

**THE ROLE OF TOURISM ON LOCAL COMMUNITY DEVELOPMENT IN TANZANIA:  
THE CASE OF ARUSHA REGION**

**A Thesis**

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**In Partial Fulfilment of the Requirements for the Award of a Doctoral Degree in Public  
Administration and Management**

**By**

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## DECLARATION (A)

“I, MUSA GIDION MITEKARO, do declare that this Thesis entitled **THE ROLE OF TOURISM ON LOCAL COMMUNITY DEVELOPMENT IN TANZANIA: THE CASE OF ARUSHA REGION** is my original work and that it has never been presented for a degree or any other academic award in any University or Institution of Higher learning.”

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**DECLARATION (B)**

“I confirm that the thesis report entitled **THE ROLE OF TOURISM ON LOCAL COMMUNITY DEVELOPMENT IN TANZANIA: THE CASE OF ARUSHA REGION** was carried out by the candidate under my supervision.”

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## APPROVAL SHEET

This thesis entitled **“THE ROLE OF TOURISM ON LOCAL COMMUNITY DEVELOPMENT IN TANZANIA: THE CASE OF ARUSHA REGION”** prepared and submitted by Mr Musa Gidion Mitekaro in partial fulfilment of the requirements for the degree of PhD in Public Administration and Management has been examined and approved by the panel on oral examination.

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Director of Postgraduate Studies and Research Signature and Stamp

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## **DEDICATION**

With my warmest and greatest gratitude, I dedicate this dissertation to my father Mr Gidion Mitekaro, my hero, who is hard-working and taught me to rule, believe in myself, and to conquer all impossibilities; To my mother Raheli Mitekaro, who always encouraged me to attain to the highest education possible. Likewise, I owe a great deal of dedication to my family members Winfrida Mitekaro (my spouse), Fadhili, Gidion and Josiah (my sons): for their moral and material support throughout the whole period of my studies.

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Finally, I wish to admit that any mistakes and shortcomings which may be noted in this work are totally my own.

## LIST OF ACRONYMS

ANP	Arusha National Park
CBEs	Community-Based Enterprises
EAC	East Africa Community
FD	Fiscal Decentralization
GDP	Gross Domestic Product
HBS	Household Budget Survey
LCD	Local Community Development
LGO	Local Government Officials
MIGA	Multilateral Investment Guarantee Agency
MIT	Ministry of Information and Tourism
MNRT	Ministry of Natural Resources and Tourism
NBS	National Bureau of Statistics
OECD	Organization for Economic Cooperation and Development
PPT	Pro-Poor Tourism
TANAPA	Tanzania National Parks
TCRA	Tanzania Communications Regulatory Authority
TRA	Tanzania Revenues Authority
TTB	Tanzania Tourist Board
UDSM	University of Dar es Salaam
UNESCO	United Nations Education, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organization
URT	United Republic of Tanzania
USIP	United States Institute of Peace
WTO	World Trade Organization
WTTC	World Travel and Tourism Council



## ABSTRACT

Tourism is the act of travelling from one destination to another by both foreigners and locals. One pays a visit to preserved game parks and other historical sites in a country at their own expense as part of relaxation, enjoyment and fulfilment of a dream or for business purposes. As a result they contribute to the government revenue. In Tanzania, tourism accounts for 25 percent of total export revenue and is increasing at the rate of 8 percent per year.

The main objective of this study was to establish the role of tourism in local community development and understand the constraints to community members' participation in local communities adjacent and within the tourism sites.

The study used mixed research method where both primary and secondary data were used in analyzing the linkage between tourism activities and their impact on the local communities adjacent to and within tourism sites in Arusha region. The study areas were the villages around Arusha National Park, Manyara, Ngorongoro Conservation Area, Olduvai Gorge and Tarangire National Park in Tanzania.

Primary data was collected through interviews, structured questionnaires, and focus group discussions. The secondary data was gathered through a literature survey of relevant textbooks, reports, legislations and journals.

The findings of the study show that tourism resources contribute to local community development specifically on the educational and infrastructural development. Furthermore, the findings revealed that while a relationship which shows positive perceptions of increased tourism resources contributing to poverty reduction and local community development is strong, the local communities are not accessing the tourism market to increase their earning.

Since fiscal decentralization practices in Tanzania was instituted to bring about decision-making process at the grassroots level and activate economic development, it also unfolds new challenges and contradictions, specifically to local communities within and around the tourism sites in Arusha region. These need to be addressed effectively.

