



Multiplier Effects of Tourism in Selected Areas of Arusha, Tanzania

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Abstract

Developing countries embark in tourism development mainly because of its socio-economic benefits. It is generally rare for developing countries to develop tourism purposely for leisure without eyeing the hard cash generated from it and/or its associated activities. The multiplier effects occur when tourism generates income with a guaranteed expansion and development of new economic sectors especially those linked to tourism. This qualitative study was conducted in Longido, Mkuru, Ng'iresi and the Eduimet Wildlife Management Area (WMA) all found in Arusha, so as to understand the “multiplier effects” of tourism in those areas. Exponential discriminative snowball sampling was used to get a sample of seventeen (17) respondents who evaluated the multiplier effects of tourism. It was found that the “multiplier effects” were felt where local communities directly and indirectly benefited from tourism activities. However, the multiplier effects would be felt more if there was a good pool of skilled human resources and well established and strong linkages between tourism and other sectors of the economy in the area. It is recommended that policies be put in place to develop human capital in tourism and other related sectors capable of dealing with contemporary issues in tourism so that the sector can yield more benefits to the communities and establish clear supply chains within and beyond in area.

Keywords: Tourism, multiplier effects, linkages, human capital, WMA, Arusha.

Introduction

Many interventions have been put up in various conservation areas to ensure the success of conservation while benefiting the communities in and around those areas. One of those interventions is the Community-Based Natural Resource Management (CBNRM) which was adopted as a win-win solution to the problems caused by the fencing of wildlife areas to stop communities who farm, graze, harvest wild-fruits, herbal medicine from accessing them. There was also the introduction of hefty fines and other punishments for those who were caught, and causing of other problems related to environmental degradation. To further expand conservation



activities and ensure that those communities affected by conventional conservation benefit directly/indirectly from tourism activities the Wildlife Management Areas (WMAs) and the Cultural Tourism Enterprises (CTEs) were established. It was thought that these approaches would make conservation much more acceptable, bring more direct/indirect benefits to communities, enhance entrepreneurial activities, skills development and, tourism and lead to general infrastructure development. Rusu (2011) observed that tourism not only creates jobs in the tertiary sector, it also encourages growth in the primary and secondary sectors of the industry, and when this happens, it is generally referred to as a multiplier effect of tourism. The multiplier effects open new areas and opportunities within the community. Tourism is a multi-sector industry with many linkages and a supply chain to other sectors of the economy which benefits the immediate communities and beyond.

CTEs and WMAs are popular tourism enterprises in Tanzania which focus on aspects apart from the conservation activities and raising awareness of the potential businesses that exist in tourism. Arusha, the tourist capital of Tanzania, was among the first regions in which the CTEs and WMAs were established in the late 1990s. CTEs in Arusha make about 70% of all the CTEs that exist in the country. WMAs focus is on conservation of wildlife alongside generating tangible economic and social benefits (Mkumbukwa, 2008) while cultural tourism ventures (CTEs) promote cultural tourism. CTEs also serve as an entry point into the business of tourism by many indigenous people. Both CTEs and WMAs create employment for the indigenous community (Mkumbukwa, 2008). There are three well know WMAs in Arusha. They include Enduimet in West Kilimanjaro, Randiel in Monduli and Burunge WMA. The WMAs have been successful in empowering people by increasing community participation and strengthening local governance, they give people ownership and legal authority to manage and make decisions about their own natural resources (Minway, 2009). However, although challenges still exist on the management of WMAs, such challenges do not hinder the WMA from producing tangible economic benefits back to the community.

According to TATO (2016), apart from CTEs and WMAs interventions, about 70 per cent of all the tourism enterprises in Arusha are domestically owned (DOTEs while the rest are Multi-National Companies (MNCs). Rusu, (2011) observed that tourism multiplier effects are much more felt when the host destination economies are well developed especially in support of tourism. Manwa et al. (2017) observed that in the organized tourism business where the MNCs control the large part of tourism business and other sectors of the host destinations are not well developed, tourism exerts little benefit the host community. Much of the benefits are expropriated to other areas in different ways such as buying food and other items to facilitate the business of tourism. Thus, the fundamental question in this study was how do tourism activities create and generate benefits for the communities in and around tourism attractions? And specifically, how does the tourism multiplier effect benefit households while creating more opportunities for participation?

In the past two decades community participation in tourism was observed as one way of enabling the indigenous communities in destinations so as to create ownership and control over tourism natural resources (Murphy, 1985; Hall, 1994; WWF International, 2001; and WWF Dar es Salaam, 2014). It was almost at this time that WMAs and CTEs were established in Tanzania. The major aims of the WMAs and CTEs establishment was to ensure that all conservation efforts succeed and that the tangible benefits of conservation trickle down to the grass-roots level. That is to say, the WMAs such as Enduimet, and CTEs such as Ng'iresi, Mkuru and Longido aims were to ensure that the conservation and benefits of tourism are embraced and that a wide range of sectors in a community might benefit from tourism (Rusu, 2011). However, while Getz et al., (1998) and Bornhost et al., (2010) observed that one of the factors that drive tourism development



is given by the management of an organized tourism supply, communities in the study areas have been claiming to receive little economic benefit.

