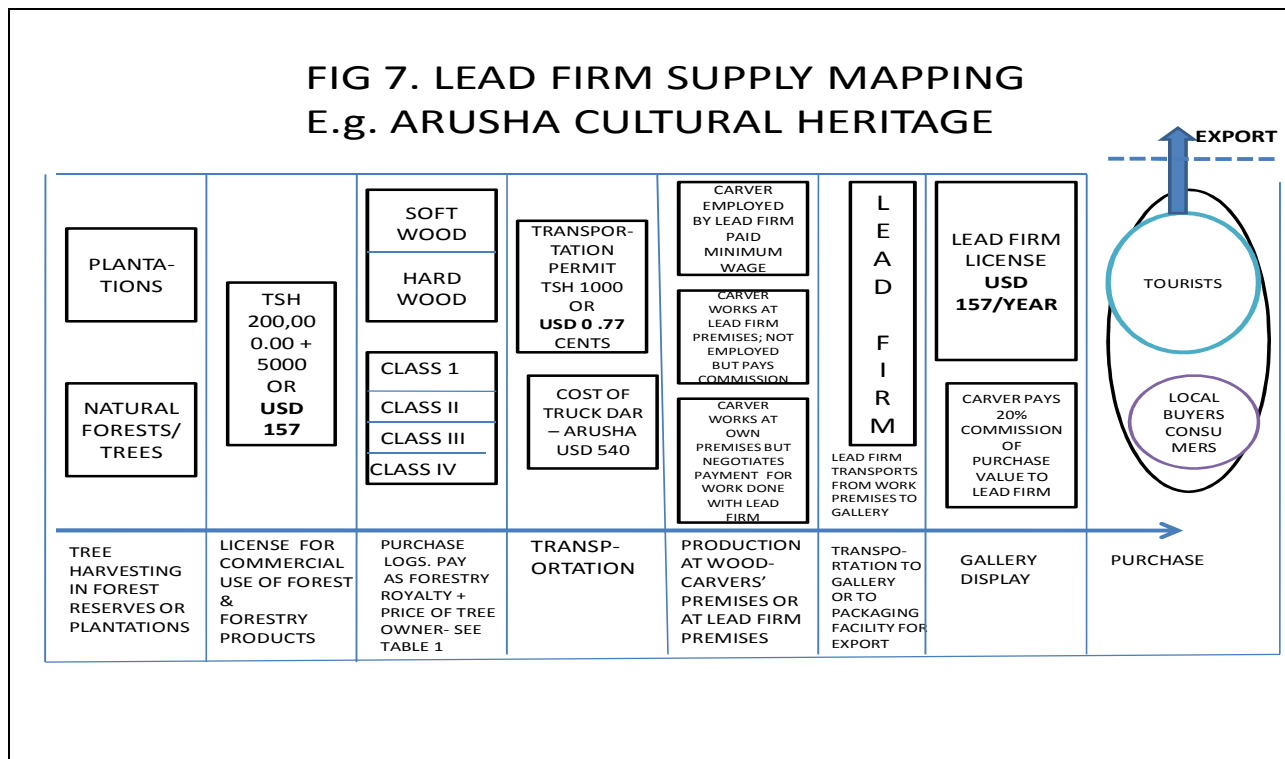
source: mini surveys in Arusha and Dar-es-salaam by author 2008

The many stakeholders for the wood carver to produce a carving and sell to tourists include:

1. Ministry of Natural Resources and Forestry- formulate and provide laws and regulations.
2. Forestry Faculty of Sokoine University- provide knowledge on forest management and advise to government.
3. Ministry of local Government – for implementation of the forestry Act
4. Ministry of industry and Trade that issue license for them to run their businesses
5. Ministry of communication, information and culture that registers artists
6. Ministry of land for the space where they work
7. Ministry of Foreign affairs – facilitate trade fairs
8. Mpingo (African blackwood) wood association
9. Tanzania woodcarvers association
10. Stall owners
11. Timber sellers
12. Transporters
13. Small curio sellers
14. Large curio sellers/Gallery owners
15. Taxi drivers and tour operators
16. Exporters of woodcarvings
17. Tourists

All the stakeholders are linked in the supply map in figure 6. Some of the stakeholders like the Sokoine University and other Forestry research institute add value in terms of

providing technical knowledge on management of forestry, knowledge on trees as well as providing advise on trees to be protected. Information from the academia is used by the Ministry of Natural Resources and Forestry to formulate Forestry Regulations as those of 2004 and the ammended Forest Act of 2007. Forestry regulations in Tanzania are implemented by both District and Regional administration. The mini-survey done in Arusha and Dar-es-salaam show the existence of three distinct channels involving Lead firms and the small artsanal cavers. One Lead firm that is well known at national level is the Arusha Cultural Heritage. The lead firm supply mapping and other existing Channels are presented in Figure 7 and 8.

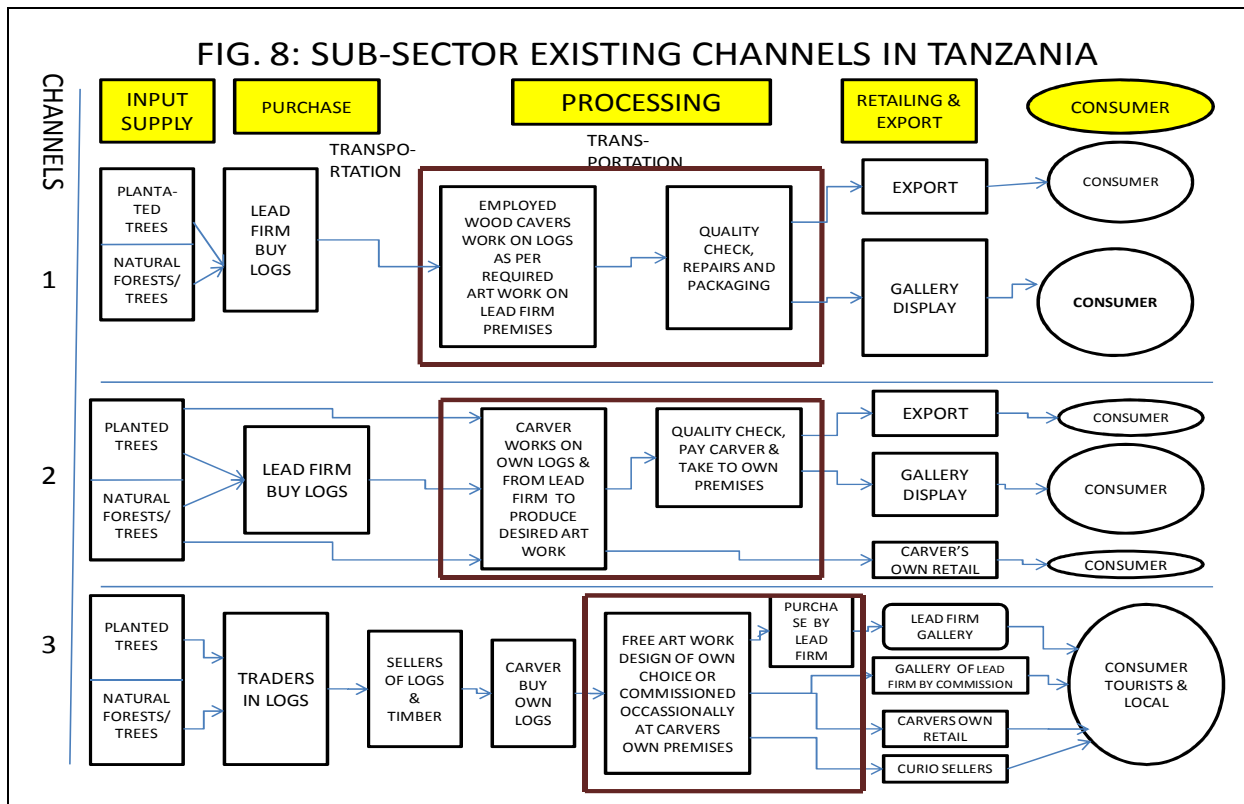


Exchange rate used was 1 USD = Tshs 1300.00

source: mini surveys in Arusha and Dar-es-salaam by author 2008

All the interviewed carvers and small curio shop owners did not have capacity to export wood carvings. Those of Mt Meru curios and craft market in Arusha, stated clearly that they did not know where those external market are. The carvers in Dar-es-salaam knew existence of external markets but could not afford the licence to export.