It was recommended that the government of Tanzania should take a leading role to encourage performance of tourism resources on local communities' development process within and around the national parks in Arusha region through an emphasis on economic fiscal decentralization policy implementation.

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# **CHAPTER ONE**

## **PROBLEM AND ITS SCOPE**

### **1.0 Introduction**

This chapter provides the basic foundation for the study area and focus. It covers the background of the study, the statement of the problem, the purpose of the study, research objectives, research questions and hypothesis, significance of the study and operational definition of key terms.

### **1.1 Background to the Study**

Countries across the world have continuously taken initiative of promoting tourism to become one of the leading sources of sound economic development to their countries. According to the United Nations World Tourism Organisation (2014), the tourism sector contributes 8.8% of the global jobs (258 million jobs); 9.1% of the global GDP (US\$5 trillion); 5.8% of the global export (US\$1.1 trillion) and 4.5% of the world's investments. This current record of revenue generation is a result of increased number of international tourists from 25 million in 1950 to 1133 million in 2014. The report further ascertains that the expected number of growth of tourism sector will reach 1.8 billion international tourists by 2030 (UNWTO, 2017).

Due to the possibilities of the tourism sector towards the realization of drastic socio-economic development, it is one of the leading sectors in both developed and developing countries. This applies to countries such as the United States, United Kingdom, China, the Soviet Union, France, Australia, Brazil, Canada, Japan, Hong Kong, Singapore, the Bahamas, Italy, Jamaica and Dubai to mention a few. The tourism sector is prominent due to its ability to generate a variety of jobs in the transport sector, tourism hotels, tour guide industry, security, camping, tourist site visits, internet communications and others, Theobald (2015). The revenue generated from the tourism sectors of individual countries has contributed positively towards the socio-economic growth of those countries, however, the population within and adjacent to the game reserves and other touristic areas has been neglected by national policies leaving the area in poverty.

In Latin American countries such as Brazil, Argentina, Chile and Peru, the tourism industry has continuously contributed positively to their national economic growth.

According to Olivia (2012), the tourism sector contribution to GDP grew by 7 percent to reach an estimated cost of US\$143 billion in 2015. This revenue has been generated through services such as hotels, restaurants, game parks and other attractive areas. Despite the economic growth of these countries through the tourism sector, a majority of the population within and adjacent to tourism attraction areas are living in poverty.

Asian countries such as Thailand, Singapore and Indonesia which are endowed with islands, natural flora and fauna, have also continued to record economic growth through the progressive tourism sector. According to Mohammed (2015), the tourism sector has contributed to 10.8% of GDP and has grown by 9.2 percent to reach an estimated cost of US\$70 billion in 2015. The revenue generated from the tourism sector in these Asian countries, however, has not directly contributed to poverty reduction in the population within and adjacent to the tourist attraction areas.

The African Development Bank report (2015) shows the growth of the tourism sector in Africa from 17.4 million tourists in 1990 to 55.3 million tourists in 2015. The growth of the tourism sector has contributed positively towards the economic growth of the individual countries through revenue generated from individual tourists visiting tourist attraction areas. African countries have become one of the leading tourism attractions for tourists from Europe and the United States due to its natural beauty and historic sites. According to the report the revenue generated from the tourism sector has recorded minimal positive effects to stimulate poverty reduction among the population living within and adjacent to the national parks and other tourist attraction areas.

In Kenya, one of the leading tourism sector attraction areas within the East African Community (EAC), the tourism sector has contributed to 8% of GDP and has grown by 11% to reach an estimated revenue cost US\$3.2billion in 2015. The revenue collection from tourism could have been higher had it not been for the challenges from the Somalian AL-SHABAB terrorists, the political conflicts and the economic destabilization Cater (1991); Cohen and Jeffrey (2001); Cohen (2012); (Kiet 2017). Kenya has also been experiencing the challenge of disbursing revenue generated from the tourism sector towards the development of the local communities within and adjacent to the tourist attraction areas. They too live in poor conditions.

According to the Rwanda Tourism Board (2015), tourism in Rwanda is one of the leading sectors contributing to Rwanda's national growth. The country has unique

tourism attractions which include the gorilla game reserve and the historical 1994 Genocide Museum. The tourism sector has contributed to 9.5% of GDP and has grown by 10.5% to reach an estimated revenue cost of US\$1.8 billion by 2015. Despite the economic growth, very minimal amounts have been disbursed to improve the living conditions of the local communities living adjacent and within the game reserves or other tourist attraction areas.