Likewise, little benefits have been accruing from the CTEs such as Longido, Ng'iresi and Mkuru. Britton (1982) gave good reasons for little benefits in enclave tourism. He claims that enclave tourism areas have few businesses which are mostly done by few elites and that the elites are connected to multinational operating firms which have the capacity to create business connections all the way from the market sources to the product/service destination (Britton, 1992). Muhanna, (2007) expound that the connections are associated to losses (leakages) of the industry income especially in the developing destination area. Meyer (2006) claims that leakage is a part of the price of the holiday paid by the tourists that leaves or never reaches a destination due to the involvement of foreign based organizations. Leakages results into little multiplier effects especially because the benefits obtained are not re-invested or re-spent in the tourism systems. How is the expansion of the tourism business in the study areas?

Literature Review

The study focused on tourism multiplier effects which according to UNWTO (2011) are the economic value of tourism which is a result of all economic impacts caused by tourism activities. It is a resulting effect of a service that is thought to create further wealth or positive effects in an area (Miller, 2013). Part of the tourism income is located to pay for the production factors which include wages, rent and interest payment while the profit activates new consumption that produces further economic benefit amongst local economic agents (Brida and Pulina, 2016). Rusu (2011) has defined the multiplier effects of tourism as the extent of integrating tourism in the economy or how many times money spent by a tourist circulates through a destination's economy. He further elaborates that multiplier indicates the influence of national income generated by the influence of the tourism expenditure on the activities of the productive sectors. Multiplier effect is the effective mechanism through which economic development can be achieved through local community participation (Lundgren, 1975; Belisle, 1984; Culpan, 1987; Bowen et al., 1991; Meyer, 2006; Anderson, 2013).

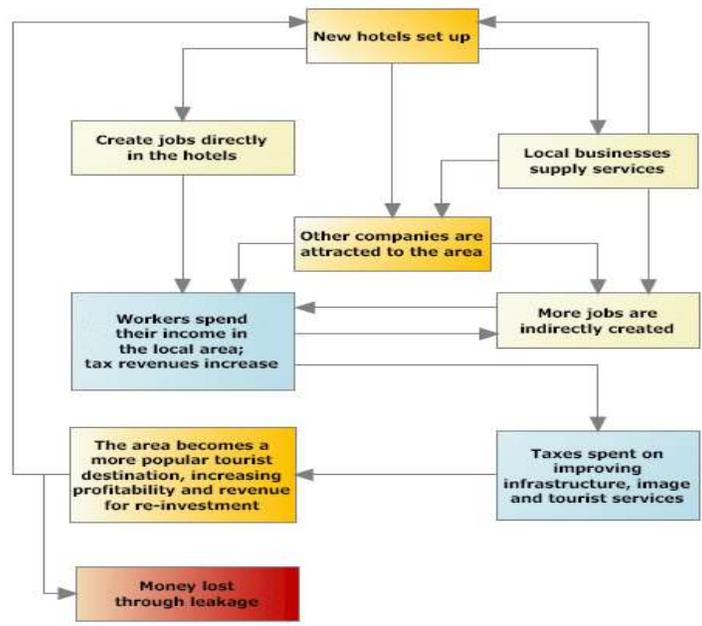
The multiplier effect occurs in different ways in a tourism dependent economy. The common ways are direct, indirect and induced multipliers. For example, money paid/spent in a hotel not only helps to create jobs directly in the hotel, but it also creates jobs indirectly elsewhere in the economy (Anderson, 2013). The hotel has to buy food from local farmers who later may spend some of this money on fertilizer or clothes while the demand for local products increases as tourists often buy souvenirs (Rusu, 2011). This means that the sales of one enterprise require purchases from other enterprises within the economy (Muhanna, 2007). Rusu, (2011) noted that the multiplier effect continues until the money eventually 'leaks' from the economy through imports - the purchase of goods from other countries. Linkages and leakages are very common terms in the study of multiplier effect. The UNACTAD (2017) argued that linkages between tourism and other productive sectors and market segments have the potential to spur local entrepreneurship through new business opportunities.

The multiplier effect is manifested in two forms in tourism as noted Rusu, (2011). Firstly, the multiplier effect of earning from tourism. Secondly, in terms of the tourism monetary expenditure effect, creating new income in an economy and the multiplier of foreign investment. Grekin and Milne (1996) raise concerns about the need for increased linkages between sectors of the economy and additional incorporation of local input into the management of tourism to and in the

communities if benefits are to be maximized. Tourism enterprises in developing countries comprise most businesses in key market segments such as accommodation, transport and tour operations. The greater the integration of the national economy and linkages of its various sectors the more the benefits are accrued from tourism (UNWTO, 2002C; Muhanna, 2007). Linkages can also generate multiplier effects in other economic sectors apart from tourism in the communities in which tourism and its related activities are undertaken. Despite that Brida and Pulina (2016) acknowledge that some sectors such as hospitality sector contribution to the local economy is not homogenous. While citing Andriotis (2002) explicitly they note that large scale firms may increase public sector revenue through higher level of taxation but with little opportunity to trade with local suppliers. Hence, to enhance local multiplier effects, tourism activities needs to activate a higher participation of local investors, create more employment opportunities for locals and incentive economic linkages with local retailers and wholesalers (Andriotis, 2002).

