

A NOTE ON BOOSTING TANZANIA'S TOURISM SECTOR

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Tourism has been studied through various lenses. These include the impact of tourism on employment (Pelizzo and Kinyondo, 2017), inequality (Kinyondo and Pelizzo, 2015), socioeconomic development (Rogerson, 2005; 2012) whereas, in a paper titled "Socioeconomic Impact of Tourism: the Case of Tanzania", Kinyondo and Pelizzo (2020) demonstrate that the tourism sector is crucial to Tanzania's economy as it significantly contributes to its forex, GDP as well as creating employment opportunities. Kinyondo and Pelizzo (2020), however, argue that the contribution could have been a lot more significant particularly in generating wealth to Tanzanian citizens since the country is blessed with more natural wonders than most of its immediate competitors. Finally, while these studies were robust enough, the question of poor data pertaining to tourism lingers (Rogerson, 2007; Kinyondo and Pelizzo, 2018). Revamping the tourism sector should therefore begin with efforts to ensure that rich data on tourism is available so that progress or otherwise in the sector can be easily evaluated in the quest for realizing even higher heights.

In their book, titled "Making Tourism Work for Tanzania", Pelizzo and Kinyondo (2018) noted that the tourism sector had experienced an unprecedented growth at the global level, that it had also grown considerably in Tanzania, where it made a significant contribution to the economy. Tourism attracts investments, contributes to exports, and by creating employment opportunities for low skilled workers reduced poverty. The analysis also noted that the development of the tourism sector in Tanzania was confronted with at least three challenges: Tanzania's tourism needs better connectivity, it needs better marketing and it needs to increase the percentage of repeat tourists.

Tanzania has taken several steps to address some of the issues we raised in our book. The Royal tour in the US was a successful marketing exercise, the launch of the Festival of Black Arts and Culture is an important initiative to attract tourists, as are the creation of golf courses and the arrival of mega cruise ships.

Thanks to the combination of all these factors, the tourism sector in Tanzania has been able to bounce back after the Covid-19 pandemic. In 2022 the number of international tourists was considerably higher than it had been in 2019 and the estimates concerning the number of international tourist arrivals for 2023 suggest that more than 1.8 million tourists came to Tanzania— a number that allows Tanzania to outperform Kenya where only 1.75 million tourists arrived in 2023.



Impressive as these results may be, there is some reason to believe that the tourism sector in Tanzania is not doing as well as it could. For those who thought that the number of international tourism would top the 2 million mark by 2020, the 2023 figures are not too terribly impressive.

First, the percentage of repeat tourists is rather low — 52.6 per cent for Tanzania as a whole and a meager 19.9 per cent for Zanzibar. To make such a result even less impressive is the fact that the percentage of repeat tourists is at its lowest for tourists from rich markets (France, Spain, USA) and highest in less affluent markets. Finally, most of repeat tourists return because they either come for business or to visit family and friends. This means that Tanzania (and especially Zanzibar) is not able to bring back tourists who come for leisure from rich markets.

Second, while the creation of golf courses can bring some wealthy patrons, it is unlikely that the creation of golf courses may have a transformative impact on the Tanzanian tourism sector (or on the Tanzanian economy) while it may have deleterious environmental impact in a country that is at time confronted with droughts and erratic rain pattern.



Third, the mega cruises brought a few thousand tourists, but for a very short time--which means that they have not yet reached a volume that may significantly impact the Tanzanian economy for now and they may be able to do so in the future possibly at the cost of environmental degradation.

This is to say that while efforts were made to promote tourism, Tanzania needs to do more.

Tourists need to be incentivized to come, to come back and to stay longer. To achieve these three results, Tanzania needs to offer more, to repackage what it offers, and to promote sites that have not been adequately promoted so far.

Previous research has taken some steps to understand why the tourism industry has not had a greater impact in curbing poverty and reducing inequalities.

Without taking these three steps, Tanzania's tourism industry will never fulfill its potential and will not allow the country to make greater progress along the developmental path, thus reducing both poverty and inequality. Kinyondo and Pelizzo (2015), showed that while the tourism sector stimulated economic development in Tanzania, the tourism-induced growth failed to reduce income inequality among citizens employed in the sector. While there is an argument that inequality can only be reduced if tourism is operated on small scale (Rodenburg, 1980). Kinyondo and Pelizzo (2015) persuasively argued that for inequality to be reduced, a certain (high) level of development has to be achieved and sustained something that the tourism sector has secure in the midst of some of the recent global emergencies (Covid-19 pandemic).

Building on this line of inquiry, several studies (Pelizzo and Kinyondo, 2017; Kinyondo and Pelizzo, 2018) revealed that there are main reasons why the tourism-induced growth has generally failed to significantly reduce poverty and inequality in the country.

First, the sector is still dominated by foreign ownership which prevents or limits the development of local content and a more active participation of local entrepreneurs in the tourism sector.

Second, there is an issue pertaining to vertical integration. This is a situation where international tour operators use own charter flights, hotels, and franchised operators in Tanzania, which allows for the biggest chunk of tourism money to be repatriated out of Tanzania.

Third the majority of local operators are paid minimal wages with women even further disadvantaged thereby making it impossible for the tourism sector to reduce poverty and redress the income inequality issues.



Given the nature of the Tanzanian tourism industry and of the problems that have thus far prevented tourism from stimulating socio-economic development, reducing poverty and eliminating inequalities, the efforts to ensure that the tourism sector generates greater economic dividend should be accompanied by initiatives that ensure that wealth so created is equitably distributed among citizenry. This result could be achieved by:

- Enriching data on tourism to enable close monitoring of sector's performance,
- Developing local continent in the sector,
- Reducing vertical integration with the rest of the world,
- Reducing wage differentials across gender divide as well as
- Protecting environment and wildlife in order to keep its tourism sector sustainable.

Conclusion and Recommendations

This note has highlighted the fact that the tourism is very important sector as far as Tanzania's economy is concerned. This is because the tourism sector is critical in bringing to the economy the much needed forex, makes a significant contribution to GDP and provides employment opportunities.

The tourism-induced growth in Tanzania has, however, failed to significantly reduce poverty and income inequality among citizens employed in the sector while there is every reason to believe that, given Tanzania's vast natural resources, wealth and attractions, it could have had a much larger and more beneficial impact if the sector had made a better use of the resources at its disposal.

Greater efforts should be made to make tourism return (especially from the richer markets).

Greater efforts should be made to prolong number of days tourists spend in Tanzania (for instance by diversifying the attractions or opportunities that tourists may enjoy) instead of depending solely on safari in the Northern Circuit must be encouraged.

Greater efforts should be made to increase local participation (local content) in the tourism sector. In other words, Tanzania needs to devise (and adopt) policies to enable the sector to have greater number of Tanzanian owned tour companies and/or foreign companies run by Tanzanians and employing Tanzanians across board.

Greater efforts should be made to ensure that salaries within the sector must be aligned with salaries paid to workers in sectors that are equally performing well with the emphasis put on elimination wage differentials between men and women.

Moreover, there has to be deliberate efforts to collect richer data that can be used to inform how the tourism sector should be managed going forward.

Finally greater efforts should be made to ensure that tourism is sustainable through protecting environment and wild life must be prioritized.

Tourism must be sustainable to secure sustainable development because if development is not sustainable it will never have a transformative impact on the Tanzanian economy and society and provide Tanzanians with a better quality of life.

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