In the case study of Tanzania, the tourism sector is one of the leading sectors of the country's revenue generation contributing towards economic growth. According to the Tanzania Tourism Board (2015), the country earnings from the tourism sector had increased by 25% to record revenue generation of US\$ 2,212.7 in 2015.

According to the implementation of fiscal policies, the local government authorities have introduced various taxes to collect revenue which will be utilized for various economic development programs within the location. These may include but not limited to the building of health centres, schools, roads reform and others, thus, having less dependence on the central government funding. As a result, the local government authority has the mandate to introduce minimum tax charged to tourists visiting the game parks and other historical sites Cohen and Cohen (2012); Chok and Mcbeth (2007); and Crouch (2000). This revenue will then be used to improve the infrastructure and the economy of the locals living in and adjacent the tourist attraction areas.

Arusha region is situated in the northern zone and was chosen as the study area based on the fact that it has the leading tourist attraction sites in Tanzania. These include Arusha National Park; Tarangire National Park; Manyara National Park; Ngorongoro Conservation Area and Olduvai Gorge, with local communities within and adjacent these national parks. The study focuses on tourism generated revenue and its contribution to improvement the living conditions of the local communities living within and adjacent the mentioned national parks. The study also focuses on how the fiscal decentralization practices of the Local Government Level within Arusha region utilize the revenue generated from tourism for local communities' economic development.

As tourism is a cross-cutting sector, several other policies have been analyzed to guide towards ensuring that tourism actually provides economic benefits to improve the socio-economic and living conditions of the local communities within an adjacent to the national parks. These policies include National tourism policy, community development

policy, education and training policy, the national wildlife policy, Tanzania national park policy, environmental policy, and fiscal decentralization policy. However, these policies and guidelines require analysis between the generated tourist revenues and the causal effect towards the improvement of the living conditions of local communities within and adjacent to the game parks.

There has been an on-going debate for over six decades on if tourism activities contribute to local community development. The key aspects of contention have been on employment, foreign currency, health, infrastructure, household income and education benefits, most studies, if not all, whether dealing with a national or local scale study have no conclusive findings. Some attributing the successful records on global, regional and national performance to concluding that the sector is positively and substantially changing the local community wellbeing (Smith & Eadington, 1992; Mowforth & Munt, 2003; Sharpley, 2009; Sharpley & Telfer, 2002; Scheyvens, 2011). Others have argued different to the above views: pointing to socio-cultural damages, unequal exchanges and lack of community involvement, development networks like infrastructures, financial in access, and presence of inhibitors and funds appropriation by governments, Omoregie (2012); Croker and Ole (2013); Curley (2014); and Fun (2014).

The broad question needs to be addressed in this study is respondents' perceptions on the relationship of the role of tourism and the improved living economic conditions of the local communities in game parks based in Arusha Region, and on the assessment of this relationship between tourism and local community development in Arusha Region.

## **1.2 Statement of the Problem**

The Tourism sector is one of the leading sectors of Tanzania revenue generation contributing towards economic growth yet the communities living within and adjacent Arusha Region national parks are less developed. Tourism contributes greatly to the Tanzania GDP 17.5 % (MNRT 2017). In 2016, Tanzania received 1.284,279 million tourists who visited various tourist attractions found across the country (MNRT, 2016 & MNRT 2017). Tourism has brought Tanzania the largest amount of foreign currency in the past 3 years (2014, 2015, and 2016). Tourism currently brings an average of USD 2billion (25% of annual foreign currency earnings) a year (MNRT, 2016).

Revenue collection from tourists within the tourism sector by the Tanzania Revenue Authority (TRA) has been improved recently (Tanzania Budget 2016/2017) by introducing new charges (VAT 18%) and use of electronic equipment at the entrance points into the game parks. Despite this introduction of new taxes, these generated revenues have not economically empowered the local population living within and adjacent to these game parks. They are still living in a marginalized economic state.

Despite having Local Government Authorities (LGAs), local communities have inadequate public social services including health services, school, basic infrastructure, and earning income (Hedges, Mulder, James and Lawson, (2016).