While testing the hypothesis whether economic growth is affected by tourism and whether the two are temporarily or permanently related, Brida and Pulina (2016) used the multivariate analysis of different economic indicators such as house hold expenditure, prices and minimum deposit rates as proposed by Jackman and Lorde (2010). Other economic indicators used were import of industrial goods and machinery, inward foreign direct investments, transport and communication, hotel and restaurants, advertisement and promotion expenditure imports and exports (Louca, 2006; Nowark, et al., 2007; Brida and Pulina, 2016). Their findings indicate that the tourism – led - growth hypothesis is confirmed in fifteen different countries all over the world where tourism growth influences economic growth. That is called a unidirectional granger no causality short run while in the long run is a cointegration and integration relationship amongst the variables investigated (Brida and Pulina, 2016). They argued that there is temporal relationship running from economic development to tourism activities development. They concluded that tourism is a variable for economic development in a destination.

Image 1. How Tourism Affects the Economy of a Destination through Multiplier Effect



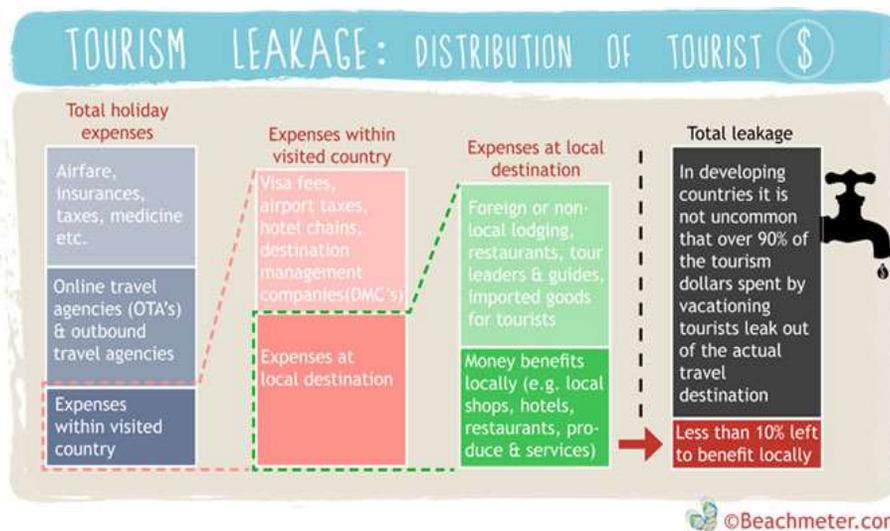
Source: <http://geographyfieldwork.com/TouristMultiplier.htm> adopted in Rusu, (2011)

The CTEs, WMAs and DOTEs in Tanzania were set up at various areas with specific objectives and there are indications that the growth of these indigenous tourism enterprises could yield significant economic benefits in communities if the multiplier effect is high (Rogerson, 2013; UNACTAD, 2017). Multiplier effect varies from country to country but is high in the developed economies rather than the developing ones (Muhanna, 2007). For example, a study of tourism 'leakage' in Thailand estimated that 70% of all money spent by tourists ended up leaving Thailand via foreign-owned tour operators, airlines, hotels, imported drinks and food, etc (Thai Institute for Development and Administration, Bangkok, 1990; UNEP - <http://staging.unep.org>; Muhanna, 2007) . Estimates for other Third World countries range from 80% in the Caribbean to 40% in India (Muhanna, 2007).

In their study “Sustainability management and tourism impacts on communities” Manwa et al., (2017) found that leakage was a serious problem in Maun, Botswana, whereby tourism did not benefit the local community instead, the foreign owned tourism facilities expropriated the benefits to the foreign countries. Respondents in that study claimed that the tourism businesses were owned by foreigners who were making a lot of money and give local employees peanuts and thus the locals were used to drive the tourism industry through low skilled labor. The study’s conclusion claim that benefit creation and sharing in tourism had been noted as thorny issue in Botswana which exposed indigenous people’s dissatisfaction with the economic impacts of tourism because tourism benefited the foreign owned companies only and or the government (Mbaiwa, 2005; Magole and Magole, 2009; and Manwa et al., 2017).

Manwa et al. (2017) further conclude that repatriation of the profit and import leakages have been perpetuated by High Value – Low Volume’ (HVLV) tourism strategy and ownership and control of the tourism industry by MNCs. Leakage is the process whereby part of the foreign exchange earnings generated by tourism, rather than reaching or remaining in tourist-receiving countries, is either retained by tourist-generating countries or other foreign firms (UNACTAD, 2010). High levels of leakage can seriously undermine the multiplier impacts of tourism (UNWTO 1995; UNCTAND, 2010).