The Cultural heritage has been in existence for many years. Current proprietor inherited the selling of carvings and other art work from his parents who operated a small curio shop in the town centre. From this small beginning the cultural heritage is now well known and well established with a huge gallery. It was visited by former President Clinton in August 2000 (<http://www.allafrica.com/specials/clinton/2000>) at the invitation of the former President Mandera of South Africa and President Mkapa of Tanzania to witness the signing of the Burundi peace accord. Since then, the cultural heritage is on the agenda of most visitors who comes to Arusha.



Note: exchange rate used was 1USD = Tsh 1300

source: mini surveys in Arusha and Dar-es-salaam by author 2008

Figure 8 above shows that any individual wood carver has a choice to be hired by the lead firm that is channel 1. Such a carver has to be very good at his job to meet the demanded quality criteria. The carver when employed may lose out on the freedom to carve the artwork of his/her choice, but is however assured of regular monthly income as long as the carver abides by the work contract and produces the desired pieces.

For channel 2 in figure 8, the lead firms get orders from individuals and companies in and outside Tanzania to supply certain artwork. He also stocks selected pieces in the gallery depending on the tourist season, expected visitors, and based on his experiences as to what nationalities buys what designs. He then buys logs in bulk and distributes to good carvers he knows to produce quality themes. The carver can on the side buy own timber and produce own carvings that are sold to other curio shops or in own retail stall. The side activities enables the carver to earn some income for daily needs. Usually the ordered pieces by the lead firm are more elaborate e.g Socialism motif which may be 5 meters high. This can take up to 6 months or one year. The carver will not be paid until the piece is completed to the lead firm's satisfaction.

Channel 3 depicts the carver being more independent. Will buy own wood, produce art work of his/her choice and has option to sell to lead firm, display in lead form's gallery or sell to other curio owners as well as retail at own premises or rented stalls.

CALCULATION OF INDICATIVE SIMPLIFIED GROSS MARGINS OF THE MAIN ACTORS IN WOODCARVING INDUSTRY

The woodcarvings vary from very small or miniature as the carvers call them to huge carvings especially those with the theme of socialism (ujamaa), family togetherness and those depicting abstract spirits (mashetani) as shown in pictures at the Arusha Cultural Heritage in appendix 3, picture 2. The huge carvings can be up to 4.6 or even 5 meters high and up to one or more meters in diameter. The miniature include napkin rings, combs and variety of animals. Prices of wood carvings depend on several factors used to assess quality. Some of the quality criteria as explained by buyers and carvers include:

1. The buyer's experiences in the business in case of sellers or the interest of the buyer/consumer based on the perceived meaning of the art item.
2. Type of wood used. The government has already classified indigenous trees into four categories depending on conservation measures, their importance to the economy and the years such trees take to grow. A sample classification and fee is shown in table 1.

Table 1. Classification of tree species from non-plantation and fee charged per cubic meter

CLASS	BOTANICAL NAME	TRADE & VERNACULAR NAME	ROYALTY FEE PAID PER M ³ OF STANDING TREE VOLUME
1 Comprise of 20 genera	Dalbergia melanoxylon	East African black wood; Mpingo	Tsh 160,000.00 or USD 123.1dollars per M ³
	Diospyros ebenum or D. mespiliformis	Ebony; Mgiriti, Mkulvi, Msindi	
	Milicia excelsa	African Teak; Mvule, Iroko	
	Pterocarpus (all species)	Bloodwood or wild Teak; Mninga, Mkula	
	Azelia quanzensis	Azelia; Mkongo, Mkora	
	Juniperus procera	Cedar; mtarakwa	
II Comprise of 22 genera	Newtonia (all species)	Newtonia; Mshashita	Tsh 120,000.00 or USD 92.3 dollars/M ³
	Ocotea usambarensis	Camphowood; Mkulo, Muheti	
	Bercharmia discolor	Bird plum; Mgandu, nyabumbu	
III Class comprise 12 genera	Morus lastea	East african Mulberry; Kumbu, Mkuzufunta	Tsh 80,000.00 or USD 61.3 dollars/M ³
	Filcalhoa laurifolia	Filcalhoa; Iseta, Muta	
	Casipourea malosana	Pillar wood; Ndiri, Msadora	
IV	Number of species not listed. Include all hard wood not listed in classes I - III	<i>No sample names in the forestry act</i>	Tsh 50,000.00 or USD 38.5 dollars/M ³

Source: Forest Act (CAP 323) ; the forest (Amendment) Regulations, 2007. Government of Tanzania. Government notice No. 231

3. Details. The carving to be as close in resemblance as a photograph of the item or the real animal, person like Maasai (a tribe of pastoralist found in Tanzania and Kenya) or family gathering. In case of a person, details of muscles or facial features, hair, eyes, proportionate positions of limbs, fingers, neck and traditionally worn jewels.

4. If a mask then it should reflect the details of the spirit that would be half human and half abstract (see picture 3 in appendix 3).
5. Finishing. The wood should be very smooth and shiny and should show the wood's grain.

The 5 factors or criteria would also form the basis for critical success factors for would be carver to be successful. For example the lead firm had employed a carver from Kenya and also many of the artefacts being sold at cultural heritage are from Kenya. Reason given for this importation when local Tanzania carvers are unable to sell their products was the critical success factors. The lead firm would use 'order qualifying factors' based on his extensive experiences with tourists and importers to source for right product in the sub-region.