The current statistics from the Arusha Regional Office (2017) indicate that the local communities living in villages within and around Arusha National Park, Tarangire National Park, Manyara National Park and Ngorongoro Conservation Area, in regard with the ratios of the health centres is 1:500; educational schools is 1:800, while the death to mortality, HIV/AIDS epidemic and malaria ratios are still high due to lack of basic health care. Some are understaffed, with inadequate equipment. The engagement in an economic venture such as sales of Maasai gifts is also not organized and neither are they allowed to farm, contributing to inadequate of food and lack of permanent households due to cattle grazing.

The established local government authority within those areas lack authority and autonomy on revenues generated from the tourism sector in their areas. The revenue is received by TRA which is a central government authority and Tanzania National Parks (TANAPA) which, according to them, is meant to address the strengthening of the facilities of their game parks to attract more tourists.

Arusha is a leading region for tourism in northern circuit and Tanzania since it contributes 75% (8.85% of Tanzania GDP) of revenue income for the country (Anderson, 2016). Based on this, it is the main national revenue generator in the tourism industry. This makes it qualify for a bigger portion of the development budget from the central government so as to strengthen the sector. The question is how much of that income trickles down to the inhabitants of Arusha villages adjacent to game parks.

The fact that the Tanzania government has put in place tourism policies and improved on tourism attractions in Arusha Region, the needs of communities within and adjacent to

the national parks both the social and economic are to be identified and seek to create strategies that will address those needs in the ways that are practical and sustainable.

This study, therefore, sought to research and suggest the best approaches to be used by the stakeholders in the tourism sector so as to ensure that the sector becomes a major catalyst of the improvement of the socio-economic condition of the local community within and adjacent to the national parks and other tourist attraction areas.

### **1.3 Significance of the Study**

The role of the tourism sector revenue collection is directly to contribute for economic growth of the local communities within and adjacent to national parks, this has increasingly been discussed within the local government authorities in Tanzania. Many initiatives have been undertaken by the government of Tanzania including the introduction of various policies such as the tourism policy, decentralization policy, community development policy, national wildlife policy, national park policy, environmental policy, and the education and training policy to address the situation in the country.

The study, therefore, will facilitate the Arusha Region LGAs with important information and data on how best to utilize the fiscal decentralization policy by imposing special taxes on the tourists which will be geared specifically to activate the provision of basic social services to the local community within and adjacent to national parks.

Secondly, Involvement of the local communities within and adjacent to national parks through their LGA representatives to participate in decision-making process on how the revenue collected from the local taxes from tourists can be used in improving their public social sector including building of adequate schools, health facilities, and improvement of roads infrastructures.

Thirdly, the study exposes all policies which are related to tourism sector which includes the community development policy, decentralization policy, education and training policy, the national wildlife policy, tourism policy, the national environment policy; and Tanzania national parks policy and their operational challenges that affect the successful contribution of the tourism sector to the economic development of the local communities to policy analysis and formulation.



In addition, the study will provide relevant information and research data to TANAPA to adjust its approaches in their economic assistance geared towards the socio-economic improvement of the local communities living within and adjacent the national parks.

Further, it will provide the Tanzania Government Ministry of Natural Resources with the right information thus assist in the current policies improvements so as to address the socio-economic needs of the local communities living within and adjacent to the National Parks.

To academicians, this study contributes to the body of knowledgw on how the tourism sector realized revenue through the use of fiscal decentralization thus improving the socio-economic condition of the local communities within and adjacent to the National Parks.

Lastly, the study has exposed the level of the role of tourism plays in raising the socio-economic development of the local population within and adjacent to the National Parks through the utilization of fiscal decentralization. This is particularly important to LGA leaders because it will act as a guide towards making the right decisions and actions.

#### **1.4 Purpose of the Study**

The general purpose of the study was to assess the role of tourism and its contributions towards the economic improvement of the local communities within and adjacent to the national parks in Arusha, Tanzania.

#### **1.5 General Objective of the Study**

The main objective of this study was to assess the role of tourism on local community development of Arusha region, Tanzania.

##### **1.5.1 Specific Objectives**

The study was undertaken with the following specific objectives:

- i. To establish the role of tourism in the social sector development of local communities within and adjacent to the National Parks in Arusha region.

- ii. To assess the contribution of tourism on household income of local communities within and adjacent to National Parks in Arusha region.
- iii. To identify the inhibitors of local community development adjacent to and within tourism sites in Arusha region.