Image 2. How Leakage Occurs in the Tourism Systems



Source: <http://beachmeter.com>



Leakages in tourism can be explained differently but the most common types are import and export leakages (<http://staging.unep.org>). The import leakage occurs when a destination cannot fulfill tourist's demands, such as standard equipment, food and other products. The average leakage for most developing countries is between 40 and 50 per cent of gross tourism earnings and between 10 and 20 per cent for developed and more diversified developing countries (UNCTAD, 2010). Export leakage is related to the MNCs which possess the necessary capital to run the tourism business and to invest in the tourism infrastructure and facility construction. The MNCs in the end take the profit back to their country of origin (<http://staging.unep.org>).

Rusu (2011) argues that if money is immobilized in household savings, or used to pay duty and import, that money loses its incentive values in the community. Another type of leakage is associated with all-inclusive packaged vacations. For example, all-inclusive hotels often generate high income but the impact of such income to the indigenous community is smaller compared to other types of accommodation. The world bank report on tourism in Tanzania argue that the benefits derived from the industry is not optimal because foreign visitors come to the country through pre – arranged packages booked abroad as well as weak linkages with local communities and businesses (World Bank, 2015).

While the UNWTO (1995) concludes that wildlife watching tourism benefits a wide range of stakeholders, including national parks, local tourism providers, and local communities, Tanzania is losing potential profits due to inadequate tourism industry management (World Bank, 2015). For example, the all-inclusive hotels and restaurants are thought to import more than other types of hotels thus leave little or no opportunity for host community business (ZATI, 2009; Anderson, 2011; Steck et al., 2010; and Anderson, 2013). Tanzania is one of the least developed countries (LDCs) which receive less than two million per year number of tourists although tourism is the lead sector in foreign exchange earnings (World Bank, 2015). Tourism induces significant income-multiplier effects and progress in terms of national income (UNACTAD, 2010).

While reviewing different theories, it was found that Brida and Pulina (2016) argue that beneficial impacts of tourism to the economy are difficult to measure due to heterogeneous nature of the tourism industry. To address this challenge, Tourism Satellite Account (TSA) was developed but it is usually suitable when there are predefined definitions of what has to be measured thereby to enable destinations to understand and evaluate tourism impact in a homogenous manner (Spurr, 2009; Brida and Pulina, 2016). The impact can be measured through the computable general equilibrium (CGE) that can be embedded in the Input-Output (I-O) technique. This method investigates the interrelationships between tourism and other sectors in the domestic and foreign economies (Dwyer et al., 2004; Black et al., 2009; Brida and Pulina, 2016).

However, another common important thought is that the impact of tourism results into positive economies to scale and scope (Andriotis, 2002; Brida and Pulina, 2016). Economies of scale as it is known, help businesses to reduce their average cost per unit while increasing the size or scale of production. The scope is for decreasing the average total cost as the number of different goods produced increases. A demand increase in an inbound tourism for example, will result in increase in the size of a hotel firm, their corresponding services and a diversified tourism products (Weng and Wang, 2004; Brida and Pulina, 2016). That is how the tourism multiplier effects are generated. However, the multipliers are concerned with marginal rather than average changes and it measures the impact of extra expenditure introduced in economy (Rusu, 2011). That extra spending may take a form of spending on goods and services, investments by external sources, government on infrastructure, exports of goods stimulated by tourism and government foreign



spending, for example on balance of payment (Rusu, 2011). This study applied two approaches for evaluating the multiplier effects of tourism.

First, is the I-O model which explains the relationships that exist between economic sectors. These relationships are inform of linkages. The I-O enables the tabulation of the sectors in an I-O table matrix where rows represent the sales by the tourism sector to other economic sectors and the columns represent how tourism purchase from other sectors connected to it. I-O model analyses the tourism multiplier effects from the initial amount spent in tourism and its movement in the economy. Akundi, (2003) point out that the key strength of I-O analysis lies in its ability to specify information regarding direct, indirect and induced effects of tourism on the local economy. It answers the question of how much income and employment tourism generates at direct, indirect and induced levels apart from showing the degree of linkages that exist in tourism in a local setting. Second, a demand side concept that includes tourism receipts, real tourism prices and real Gross Domestic Product (GDP) (Brida and Pulina, 2016) which Snak et al., (2001) and Rusu, (2011) claim that if tourism imports are greater than exports, balance account is negative and the GDP will be low. The GDP is simply direct receipt from travel and tourism plus its indirect and induced impacts. The study also considered the concept of standard production inputs which include human and physical capital and tourism as a non-standard type of export (Brida and Pulina, 2016), where exports are the travel expenses incurred by foreign tourists in the destination country or area (Rusu, 2011).

Methodology

Minway (2009) defines a Wildlife Management Area (WMA) as an area stretching over village lands, and based outside of core protected areas such as national parks, game and forest reserves aimed both for conservation of wildlife and for recreational activities involving wildlife. The main interest of the WMAs establishment were to expand conservation efforts by including the indigenous community in the conservation activities and hence enable the protected areas to yield an economic return for local people, the wider economy and contribute to sustainable livelihoods. WMAs take the form of Community Based Natural Resources Management (CBNRM) a popular model for involving the community in conservation. In Tanzania there are more than 17 WMAs formed to serve the same purposes and Enduimet is one of them. The Enduimet WMA is located in Arusha region in Longido district.