FORESTRY ROYALTIES

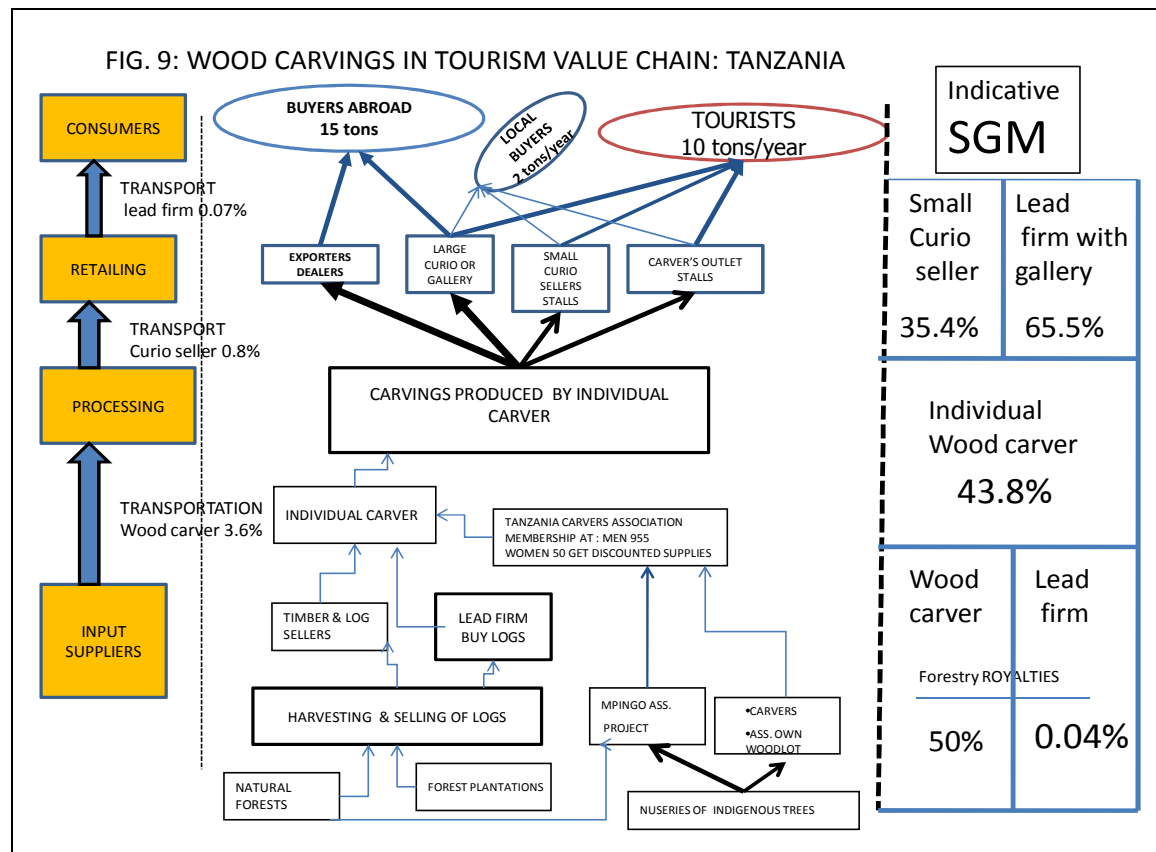
The forestry department charges royalty based on type of business the individual is in. The Forest Act of 2007 has a schedule of fees for permit, licence, certificate for felling trees, collecting forest produce and other services. Table 2 shows fees charged for the actors in the woodcarvings supply chain. The fee is uniform irrespective of the volume or turnover of the business. For example a small (2 meter x 2 meter space) curio shop to get licence to sell tree products must pay USD 153.8 dollars. The same is paid by the Arusha cultural Heritage gallery.

Table 2: Fee for registration of forest produce dealers and traders

s/n	category	Fee in Tsh	Fee/year in USD
1	Logs	200,000.00/year	153.8
2	Timber	200,000.00/year	153.8
3	Curio shop/gallery	200,000.00/year	153.8
4	Exporters of forest produce	400,000.00/year	307.7
5	Furniture mart	200,000.00/year	153.8
6	Wood work Factory	300,000.00/year	230.8
7	Export certificate for commercial consignment	70,000.00/consignment	53.8
8	Inspection fee for carvings & handcrafts	70,000.00/consignment	53.8
9	Transit permit between	1000. /consignment	0.77

Source: Forest Act (CAP 323) ; the forest (Amendment) Regulations, 2007. Government of Tanzania. Government notice No. 231

Calculations of indicative SGM are based on one type of wood; the African Black wood (Mpingo) and an arbitrary simple classification of products. In reality wood carvings' prices are based on many factors. Depending on quality factors, a medium piece may sell more than an extra large depending on the details, market location, marketing skills of the seller, experiences of the buyer and what the consumer is looking for. The calculations of indicative SGM are shown in appendix 4.



source: mini surveys in Arusha and Dar-es-salaam by author 2008

Figure 9 shows that the lead firm has highest indicative SGM at 65.5% but least contribution to Forest Royalties as well as lowest share of transport costs. This is

because, the Tanzanian forestry regulatory framework does not discriminate between major users of forest products from small scale users. They all pay same fee as shown in table 1 and 2 above. The small curio seller had the lowest indicative SGM at 35.4% while the wood carvers were at 43.8%. The high value for the carvers is based on the assumptions that all artwork produced in that one month were sold. In reality though, they hardly complete two large ones in one month. One reason given by some carvers in Dar-es-salaam was that they start then forget what the carver had originally conceptualised the art work to be. They would then abandon the wood for a while and do other things like polishing or start on a new piece until when they remember then work resumes.

One weak area identified was for them to write or draw the design before starting work. However many were illiterate and therefore relying on their memories.

THE STUDY OF WOOD CARVERS IN ZAMBIA

The Zambia fifth National Development plan (2006 – 2010) has tourism as one of the targeted sector to contribute to sustainable economic growth and poverty reduction. The sector was expected to generate from tourism USD 174 million in 2006 and increase earning up to USD 304 million by 2010. Among the objectives in the plan that one would expect relevancy to PPT include:

- Improve accessibility to key tourist destination areas
- Promote cultural tourism
- Promote investment in tourism sector
- Diversify tourism products beyond wildlife
- Develop institutional and Human resources capacity
- Promote community participation

There are less clear strategies and actions on how the enumerated objectives would involve and benefit the poor. One may presuppose that government expects the poor to benefit indirectly through community participation and when they rehabilitate infrastructure and museums as well as provide financial facilities to small scale enterprise. However as the recent studies of Mitchell and Ashley (2007), Ashley (2006), Kirsten and Rogerson (2002) show, government policies and regulations as well as strategies, tend to be short on the 'how' details and actual activities how to link the poor

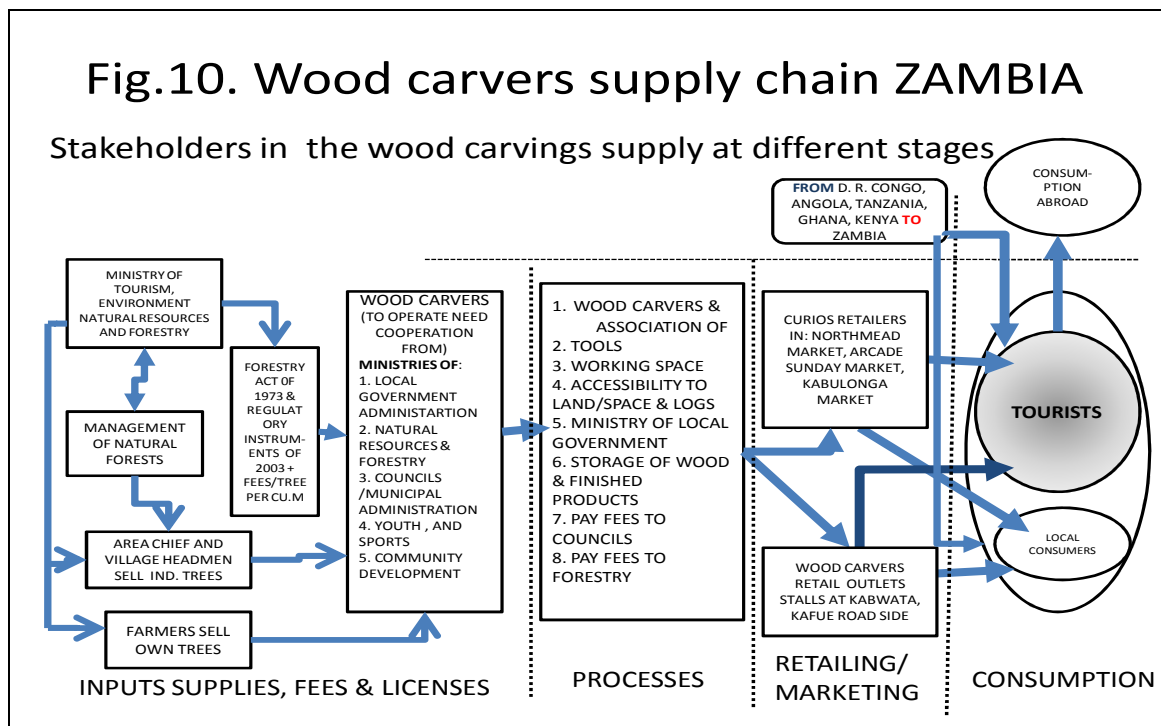
to mainstream tourism involvement and how to benefits. As Mitchel and Ashley(2007) put it; *“the devil is in detail, and broad-brush assumptions do more harm than good”*.