### **1.5.2 Research Questions**

To find out how tourism contributes to local community development, the study posed and answered the following research questions:

- i. What is the role of tourism in the social sector development of local communities within and adjacent to National Parks in Arusha region?
- ii. To what extent does tourism contribute to the household income of local communities within and adjacent to National Parks in Arusha region?
- iii. What are the inhibitors of local community development adjacent to and within tourism sites in Arusha region?

### **1.5.3 Research Hypotheses**

The following null hypotheses were tested at a 0.05 level of significance:

- i. There is no statistically significant role of tourism on the social sector development of local communities within and adjacent to National Parks in Arusha region
- ii. Tourism has no statistically significant contribution on household income of local communities within and adjacent to National Parks in Arusha region
- iii. There are no significant differences between the mean ratings of residents on the existence of inhibitors to the local community development adjacent to and within tourism sites in Arusha region.

## **1.6 Scope of the Study**

The scope of the study is presented in terms of geographical scope, theoretical scope, content scope and time scope.

### **1.6.1 Geographical Scope**

The study was conducted in Arusha region in Tanzania. The region was selected because it has the most tourist attractions in Tanzania. Arusha is in the northern circuit of

Tanzania. The region also houses TANAPA headquarters where the national tourism offices are located.

The study involved Arusha National Park, Ngorongoro Conservation Area, Manyara National Park, Tarangire National Park and Olduvai Gorge historical site. The study further explored local communities (villages) neighbouring the tourism sites. These includes Ngurudoto, Ngongongare, Njeku, Sakita, and Ngarenanyuki (around Arusha National Park), Tloma, Bashay, Mbulumbulu, Mbuga Nyekundu and Oldeani (around Ngorongoro and Olduvai Gorge), Endamarariek, Bassodawish, Kibaoni, Endabash and Chemchem (around Manyara National Park) Kakoi, Vilima Vitatu and Qash (around Tarangire National Park).

### **1.6.2 Theoretical Scope**

The study covered an analysis of four different theoretical perspectives which include: pro-poor tourism theoretical approach; community based tourism theory; collective action theoretical approach and decentralization theory. However, the study was based on three major theoretical perspectives which are pro-poor tourism, community based tourism theory and decentralization. The theories in general cover the basis on how tourism sector generated revenue can trickle down to reduce poverty and improve the living conditions of the communities within and adjacent to the National Parks and other tourists attraction areas.

These theories conclude with summaries of the key issues that are needed to design and evaluate an appropriate tourism program. Decentralization theory was selected due to the fact that the researcher found it relevant to this study because Lockwood (2005) argues that LGA through taxes, including from tourists, should aim at providing better social services to local communities within and adjacent to National Parks.

### **1.6.3 Content Scope**

The study assessed the level of perception of the general public within the study area on the role of tourism on social sector development of the local communities within and adjacent to National Parks; the level of the contribution of tourism on household income of local communities and the relationship between perceived level of tourism and the economic development of the local communities within and adjacent to National Parks in Arusha region.

The study contained two major variables; independent variable and dependent variable. Tourism was the independent variable whereas the economic development of the local communities within and adjacent to National Parks was the dependent variable. Fiscal decentralization policy was comprised of the autonomy in the collection of revenue, autonomy in the supervision of expenses, autonomy in budgeting and community participation and in the allocation of funds for local communities' development in education, health facilities and improvement of infrastructure and household income.

#### **1.6.4 Time Scope**

The study involved coursework for two years (2012-2014) at KIU Dar Es Salaam campus. The research covers secondary time series annual data of 25 years from 1991 to 2015; and primary data was collected from December 2015 to December 2015. This period was utilized for writing the research proposal, data collection, analysis and final thesis writing, presentation and dissemination process.

#### **1.7 Operational Definition of Key Terms**

**Tourism:** Is the movement of people from one place to another for pleasure, relaxation and enjoyment. According to WTO (2000, p.17) **tourism** is defined 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”.

**Tourist:** Defined as a person who travels from one destination to another for his or her fulfilment of pleasure, relaxation and recreation.

**Tourism sector/Industry:** Inclusive of all the activities in this sector which includes transportation, restaurants, historical sites, entertainment views, employment, management, local and international companies which facilitate the sector and other factors.