The eco-and-cultural tourism enterprises such as Longido, Mkuru and Ng'iresi are centered on arts events, festivals, museums, arts and galleries thus bringing the whole concept of *creative tourism* in a specific geographical area. Manwa et al., (2017) noted that in order to 'localise' tourism activities the host destination communities support the development of cultural tourism in their areas because they regarded it as an activity where communities, rather than foreigners, would benefit from tourism development. For, example, it is much easier to set up a craft shop or a bed and breakfast establishment in major tourist destination than some other places outside the village (Manwa, 2017). Other enterprises that may be established could include small hotels, second homes and gastronomy.

Thus, the main reasons for eco-and-cultural tourism enterprises establishment were to enable the indigenous community participate in tourism development and reap more of the tourism benefits. The enterprises serve as an avenue for raising awareness about tourism and the importance of conservation. Thus, apart from other activities the Longido and Mkuru eco-and-cultural tourism is concerned with both wildlife and environment conservation while Ng'iresi is about environment and soil conservation.



Britton (1982) cited in Muhanna, (2007) argued that tourism is usually concentrated in capital cities and other metropolitan areas where tourism and non-tourism business headquarters are found. That is where many tour operators who are thought to control the tourist flow chain are found. They include domestic tour operators in urban or suburbs and are thought to be connected to international tourist suppliers while they act as agents of the rural areas where much of the products are found. But Grekin and Milne (1996) noted that tourism products and operations based around their natural attractions are appropriate means of maximizing community economic benefits. However, the authors point that travel agents limited knowledge of the region, and the limited marketing power of the indigenous are likely to constrain the community's ability to tap into tourism markets. As a result many indigenous people rely much on travel agents who are in most cases located at the metropolitan areas.

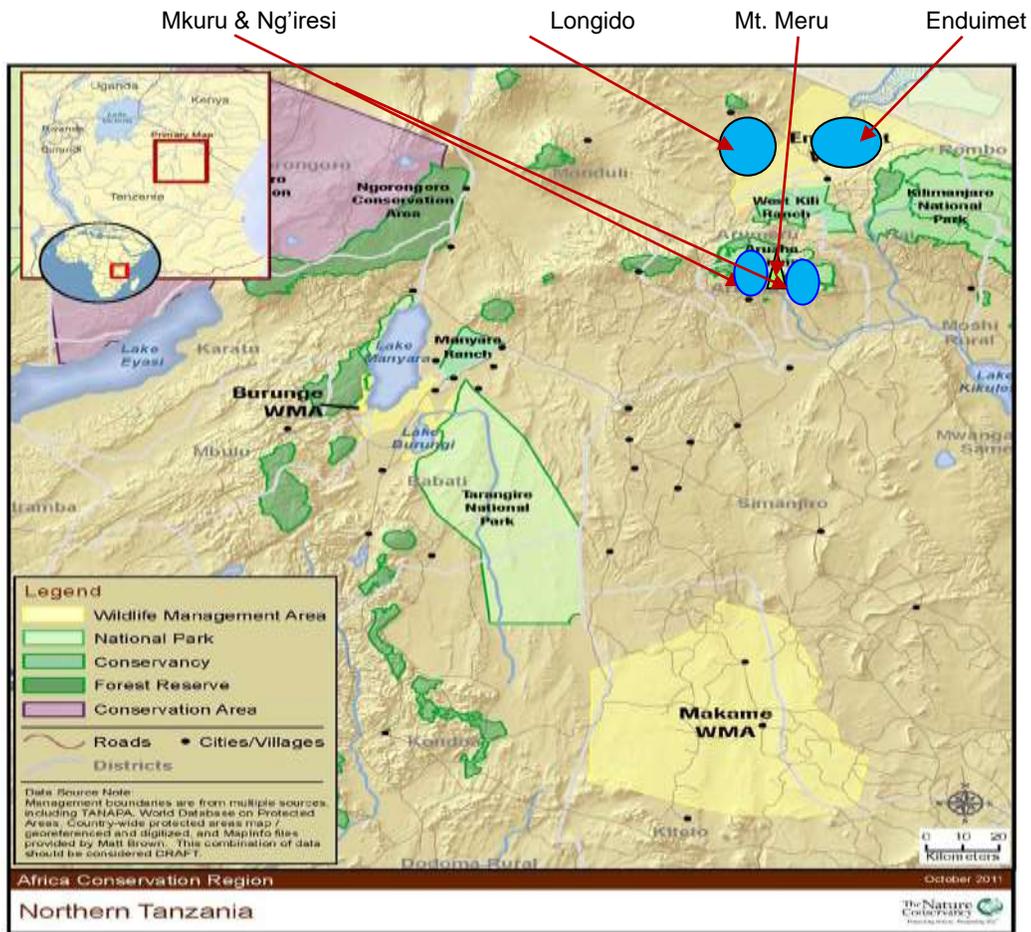
This research took a form of multiple cases with the aim of comparing the “multiplier effects” of tourism in different areas. The research was conducted in selected areas of Arusha, the tourist capital of Tanzania in 2016. Two categories of data were collected from three different cultural tourism enterprises of Longido, Mkuru and Ng’iresi and one WMA - Enduimet. Qualitative approach was used as a general methodology for this research. Creswell (2012) suggests that qualitative studies are rich in description of phenomena and enable the researcher to understand phenomena from the participants’ view point.