WOOD CARVERS TOOLS

Tools used by carvers were the same as those used in Tanzania except in Zambia they used more of the chopper and axes. These were followed by chisels, file and sandpapers. On asking them what they would need to upgrade their product quality and quantity, they then listed: cross cut carving axe, wood cramps, chain saw, wheel barrows, crane, working tables/bench, drill machine.

WOOD CARVER SUPPLY CHAIN IN ZAMBIA

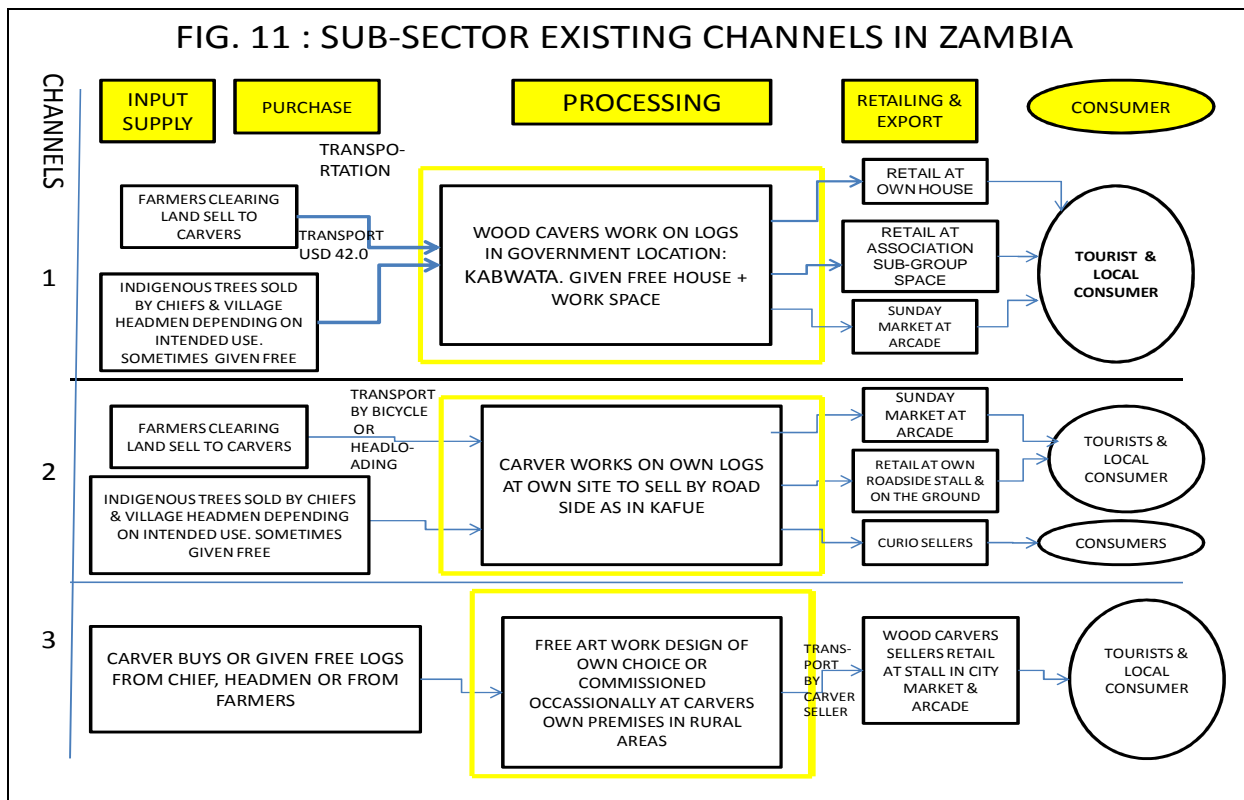
The woodcarving industry in Lusaka and Kafue did not have lead firm. The main actors are: wood carvers, chiefs, village headmen, farmers, local district councils, city markets and the ministries of Community Development, youth and sports, department of forestry. These are linked as shown in figure 10.



Source: mini survey in Lusaka and Kafue, Zambia. 2009

The wood carving supply mapping is shown in figure 11. The Zambian carving industry do not have a lead firm as such. The difference between the carvers is based on

location. Those in Government location do not pay any fees and do not need license. Those on roadside as in Kafue are harassed by local councils to pay USD 20.8 per year and natural resources to pay the equivalency of USD 7.29 per month. The sellers in city market like Northmead only pay for the space in the market at USD 12.5 dollars. There is only one private developer, the owner of Arcade shopping mall who allows vendors to come and display their curios in the car park on Sundays. These sellers of any type of curios, wood artefacts, jewels, clothing, copper etc are charged per space of 2.5 x 3 meters or its multiples occupied. The space in a shade costs USD 10.42dollars per 2.5 x 3 meters and in the open costs USD 6.25 dollars (exchange rate used, 1 \$ = K 4800 Zambian Kwacha).



Source: mini-survey in zambia 2009

CALCULATION OF INDICATIVE SIMPLIFIED GROSS MARGINS (SGM)

The situation in Zambia is different from Tanzania as no lead firm was identified. Also carvers in different localities reported different charges/fees or no charges at all. The industry appears to be very informal.