**Local Communities:** Local communities are locales adjacent or within the national parks of which one is selected for the study. The local communities are drawn from Arusha National Park and Mount Meru, Ngorongoro Conservation Area, Manyara National Park, Tarangire National Park, and Olduvai Gorge—a historical site. The people who reside in these areas are mixed in terms of their tribes, but the natives who form the larger population are the Maasai, the Waarusha, the Meru, the Hadzabe, and the Iraqw.

**Community Development:** Means the group of people within an identified area working together in a developmental project such as farming, business or entrepreneurship. In the process of undertaking their development project the government, NGO's or the private sector or individuals make the initiatives to assist them either financially or materially to achieve their developmental objectives.

**Local Community Development:** Refers to efforts of the people complemented by the government, NGOs, and the private sector in defining their needs and mobilizing resources to address their identified and prioritized needs (Ranis, Stewart and Ramirez, 2000).

**Community Participation:** Means the participation of local communities in organized meetings such organized by the LGAs to make decisions on key issues affecting their socio-economic development.

**Sustainable Community Tourism:** Defined as the implementation of tourism which realizes its objectives by being sustained in practice through strictly observing the preservation of the environment, flora and fauna and the wild animals in the game parks with the communities living within and adjacent to those national game parks.

**Local Expenditure Autonomy:** Defined as local government determination of own expenditure in the terms of public goods and services based on their local community needs.

**Local Revenue Autonomy:** Means the local government mostly has the authority and responsibility to make decisions related to sources of their financing.

**Policy:** Is typically described as a principle or rule to guide decisions and achieve national outcomes. The term is not normally used to denote what is actually done, this normally referred to as either procedure or protocol. Policies are generally formulated and adopted by the board or senior government body within an organization whereas procedures or protocols are developed and adopted by the senior executive officer.

A policy may also refer to the process of making important organizational decisions including the identification of different alternatives such as programs or spending priorities and choosing them based on the impact they will have. Policies can be

understood as political, management, financial and administrative mechanisms arranged to reach explicit goals.

**TANAPA:** Is the abbreviation of the government organisation called Tanzania National Parks. It can be traced from the Tanganyika National Parks Ordinance CAP [412] of 1959 when Serengeti became the first National Park. Currently, TANAPA is governed by the National Parks Ordinance Chapter 282 of the 2002-revised edition of the Laws of the United Republic of Tanzania. Conservation in Tanzania is governed by the Wildlife Conservation Act of 1974, which allows the government to establish protected areas and outlines how these are to be organised and managed. National Parks represent the highest level of resource protection that can be provided. By 2014, TANAPA had grown to 15 national parks, covering approximately 57,024 square kilometres (TANAPA website 2015).

**Public Social Sector:** These are the LGA's through fiscal decentralization who raise local taxes for financing the building of schools, health care centres and infrastructure facilities.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents a theoretical review of the theories and the approaches that are linked to the current study which are: Pro-poor Tourism, Community Based Tourism, Decentralization and Collective Action theory. These Theories are complimentarily used in developing the conceptual framework model and the hypotheses that will guide this study. They will be discussed in relation to the topic and subsequently to Tanzanian policies such as the National Tourism Policy, the Community Development Policy, the Education and the Training Policy, the Wildlife Policy, the National Environmental Policy and Tanzania National Parks Policy. Thereafter, the conceptual framework of the study will be discussed and, finally, a review of the studies in relation to the research objectives and the identified research gaps.

#### **2.2 Theoretical Review**

The researcher revisited theories related to local communities within or adjacent to National Game Parks economically benefitting from the tourism sector which forms the basis of fiscal decentralization. In this regard, theories related to fiscal decentralization; Pro-poor Tourism theory, Community Based Tourism theory and Collective Action Theory—were reviewed in relation to this study of local communities within and adjacent to National Parks in Arusha region.

##### **2.2.1 Pro-Poor Theoretical Approach (PPT)**

This theoretical approach on designing development policies was developed by the World Bank Group (WBG) in the late 1990s for development policies to accelerate economic growth and poverty reduction. “Poor” was defined as a person falling below a predetermined head count, that is, the line below which the proportion of the national population falling below the line.

The pro-poor theoretical approach focuses on how best the tourism sector could transfer benefits and consequences to local communities in and around the tourist destinations. The theory identifies the local communities and villagers within and adjacent national parks as part of the stakeholders to be considered by the Local Government Authority during the budgeting for their socio-economic development. In summary, it attempts to

address the inclusiveness of these target groups for the benefits accrued from tourism as stated by Ashley and Ashton (2005); Zeng et al (2005) and Zhao and Ritchie (2007).