Such studies do not make heavy use of measurement or statistics (Denzin and Lincoln, 2000) rather they provide complex textual descriptions of how people experience a given research topic. They are sensitive to social construction of meaning (empirical and inductive in nature) and rely on interpretation and analysis of what people do and say (Creswell, 2012). Dunning (2012) noted that qualitative research is an endeavor to empirical study of people subjected to circumstances shaped by dynamics outside the researcher’s control (cited in Manwa, 2017).

The natural experiment takes place in the context of respondents’ environment. In this study exponential discriminative snowball sampling procedure was used to arrive at a sample of seventeen (17) respondents. At the start the researcher got the very first informant from the Tanzania Association of Tour Operators (TATO) offices. Thereafter, through references, other two (2) respondents from DOTEs were chosen. This procedure applied to the household in which ten (10) household members were selected from different villages under the study area. Four (4) respondents from the CTEs and the WMA were chosen by virtual of their work. The WMA is made up of eleven (11) villages and it is managed by an authorized association (a community based organization) and the district local government

Saunders et al., (2000) and Yin, (2008) cited in Creswell, (2012) postulate that case studies enable the researcher to explore and generate a holistic, in-depth investigation to get an intensive knowledge about a particular community. Case studies differ from ethnography because of their focus on a program, event, or activity of individuals rather than groups (Stake, 1995 cited in Creswell, 2012). Also in case studies the researchers experience the case’s activities as they occur in their context and situation. According to Creswell, (2012) cases could be a single individual, several individuals separately or in a group, a program, events, or activities; second, the “case” may represent a process consisting of a series of steps that form a sequence of activities; and finally the case studies may include multiple cases. The major aims of the multiple cases are to describe and compare a phenomenon so as to provide insight into an issue.

Image 3. Map of the Northern Part of Tanzania Showing the Study Areas



Source: Adapted from Sulle et al., (2011); courtesy of Nature Conservancy

DOTEs, CTEs and the WMA comprised of indigenous people of the tourism destination areas. The researcher used in-depth interviews and observation. The interviewees were all adults aged 24 years and above. The interview schedule was both English and Kiswahili.

A total of eight (8) female and nine (9) male participants were interviewed. CTEs and WMAs were communally owned while the DOTEs were individually owned. Household members were in majority not educated with formal education while four had primary education. The interview focused on different ways the community benefited from tourism for example, did they supply goods/services to hotels? Were some of them employed in tourism facilities? Did they own/run tourism enterprise? Were they members of the WMA?

Relevant documents were reviewed after ethical approval was granted to do so, such accounting records, organizational charts, brochures, meetings records and performance reports and formed secondary data source. Qualitative data was analyzed to get a proper picture on the extent to which indigenous communities benefited from tourism and its multiplier effects. The overall quality of life of people was seen as a determinant factor of how the benefits of tourism and its multiplier effects were felt in the areas and beyond.

Results and Discussion

(a) Respondents Level of Education



All the respondents were above the age of 24 with different levels of education as follows.

Table 1. Respondents Level of Education

Serial Number	Level of Education	Frequency	Percent
1	Degree Holder	1	5.9
2	Diploma	2	11.8
3	Form Four (Secondary Education)	5	29.4
	Standard seven	9	52.9
Total		17	100

Most of the respondents were primary school graduates (52.9%) (n=17) while 49.1% had secondary education and above. When asked if there were those trained in tourism, of the 49.1%, 18.4% had some training in tourism. Training was both formal and informal and conducted by organizations such as Netherland Development Organization (SNV) and other NGOs.

(b) Multiplier Effects Demonstrates Itself in Cost and Benefits of Tourism

When asked about the benefits they are getting from tourism activities, respondents said Enduimet WMA was generating more benefits to the community compared to the hunting blocks. Due to positive benefits of Enduimet WMA the community wanted to get rid of the hunting blocks and establish another WMA in order to reap more benefits. The benefits (tourism receipts from tourism activities in the Enduimet WMA) were shared communally through the establishment of schools and health center while some members were employed in the tourism organizations. The following table shows the benefits of tourism in study areas

Table 2. Benefits of Tourism to the Communities of the Study Areas

Serial Number	Type of Benefit	For example
1	Indirect Communal Benefits	Establishment of a school and a health center, road development.
2	Direct Benefits	Employment in the hunting blocks, WMA, DOTEs and Ownership of the CTEs.
3	Indirect Benefits	Paying school fees, building houses
4	Induced Benefits	Vegetable production, using animal skin to make souvenirs

Thus, the household members at the destination benefited indirectly by receiving social services through such establishments. A number of people in all the study areas 53 % (n= 17) benefited directly from the tourism activities, for example, through employment in the hunting tourism companies and WMA and ownership of the CTEs. Despite the fact that the CTEs were small, they offered employment and a good range of services to their customers just like the DOTEs. In Mkuru just as argued by Muhanna (2007) tourism offered opportunities for other economic development.