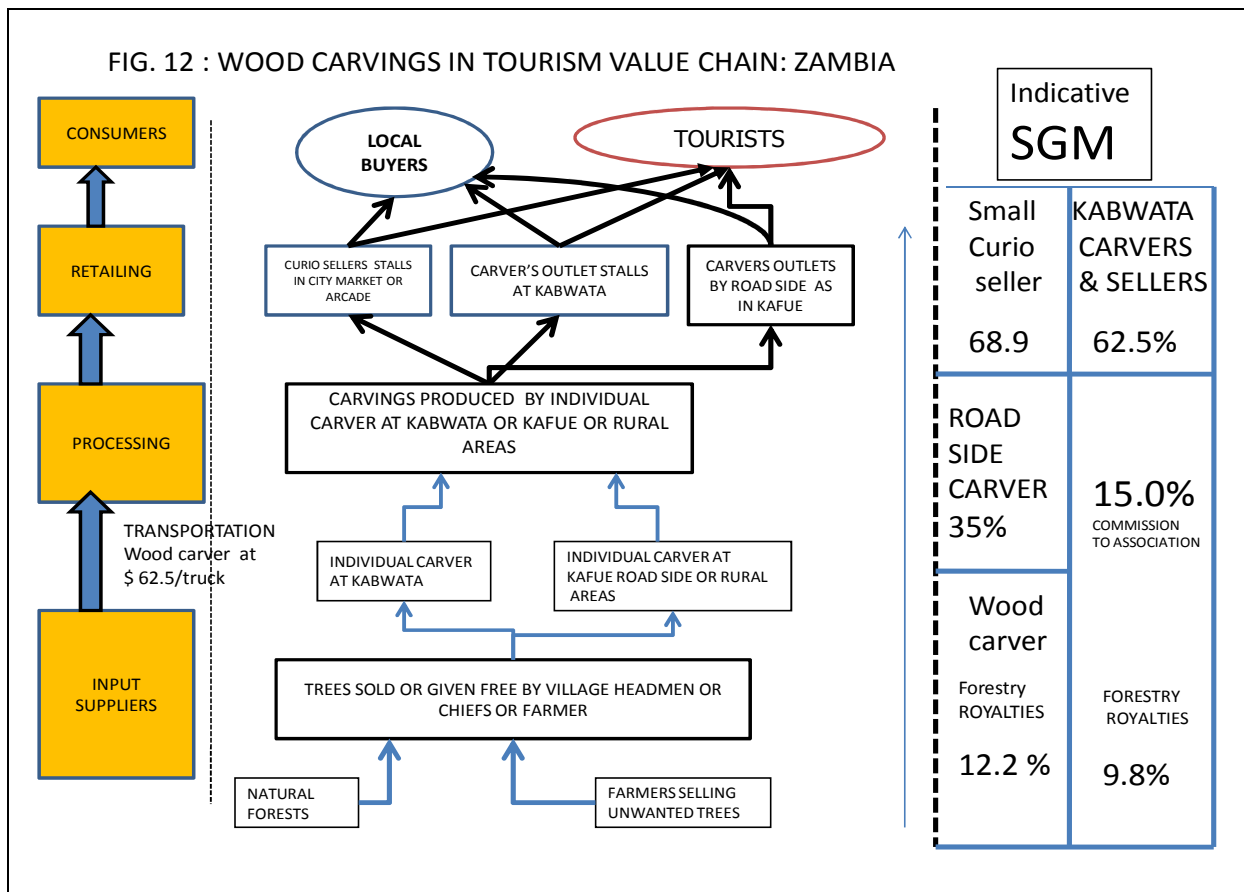
The forestry department of the Ministry of Natural Resources, Tourism and Environment also seem to have own confusion. Their current legal document , the forestry Act of 1999 was never activated and therefore not in use. They use the Act of 1973. Then for forestry produce fees they use a separate statutory instrument of 2003. Zambia appear to have fewer tree genera under protection, only 13 while Tanzania has 52 tree genera (see table 1). The classification of trees from non-plantations and user fees are presented in table 3.

TABLE 3: FEES AND PRICES FOR INDIGENOUS FOREST PRODUCE

S/N	BOTANICAL NAME	TRADE/LOCAL NAME	FEES UNIT /M ³ IN KWACHA x 180 factor	FEES UNIT /M ³ IN USD \$ as charged per tree
1	Afzelia quanzensis	Mahogany, mupapa	99,000	20.63
2	Albizia sp.	Silk tree, Musase	90,000	18.75
3	Baikiaea sp.	Rhodesian Teak, Mukusi	135,000	28.13
4	Brachystegia sp.	Bean pod tree, Miombo	108,000	22.5
5	Daniellia alsteeniana	Mukulabushiku	117,000	24.38
6	Entandrophragma sp.	Bottle tree, Mofu, mofwe	117,000	24.38
7	Erythrophleum africanum	Kayimbi, mukoso	108,000	22.5
8	Faurea Saligna	African beech, Sanginga, mushokoso	126,000	26.25
9	Guibourtia coleosperma	Muzauli	135,000	28.13
10	Khaya anthotheca	Mululu	99,000	20.63
11	Mitragyna stipulosa	Mupa	99,000	20.63
12	Pericopsis angolensis	Mubanga	99,000	20.63
13	Pterocarpus angolensis	Mukwa, mukula	135,000	28.13
14	Other indigenous sp.	No names	81,000	16.88

Source: Ministry of Tourism, Environment and Natural Resources; Satutory Instruments of 23rd October 2003

For the planted trees no carver mentioned using any. Also different from the Tanzania situation all Carvers interviewed got their wood from farmers or village headmen or chiefs. They did not get supplies from log sellers, saw mills or logging camps of which the fees charged per tree in addition to general charges as per Forestry Instruments is USD 15.00 dollars. There were no fees for registration either. Indicative margins are shown in Figure 12.



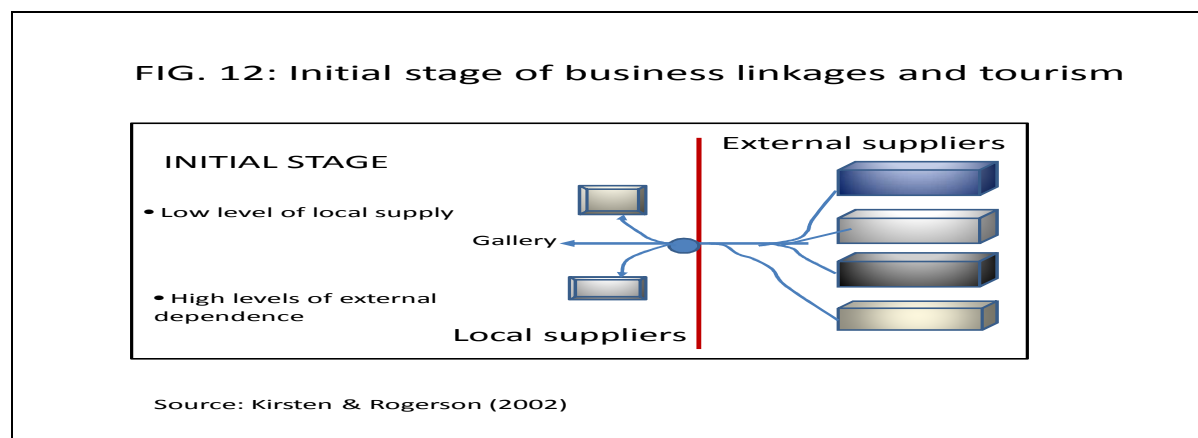
Exchange rate used, \$1 = Kwacha 4,800 (January 2009)

The calculations of the simplified gross margin for the Zambian carvers are shown in appendix 6. This value chain is very indicative because some carvers do not pay the forestry fees nor do they pay when they get the trees from chiefs or village headmen. Other carvers like those of Kafue pay forestry fees, local council fees in addition to buying the trees from nearby sources. The Kabwata complex was established by the government as a cultural village. The carvers there live free in those houses, do not pay tax or levy of any sort. They are basically a department under community development

and culture (see picture 4 and 5 in appendix 5). Government does not give them salaries per month but facilitate them to operate as cultural carvers, and make a living out of it.

VALUE CHAIN GOVERNANCE

This value chain appear to be Internationally (buyer)-driven global value chain (Kaplinsky and Morris, 2001; Gibbon, 2001; Van Tulder et al 2004 as quoted by Van Wijk J, 2007). Power asymetry was equally observed between the lead firm and woodcarvers. The traditional makonde carvers were recognized in the community for their skills and did not produce carvings for market. The current industry however is buyer driven and the buyer determines the critical success factors. What is quality artefact depends on the buyer's experiences and interest. Most consumers prefer the Mpingo wood but also details matter. A look at the items in the gallery show a situation as described by Kirsten and Rogerson (2002) in the model of business linkage and tourism at the initial to stage as shown in figure 12. Cultural heritage is the shop of choice for tourists to buy souvenirs because the gallery offers variety in terms of sizes, design, type of wood, weight, as well as explanation and well arranged. Buyers can pay by credit cards or in any currency. The seller equally provides packaging, repair and transportation to any part of the world. There is entertainment, a restaurant and washroom facilities. All these attract the tourist to hang around longer and spend more money. In addition taxidrivens and tour operators are paid some commission to bring in buyers.