In an attempt explain how the theory is applicable, Adam et al (2008); Ashley and Roe (2001) and Okazaki (2008); and Vanegas (2014) argued that the theory has mutually supportive descriptions to show how revenue generated from the tourism sector contributes to poverty reduction. The focus is on the utilization of taxes from tourists some of which may be used to activate the community self-reliance projects such as manufacturing tourist attraction ornaments and other facilities for sale and therefore improve the community's economic wellbeing.

The approach was considered applicable because the theory is not a single model to resolve the problems of economic difficulties of the local communities within and adjacent to National Parks, but provides the basis for the provision of basic public social amenities to those target groups. Conversely, if the LGAs and all relevant stakeholders understand the existing problems, they will be able to make appropriate decisions on tourism revenue generated from their areas and have a spill over effect on the local communities adjacent and within the National Game Parks.

The pro-poor theory helps to assess the extent in which public social services have been improved within the localities of local communities within and adjacent to National Game Parks. It is believed that the more attention is paid to the revenue collected from the tourism sector by use of fiscal decentralization; it will lead to the improvement of public social facilities such as schools, healthcare centres, mobile banking and other key facilities. Besides that, the proper application of the theory would not only economically benefit the local communities adjacent and within the National Game Parks, but will also serve the objectives of LGA in promoting development at grassroots level in the country.

In our case study of the role of tourism on the local communities development in the areas adjacent or within the National Game Park along the areas adjacent or within the National Game Parks in Arusha region the theory will help to assess the extent to which all those within the LGA entrusted with this responsibility to discharge their obligations in the context of fiscal decentralization have played their role in performing their obligations. However, the application of the theory cantered more on analysing the impact of the revenues generated from tourism sector have spill over effects on



economic development of the local communities within and adjacent to National Parks in Arusha Region.

### **2.2.2 Community Based Tourism Theory**

Another important theoretical aspect that was reviewed is the community based tourism theory which addresses the facts that the tourist companies both local and international operating within the National Game Parks and other tourist attraction centres through their organizations provides a token amount of their earning to communities within and adjacent to the National Game Parks. This action in one way or another is seen as an act of corporate social responsibility (CSR) on which a certain small percent of the tourism earning is brought back to the local communities to assist them towards activating their small economies so as to improve their living standards, Akis and Warner (1995).

In the review of the Community Based Tourism Theory focuses to tourism services providers such as tourist operational companies to assist the local communities around the National Game Parks (Sebele, 2010; Varumo, 2015). Apart from the vehicles tour operators, the same exercise is conducted by the international Tourists Hotels within and adjacent to the National Game Parks with the same aims of building good working cooperation with the local communities within and adjacent to the National Game Parks.

Community Based Tourism Theoretical approach is independent of the formal fiscal decentralization process as it is initiated and operated privately by these private tour operators. They do have the mandate to pass their financial contributions via the LGAs which may have been the best approach but may be also at liberty to donate their contributions to their own selected communities within and adjacent to the National Game Parks and other tourist attractions according to their convictions.

From the processes used in Community Based Tourism theory which does not follow the laid policies, there is a clear likelihood that it may lead to become a biased approach. The tour operators may concentrate to assist financially to some local communities of their choice and leave the rest who may be in great economic difficulties in a horrible state of affairs.

Meanwhile, the Community Based Tourism Theoretical approach will help to assess the impact of the delivery of financial assistance from the tourists companies and hotels geared towards assisting the local communities within and adjacent to National Game

Parks. We will be able to analyse the level of administration from these companies in the administration of their financial assistances and its impact in improving the economic conditions of the target population specifically the local population within and adjacent to the National Game Parks and other tourist attraction areas (Kim, 2013; Kwangseh, 2014; Dangi, 2015).

### **2.2.3 Collective Action Theory**

Another important theoretical aspect that was reviewed is the Collective Action Theory which evolved as a development paradigm since early 1950s (Reuben, 2003) addressing the participation of all stakeholders in making decisions on issues or development project which affects them for their own socio-economic development. The Collective Action Theory processes is conducted in meetings on which issues regarding various development agenda are discussed and finally the meeting participants makes collective decisions on the actions to be taken as a way forward.