As a result of the positive demonstration effect, other sectors of the economy such as agriculture (organic vegetable production) and manufacturing (using animal skin to produce different items such as belts and handbags) were accelerated. Such sectors' activities provided not only support to tourism business but also were the source of employment for community members. Money obtained from all those types of income sources was used in paying school fees, building houses and in acquiring other items for home use. The multiplier effect was more sizable not only to environmental consciousness but also aesthetically responsible for the community. Thus, although the results conquered with Brida and Pulina (2016) that tourism influence economic growth, there were no available data specified in categories of direct, indirect, or induced effects of tourism in the study areas that would enable the exploration of the extent of the multiplier effects caused by the initial spending of tourists.

(c) *The Common Leakages in the Study Areas*

Although tourism businesses provided employment to the indigenous community, the salaries paid were low compare to non – indigenous employees. Those who were called 'hunting experts' were paid much higher compared to local hunters even though locals had much better skills in hunting. One interviewee in Longido said, "We are expert in this field of hunting but are paid low compared to white people" This means that the indigenous people were not valued and did not get equitable benefits. Unlike in Botswana where much tourism benefits were expropriated to foreign countries (Manwa et al., 2017), in the study areas most of the benefits from hunting, were expropriated to the metropolis Arusha where most of the DOTEs were located, and Dar Es Salaam and probably to foreign countries. The earning from the tourism were not spent at the destination (Rusu, 2011), hence a few little businesses were created.

(d) *The nature of business operations*

The study areas had hotels, camps and lodges but most of their owners did not come from the tourism areas although they offered employment to the indigenous communities. "An interviewee from Longido said, "Most of the hotels or camps here are not owned by people from Longido, the owners are in Dar es Salaam and others are not owned by Tanzanians but at least our people can be employed there". In Mkuru, the ecotourism model was different. The Mkuru tented camp for example, was owned by the indigenous people and it typically employed more people from the Maasai community than from any other community. In Ngiresi, the communal ownership of the cultural enterprise was changing into individual but it still employed indigenous community members. It was surprising that most of the supplies required by the lodges and or camps were imported from other areas and this finding supports Brida and Pulina, (2016). There were a few subcontracted businesses to the community such as of supplying vegetables except in Mkuru. Furniture needed by hotels, camps and lodges were all imported, a clear case of leakages. This picture denies indigenous people employment, creative and innovation, and lost of money through leakages (Rusu, 2011). The UNEP (<http://staging.unep.org>) argues that import leakage occurs when tourists demand standard of equipment, food and other products that the host destination cannot supply. Anderson (2013) observed that the final product in tourism is made up of many actors therefore, if the entire requirements were sourced locally, if possible, the benefits of the industry to the local economy would have been immense.

Another analysis was based on how the tourists entered the tourist destinations. While the DOTEs acknowledged that they were not able to access the source markets of the tourists because of little capital of their operation, they were desperate due to the little capital they had which hindered them from reaching their target markets. They wished to have enough capital and a developed tourism infrastructure for a more successful business operation that was thought would results into high economic benefits. For example, DOTEs interviewee (1) had this to say:



“Had I capital enough I would invest in this business because it pays. I will have offices for example in the UK or German where most of my customers come from and sell more and more” (interviewee 1)

“In most cases tourists come from Kenya through Namanga border, passed Longido and go direct to Arusha city where most of their itineraries start from, only to find that they are to be brought back to Longido or Mkuru. A few tourists come directly from Arusha city due to absence of international carrier in the region” (interviewee 2)

Thus, that indicates that most of the leakages happen because of the underdeveloped infrastructure as well as of the operation tactics (Brida and Pulina, 2016; World Bank, 2015). The interviewees emphasized the importance of having good marketing strategies and direct flights from source to destination Arusha. Developed infrastructure has been argued as a major contributor in tourism earnings whereas countries with developed infrastructure or economies have been reported to have high tourism “multiplier effects” (Muhanna, 2007) and those with less infrastructural development having low tourism multipliers. Figure 2 above shows how money leak out from the tourism industry. The total holiday expense is divided into three parts; (transports, travel agencies) and expenses within the destination of visit. One way of maximizing multiplier effects of tourism is to have operators directly link the tourist from point of origin to the destination in order to minimize travel costs, shorten time of travel, lengthen time of stay at a destination and increase expenditure at the destination.

Rusu (2011), postulates that revenues from visitors are exports to areas or destination who receive tourists and in the process tourists inject financial resources through purchase of goods/services in the destination. Therefore, the way the industry is managed in a specific destination is what determines the benefits earned and it associated “multiplier effects”. For example, figure 1 shows a lot of linkages between tourism and other socio-economic activities. This linkage makes the community to benefit directly and indirectly from the tourism industry.