For the many curio shops in Arusha town, Mount Meru curio market or the Mwenje market in Dar-es-Salaam; display is haphazard, limited variety, dusty, no food or washroom facilities, can not pay by credit card, and foreign currency is usually limited to US Dollars. Consumers would pay more for same item in the Cultural Heritage Gallery than they would in the carvers' stalls or curio shops. Similarly the proprietor of the Gallery pays less for items from carvers as he buys in bulk but also demand high quality. In essence he sets the prices. He knows the external markets as well as what tourists want. Emerging governance types as described by Gereffi, Humphreys and Surgeon (2005) are the:

1. Modular; Supplier makes products based on customer's or lead firm's specifications
2. Relational value chain that are based on proximity, past interactions, reliability and trust
3. Captive market; where many wood carvers rely on lead firm to buy their products
4. Hierarchy; where the lead firm, hires carvers to produce for gallery and export. He buys the wood and provides the tools and space for work.

These governance relationship can also be seen in Figure 8, the different channels of the product flow.

The case of Zambia, the industry is still buyer driven. The situation is different as no clear lead firm emerged in the wood industry. The governance issue that arises there is for those favoured by government like carvers at Kabawata having a bigger margin while the roadside/rural carvers have lower margins.

The sellers still get many wood items from out of Zambia for selling in Zambia market as shown in Figure 10 and appendix 5. This shows there are opportunities in the industry if the carvers could organize themselves better.

FROM VALUE CHAIN TO PARTNERSHIPS

For successful PPT in the wood carvings industry, there is a need to promote partnerships between the lead firm, woodcarvers and other actors like tour operators, ministry of natural resources and local government machineries as shown in table 3.

Table 4: From woodcarvings value chain in tourism to partnerships

CHAIN	STAKEHOLDERS	ISSUES	INTERVENTION	ACTORS
TOURIST ATTRACTION DEVELOPMENT	Government (whole government) Community Private investors Tour promoters	<ul style="list-style-type: none"> • Diversification of tourism products • Promotion of new sites • Marketing to increase tourist arrivals and length of stay 	<ul style="list-style-type: none"> • Research and develop strategy for PPT • Government coordinate & bring together all actors • Develop human capacity • Develop entrepreneurship • Develop infrastructure 	<ul style="list-style-type: none"> • Government Ministries esp. Prime Ministers office • Private investors • Tour operators
TOURIST SITE MAINTENANCE	Government, community, private investors, Tour operators	<ul style="list-style-type: none"> • Sites to be easily reachable • Have facilities to display and sell souvenirs • Ensure there is food, washrooms • Ensure security and safety 	<ul style="list-style-type: none"> • Infrastructure, roads, hotels, facilities for intertainment & shops. • Sanitation improvement • Security and safety • Research and develop strategy for PPT • Government coordinate & bring together all actors • Government incentives to private developers 	<ul style="list-style-type: none"> • Government • Tour operators • Curio sellers • Wood carvers • Hotels owners • Restaurants owners • Health inspectors • Financial institutions to give credit • Trainers in entrepreneurship
TRANSPORT & EXCURSIONS	<ul style="list-style-type: none"> • Ministry of infrastructure development • Vehicle Licensing 	<ul style="list-style-type: none"> • Accessibility • Security and safety • Roadworth vehicles 	<ul style="list-style-type: none"> • Research and develop strategy for PPT • Government 	<ul style="list-style-type: none"> • Government Ministries esp. Prime

	<ul style="list-style-type: none"> • Branding locally produced products • Community • Woodcarvers • Police 	<ul style="list-style-type: none"> • Bus services • Car rentals • Local air travel • Sanitation • Branded Souvenirs available in different localities 	<ul style="list-style-type: none"> • coordinate & bring together all actors & build partnerships • Ensure security and safety • Make Country's tourism knowledge pre-requisite for giving license to taxi drivers and tour operators • Train police on international standards 	<ul style="list-style-type: none"> • Ministers office • Private investors • Tour operators • Taxi drivers • Police • Public Health officers • Airline companies • Bus companies
SHOPPING AND ENTERTAINMENT	<ul style="list-style-type: none"> • Government (whole government) • Curio sellers • Wood carvers • Police • Entertainers • Shop owners • Taxi drivers • Trainers in entrepreneurship 	<ul style="list-style-type: none"> • Provide quality branded products & services for tourists to buy • Easy of financial transactions • Relaxation facilities & entertainment to prolong tourist stay • Knowledgeable shop owners and curio sellers • Informed taxi drivers • Security and safety • Sanitation & health facilities 	<ul style="list-style-type: none"> • Reasearch and develop strategy for PPT <ul style="list-style-type: none"> ○ How will the poor participate ○ How to increase tourists expenditure • Government coordinate & bring together all actors & build partnerships • Ensure security and safety • Make Country's tourism knowledge pre-requisite for giving license to taxi drivers and 	<ul style="list-style-type: none"> • Government Ministries esp. Prime Ministers office • Private investors • Tour operators • Taxi drivers • Police • Public Health officers • Wood carvers • Souvenir producers • Trainers in business skills • Licensing officers

			<ul style="list-style-type: none"> tour operators • Train police on international standards • Long business opening hours • Business skills in display & presentation • Establish quality standards of woodcarvings • Establish Galleries 	
ACCOMMODATION AND EATING PLACES	<ul style="list-style-type: none"> • Government (whole government) • Health & sanitation officers • Propriators • Wood carvers • Curio sellers • Other souvenirs producers • Farmers 	<ul style="list-style-type: none"> • Provide quality branded products & services for tourists to buy including food • Security and safety • Sanitation & health facilities • Promote local entrepreneurship • Relaxation facilities & entertainment to prolong tourist stay 	<ul style="list-style-type: none"> • Propriators of hotels and restaurant to use locally made furniture by woodcarvers • Make available space for Display of artefacts • Quality & health certification • Financial services/credit to small & medium enterprises • Research and develop strategy for PPT <ul style="list-style-type: none"> ○ How will the poor participate ○ How to increase tourists expenditure • Create 	<ul style="list-style-type: none"> • Government Ministries esp. Prime Ministers office • Private investors • Tour operators • Taxi drivers • Police • Public Health officers • Wood carvers • Souvenir producers • Trainers in business skills • Licensing officers

			outsourcing opportunities from the poor <ul style="list-style-type: none"> • Create destination prominence 	
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CONSTRAINTS AND OPPORTUNITIES

The study of the value chain for wood carvers in Tanzania and Zambia did show the many constraints but also opportunities. Both countries have pro-poor concerns in their tourism policies but are short on details to develop tourism business linkages and boost economic development.

Among the identified **constraints** include:

- At the government level, there was more lip service than actions. For example in Zambia, the poor youths selling artefacts by the roadside paid fees which were not documented or even sanctioned. The Tnanzanian carvers in Mwenge (dar-es-salaam) are being chased from the land that had been given to them.
- Low levels of entrepreneurship of wood carvers
- Carvers have low education levels
- Lack display gallery
- Low understading of tourist’s requirement
- Low quality. Use of wet wood or poor in details
- Marginalizing governance
- Unreliable supply of quality products to sellers and exporters
- Information paucity between wood carvers and buyers
- Lack of credit. Existing micro-finance institutions have stringent repayment conditions that does not recognize the seasonality of tourism industry
- Lack of convinience facilities in sellers stalls.