(e) *Tourists Attractions and Activities*

The study areas supplied difference tourist attractions. Respondents acknowledge that tourism in the areas was driven by wildlife and culture. Many *wazungus* (white people) come here because of wild animals. However, lack of innovation limited community members from introducing new ideas or activities. One interviewee (a tour guide) said “What keeps customers coming to me is that I do not have one way of serving them. I make my own itineraries besides those demanded by the customers and I make sure that I deliver the services perfectly. My observation indicated that there are so many things that can be done for example, on product innovation, diversification, and delivery to enhance tourists experience, increase length of stay, and induce local expenditure. However, there was need for local capacity building, local governance, equitable sharing and distribution of benefits, sustainable enterprise setup, etc. Tourist major activities were hunting, photography, cultural consumption of the Maasai people hence combining nature, scenery, folklore, ceremonies, dances, rituals, tales, art, and handicrafts.

Conclusion and Recommendation

The way the “multiplier effects” of tourism could be felt by the indigenous communities is through linkage of tourism business to other sectors of the economy. Linkages provide opportunities for community participation and income generation. Muhanna (2007) argued that the linkage allows the circulation of the revenues within the host destination economy leading to higher employment



and other income generating activities. Local goods and services supplied and consumed in the tourism industry creates more jobs and opportunities especially for small and medium sized enterprises (Muhanna, 2007). However, despite how better the linkages might be, the study revealed that the multiplier effects of tourism are not homogenous. For example, although Mkuru eco-and-cultural tourism supplied the same services to tourist like Ng'iresi eco-and-cultural tourism, Mkuru exhibited some linkages to other sectors of the economy such as manufacturing and agriculture and therefore, its economic benefits were felt more than that of Ng'iresi. At the same time the combined benefits of both Ng'iresi and Mkuru were not equal to that of Enduiment WMA because the WMA had benefits from hunting, photographic and cultural tourism. This was as a result of enterprise characteristics such as types, size and product sold as well as operational reasons such as human and physical capitals and the existing business connections. Also, due to the nature of the tourism businesses operation and few multiplier effects (money received easily moved out of the destination to purchase food and other tourists demands) the study areas did not seem to have a high "injection" of income from tourism (Rusu, 2011). Generally, it is argued that it is only 10 per cent or less of what a tourist spends is left at the host destination this phenomenon calls for the need to start to keep records on how much money received from tourism is spent so that it may be easy to undertake a quantitative study to determine what remains in the destinations from the "multiplier effects" of tourism.

Development of human capital is another area that is thought to contribute much to the multiplier effects of tourism. Education and skills development provide better opportunities for employment and service delivery therefore, a route for better livelihoods. The claim of elitism and superiority (Muhanna, 2007) was explicitly reflected in the study areas. Many respondents who were involved in the tourism business were not formally trained in tourism. This means that the industry lacks skilled manpower to exploit various opportunities in this critical service sector. The DOTEs seemed to work towards, and are ambitious in controlling tourism business but faced a number of constraints such as lack of innovation, infrastructure, skilled manpower and operational capital. Hence, there is need to empower the indigenous communities through education and training, investment incentives and infrastructure development so that the community members may be able to develop new products, setup and operate their own enterprises and maximize both direct and indirect economic benefits (Grekin and Milne, 1996).

The selected study areas suggest that tourism creates beneficial opportunities if the private sector, the government and the local communities which work together. This forms a good starting point for understanding the constellation of tourism into its backward and forward linkages into other economic activities, society, culture, governments and environment in the whole process of creating more multipliers of the industry (Anderson, 2013). For example, unlike in the past where conservation efforts were controlled by the government with no noticeable benefits to communities, community based conservation programs such as the WMA strive to incorporate the needs and concerns of indigenous communities to make tourism acceptable and beneficial to them. WMAs have created sense of belonging and ownership of conservation areas making them acceptable, beneficial and protected.

The CTEs are the avenues for tourists to interact with the host communities, exchange knowledge and ideas, and benefit indigenous communities in terms income and new business ventures. For example in Mkuru, the CTE expanded its activities to include vegetable production and souvenir manufacturing besides that of the animal skins. Mkuru tented camp seemed to reap more of the tourism benefits compared to Ngiresi and Longido eco-and-cultural tourism. The Enduimet WMA had far more benefits compared to the CTEs. However, in Ng'iresi the communal ownership of the enterprise was no longer active because of governance challenges. Thus, it is suggested that other areas such as Longido and Ng'iresi



might copy the Mkuru model in order to create more opportunities for community participation and benefits generation. It is also suggested that the government should invest more in infrastructure development, develop a policy for incentives provision, and work collaboratively with indigenous communities to develop effective governance structures, benefit sharing/distribution, and invest in local tourism education and skills development. This will go a long way in enhancing indigenous participation and ownership of tourism business enterprises and thus lead to improved livelihoods, reduced leakages, increased linkages and, well spread and felt multiplier effects of tourism for all involved.

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