Much as there appears to be many barriers to upgrade woodcarvers, there are also **opportunities** to be capitalised on by governments and those concerned individuals with poverty reduction

- Training wood carvers to upgrade quality and quantity of their products. All interviewed have never been trained in basic business management skills like book-keeping, costing and pricing, product presentation to customers and general marketing. The Zambian carvers could not list even quality criteria that buyers would be looking for.
- Local branding. This would be key in promotion campaign and eventually introduce fair trade certification. This would upgrade the products
- Product differentiation. Acquiring skills and documentation on the qualities of the product is part of the critical success factor as is demonstrated by the lead firm in Tanzania. Buyers would want to know the type of wood used, is it rare type of tree? What is the cultural story behind the design, historical, cultural and the artists' message.
- Accessing the carvers with credit. Most microfinance appear to be beyond their reach. A credit facilities for this group of people can not demand them to start loan repayment in one week or one month. Many would like the loan in low season to buy wood and produce as many product to sell in high season. A difference of 3 – 4 months.
- Facilities to increase the tourist's stay and eventually buy more. Road side display in the dust is less pleasing. When it rains even the sellers at Arcade market in Lusaka have to run for shelter. There were no toilet facilities of food and drink facilities at Mr Meru Curios and crafts, Mwenge in Darea-salaam or Kabwata cultural village in Lusaka. Provision of such facilities will undoubtedly increase sales. Financial facilities for buyers to pay in any currency or credit cards is another opportunity to sell more.

CONCLUSION

Wood carvers as a representative of the poor require government interventions to link into tourism benefits. All the identified constraints could be turned into opportunities.

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Appendix 1

VALUE CHAIN STUDY: WOOD (MAKONDE) CARVERS

1. BIODATA

NAME.....

AGE.....

SEX.....

MARITAL STATUS.....

FAMILY SIZE.....

LIVE IN OWN HOUSE.....RENTED.....

RENTED WORK PLACE.....

DISPLAY PLACE: RENTED..... HOW MUCH PER MONTH?

OWN.....VALUE.....

2. ARE YOU IN ANY ASSOCIATION?.....YES.....NO..... WANT IS THE
ASSOCIATION NAME?..... MEMBERSHIP SIZE.....

3. INCOME /MONTH.....

4. HOW DID YOU LEARN SKILL.....

5. WHEN DID YOU START BUSINESS.....

6. MEANING TO YOUR CARVINGS?

7. CARVE FOR HOTELS? YESNO..... EXPLAIN

8. HOW IS BUSINESS GENERALLY?.....

9. WHAT ARE YOUR INPUTS AND COSTS

COSTS	WOOD	TRANSPORT	OTHER		

10. WHERE DO YOU GET YOUR INPUTS?

11. PAY FOR LICENCE.....

12. OTHER COSTS TO YOUR BUSINESS?.....

13. REVENUE

14. 1 BUYERS: HOW DO BUYERS COME TO YOU?

LOCAL PROMOTION

INTERNATIONAL

LINKED TO TOUR OPERATORS

TAXI DRIVERS

14.2 EXPLAIN PRICES OF YOUR WARES

AVERAGE PRICE	1	2	3	4

15. DO YOU EXPORT WOOD CARVINGS.....

IF YES HOW.....

IF NO WHY.....

16. ARE YOU REGISTERED WITH ANY GOVERNMENT MINISTRIES?.... YES ..NO.....

LIST THEM

.....

.....

.....

17. SUPPORT FROM LOCAL GOVERNMENT; LIST THEM.....

- 18. SUPPORT FROM CENTRAL GOVERNMENT; LIST THEM.....
- 19. ATTEND TRADE FAIRS LOCALLY; YES.....NO.....
- 20. ANY BENEFITS? LIST THEM.....
- 21. ATTEND TRADE FAIRS INTERNATIONALLY; YES.....NO.....
- LIST BENEFITS IF YOU PARTICIPATE.....
- 22. PROBLEMS YOU ENCOUNTER IN YOUR BUSINESS?.....
- 23. HAVE ACCESS TO LOANS
- 24. HASTLE BY MUNICIPAL COUNCIL?

Appendix 2

VALUE CHAIN STUDY: WOOD CARVING SELLERS & EXPORTERS

1. BIODATA

- 1.1 NAME.....
- 1.2 AGE.....
- 1.3 SEX.....
- 1.4 MARITAL STATUS.....
- 1.5 FAMILY SIZE.....
- 1.6 LIVE IN OWN HOUSE.....RENTED.....

2. WEALTH ASSESSMENT

- 2.1 RENTED WORK PLACE.....
- 2.2 DISPLAY PLACE: RENTED..... HOW MUCH PER MONTH?
- 2.3 OWN.....VALUE.....
- INCOME/MONTH.....

3 MEMBERSHIP TO ASSOCIATIONS

3.1 ARE YOU IN ANY ASSOCIATION?.....YES.....NO.....

3.2 WHAT IS THE ASSOCIATION NAME?

.....

3.3 ADDRESS

.....

.....

3.4 MEMBERSHIP SIZE.....

4. WHY DID YOU CHOOSE THIS TYPE OF BUSINESS.....

5. WHAT ARE YOUR COSTS

6. DO YOU EXPORT WOOD CARVINGS?...YES.....NO.....

EXPLAIN

6.1 LIST COUNTRIES AND NAME OF RECIPIENTS

6.2 WHO ARE YOUR MAIN BUYERS.....

1. TOURISTSQUANTITY/MONTH.....
2. LOCAL PEOPLE FOR OWN USE.....QUANTITY/MONTH.....
3. LOCAL PEOPLE FOR EXPORT.....QUANTITY/MONTH.....
4. OTHEREXPLAIN

6.3 AVERAGE PRICE PER CARVINGS

- SMALL SIZE.....
- MEDIUM.....
- LARGE.....
- OTHER.....

6.4 WHAT ARE THE DETERMINANTS OF PRICE?

- SIZE?.....
- DETAILS?.....
- TYPE OF WOOD USED?.....
- OTHER; EXPLAIN.....

7. IS THERE SEASONALITY IN THIS BUSINESS

8. WHAT TYPE IS PREFERRED BY WHOM
TOURISTS BY ORIGIN

OTHERS

9. ANY PROBLEMS IN THE BUSINESS?

10. RECOMMENDATION TO GOVERNMENT

11. GOVERNMENT MINISTRIES YOU DEAL WITH??

12. HOW SUPPORTIVE ARE GOVERNMENT MINISTRIES? EXPLAIN

Appendix 3

GALLERY PICTURES OF LEAD FIRM

Picture 1: Carver hired to do repair work at lead firm gallery (CULTURAL HERITAGE)



Picture 2: SOME OF THE TALLEST WOOD CARVINGS IN CULTURAL HERITAGE



THIS CARVING IS ABOUT 4.6 METERS

PICTURE 3:Dancer wearing mask to welcome buyers outside Gallery



Picture 4:TOURIST AT ENTRANCE TO CULTURAL HERITAGE



PICTURE 5: ARRANGEMENT INSIDE GALLERY



APPENDIX 4 : SGM FOR WOOD CARVERS IN TANZANIA

HOW INDICATIVE SGM WAS CALCULATED

a. **Indicative SGM of wood carver:** The direct costs include:

Wood per month on average, $5\text{m}^3 = \$615.5$

Tools only sand paper, glue and polish = \$ 15

Transport of wood; one truck for one year at \$ 538.5 then per month = \$44.9

License to carve wood = zero

Working area/ space = zero

Water & electricity = zero

House rent = \$ 7.7

Total Direct costs = 683.1

If this carver produces two large carvings and 10 small ones; income per month:

- One large Old Maasai man and one woman using 'Mpingo' wood would sell at USD 735/piece = \$ 1470- 20% comission = \$ 1176
- 10 small animals like Zebra of elephants each at \$ 5.00 = \$50.00 – 20% = \$40
- Total Revenue = \$ 1216.00
- Simplified Gross Profit (SGP) = 1216 – 683.1 = \$ 532.9
- SGM = 532.9/1216 X 100 = **43.8%**

The catch though is for the carver to sell all products. In reality, many carvers do not sell anything for up to 3 months.

b. Indicative SGM for small curio shops

House rent/month = \$10.0

Electricity in the stall =\$ 25

Rent for stall or shop space = \$ 200

Shop assistant at \$ 150/month

Transportation of carvings at 1 truck/3 months = \$ 179.5

Cost of carvings at 120 pieces per month

- 20 Large pieces x \$ 735 = \$14,700.00
- 60 medium pieces x \$ 95 = \$ 5,700
- 40 small pieces x \$ 10 = 400

Total Costs = \$ 21364.5

Revenue

- 20 large pieces x \$ 1200 = \$ 24,000
- 60 medium pieces x \$ 140 = \$ 8,400
- 40 small pieces x \$ 20 = \$ 800
- Total revenue = \$ 33,200.00

SGM = 33200 – 21364.5 = \$ 11,835.5/33200 x 100 = **35.4%**

c. Indicative SGM of the lead Firm

COSTS/MONTH

- 10 workers at \$ 150 = \$ 1500
- 10 casual workers \$ 100 = \$1000
- 5 senior officers accountant etc at \$ 2450/person = \$ 12,250
- 6 security @500/person = \$ 3000

- 2 carvers for repair work @ \$ 500 = \$ 1000
- 2 carvers for finishing @ \$ 400 = \$ 800
- 3 carvers for ordered products @ \$ 650 = \$ 1950
- Electricity = \$ 350
- Water = \$ 120
- Security system = \$ 140
- Carvings, sells 100/day or 3000/month distributed thus buy as follows
 - 150 very large @ \$ 5,000.00 = \$ 750,000
 - 600 large @ \$ 1000 = \$ 600,000.00
 - 1500 medium \$ 120 = \$ 180,000.00
 - 750 small \$ 15 = \$ 11,250
- Transportation at \$538.5 x 2 = \$ 1077

Total Direct costs = \$ 1,564,437.00

Revenue

- 150 very large @ 10,000.00 = \$ 1,500,000.00
- 600 large @ \$ 3000 = \$ 1,800,000.00
- 1500 medium @ \$ 800 = \$ 1,200,000.00
- 750 small @ \$ 50 = \$ 37500.00

Total Revenue = \$ 4,537,500.00

SGM = 2,973,063/4537500 x 100 = 65.5%

ASPPENDIX 5: PICTURES OF CARVERS IN ZAMBIA

PICTURE 1: SUNDAY MARKET AT ARCADE SHOPPING MALL IN LUSAKA



PICTURE 2: TOURIST BUYING WOODCARVINGS AT ARCADE SUNDAY MARKET, LUSAKA



PICTURE 3: DISPLAY OF VARIETY WOOD CARVINGS AT ARCADE MARKET IN LUSAKA OF WHICH SOME COME FROM CONGO, ANGOLA, NAMIBIA etc



PICTURE 4: SIGNBOARD TO KABWATA CULTURAL VILLAGE, LUSAKA, ZAMBIA



PICTURE 5: DISPLAY OF CURIOS INSIDE KABWATA CULTURAL VILLAGE, LUSAKA



PICTURE 6: ROADSIDE WOOD CARVINGS DISPLAY AT KAFUE



APPENDIX 6 SDM FOR WOOD CARVERS IN ZAMBIA

INDICATIVE SGM WAS CALCULATED USING BLOODWOOD (MUKWA) TREE

1. **Indicative SGM of wood carver at KABWATA:** The direct costs include:

Wood per month on average, 4 LOGS = \$104.2

Tools only sand paper, glue, oil treatment for wood, hard wire and polish = \$ 45.3

Transport of wood; have truck only put fuel to furthest place at = \$44.9

Selling at Arcade market fees at = \$ 41.67

Transport to arcade and back at K 100,000 per trip = \$ 166.67

License to carve wood = zero

Working area/ space = zero

Water & electricity = zero

House rent = zero

Total Direct costs = \$402.74

If this carver produces 10 wooden bowls/tree log; income per month:

- One large bowl decorated costs \$31.25/piece = \$ 1250 - 15% (187.5)comission as per association regulations = \$ 1062.5
- Total Revenue = \$ 1062.50
- Simplified Gross Profit (SGP) = 1062.50 – 402.74 = \$659.76
- SGM = 659.76/1062.5 X 100 = **62.1%**

The catch though is for the carver to sell all products. In reality, many carvers do not much in the low season. Also Kabawta market is very much hidden that the average tourists may not know about it. I was told that on good days at Arcade they can sell to the equivalency of \$ 208/market day

2. **Indicative SGM of wood carver at KAFUE ROAD SIDE** : The direct costs include:

Wood per month on average, 4 LOGS = \$104.2

Tools only sand paper, glue, oil treatment for wood, hard wire and polish = \$ 45.3

Transport of wood; Hire truck at = \$62.5

Selling at Arcade market fees at = \$ 25

Transport to arcade and back at K 200,000 per trip = \$ 333.33

Fees to use forest products to forestry = \$ 7.8

Fees to local councils = \$ 7.8

Working area/ space = zero

Water & electricity = zero

House rent = \$10.4

Total Direct costs = \$596.33

If this carver produces 2 big giraffe and medium sized animals like hippo and elephants/tree log; income per month from 4 logs:

Two large giraffe at K 300,000.0/piece = \$ 125
 Medium sized elephants at K50,000/piece for 10 = \$ 104.2
 Total for one log = 229.2 for 4 logs = \$ 916.8
 Total Revenue = \$ 916.8
 Simplified Gross Profit (SGP) = 916.8 – 596.33= \$320.47
 SGM = 320.47/916.8 X 100 = **35%**

3 Indicative SGM for small curio shops

House rent/month = ZERO

Electricity in the stall = ZERO

Rent for stall or shop space in market = \$ 12.50

Shop assistant at \$ 150/month

Transportation of carvings at 2 truck/ months = \$ 125

Cost of carvings at 120 pieces per month

- 20 Large pieces x \$ 62.5 = \$1250
- 60 medium pieces x \$ 10 = \$ 600
- 40 small pieces x \$ 10 = \$400
- Sunday market at arcade = \$41.67

Total Costs = \$ 2579.17

Revenue

- 20 large pieces x \$ 120 = \$ 2400
- 60 medium pieces x \$ 100 = \$ 6000
- 40 small pieces x \$ 20 = \$ 800
- Total revenue = \$ 9200.00 – 10% revenue authority = \$ 920
- Revenue = \$ 8280

SGM = 8280 – 2579.17 = \$ 5700.8/8280 x 100 = **68.9%**