In the review of collective action theory, Olson (1955) argues that the theory in some organizations is implemented at three levels which are as follows: the first is within subordinates or intermediate groups who may deliberate on issues affecting their general performance of work places which through their collective actions is forwarded to a higher level for approval. The issues are forwarded to the managerial meetings for decision making and if it requires the board approval, it is then finally forwarded to the board which he termed as a privileged group.

The Collective Action Theory process works very well in organizations which deals with performance related issues for example the manufacturing industry and services organizations. The theory can be called to utilize a chain of command in reaching to the final decisions from the top of the leader that in the board on issues which requires their level of authority (Reuben, 2003; Medina, 2013).

The Collective Action Theory in our case study can also be applicable in situations where either the LGAs officials or the tourist company's authorities organize meetings with the local communities to listen to their sentiments in regards to their economic hardships and their suggestions on the best ways to resolve those anomalies. Then from the collective decisions made within those kind of caucus meetings, those deliberations are forwarded to be discussed within their management finally sustainable economic

development programs for these target groups are forwarded to the Board for approval before being implemented according to set objectives.

The fact that local community development strategies are mainly developed by the local government and a broad range of local stakeholders means that local community development strategies can help empower local societies and utilise local resources. They allow local people to adopt a more proactive stance with regards to their own future, even if they are living in areas of the world that have until recently had little say or control over the economic activities that take place in their territory. The active involvement of a variety of stakeholders not only helps to develop a stronger local civil society, but also contribute to make local institutions more transparent and accountable. Secondly, successful local community development strategies can help to create an environment that stimulates the creation of more sustainable and higher quality employment opportunities.

However, as with every policy, these benefits may not occur if policies are poorly designed or implemented. If a small group of actors manages to capture the policy-making process, local community development strategies may be geared towards the private interests of the few, rather than the collective or social interests of the locality as a whole. But even without such problems of policy capture, the challenges a locality faces may be too great or complex for local governments to handle (Peiffer, 2015).

Although problems of lack of authority or resources obviously play a role here, the results also depend on the quality and reliability of local institutions and on the policy-making process in itself, in general, the more adequate the diagnosis and the design of the strategy, the greater the chances of medium and long-term successes to be obtained. Therefore, the researcher was able to analyse during the research on whether the theory is utilized and if so what are the outcomes of its utilization and what is the impact to the target group are.

#### **2.2.4 Decentralization Theory**

Another important theoretical aspect that was reviewed is the decentralization theory became popular in academics and policy practices since 1980s. This addresses the delegation of power of responsibilities and authority from the central government to

local government authorities, the decentralization theory identifies the clear administration of these tasks responsibilities and authorities to the LGA's. In short it attempts to address the removal of the bureaucracy of making administrative decisions from the top and giving that particular mandate to the government officials who are appointed at LGA's level.

In the review of decentralization theory which focuses on the provision of efficiency and effectiveness of the government administration to bring about development to the grass root levels, it has a number of sub-branches which includes decentralization by devolution, political decentralization, and economic decentralization. However, on case study, fiscal decentralization was found to be the right approach to assess on how the LGA within Arusha region properly utilize it in their allocation and deployment of local taxes generated from the tourism sector towards the economic development of the local communities within and adjacent to the National Parks.

Fiscal decentralization is that particular process of the central government in the case of Tanzania, the Ministry of Finance delegating power and authorities to the local government authorities of all financial matters within the authorities. However, despite the disbursement of yearly budgeted development funds, from the central government which have been approved by the parliament, the LGA's have been entrusted with the imposition of various taxes which are aimed at raising some financial revenue to carter for the implementation of development projects which have not been included in the allocation of the national budget. Some of these taxes include crop tax, and tourist taxes while entering to National Game reserves.

According to Ahebwa et al (2012); Turner and Hulme, (1997); and Martinez-Vaquez (2011) decentralisation, "when implemented properly" could offer greater efficiency and effectiveness in many different areas. Through decentralisation, plans can be tailor-made

for local areas using detailed and up-to-date information that is only available locally, and inter-organisational coordination can be achieved at the local level.

Experimentation and innovation can be fostered by decentralisation, and this can increase the chances of generating more effective development strategies. Decentralisation can also help enhance the motivation of field level personnel, as they have greater responsibility for the programmes they manage. Workload reduction of agencies at the centre of government will relieve them from routine decision-making and give them more time to consider strategic issues so that the quality of policy improves.

Morozov (2015) classifies the potential benefits of decentralisation in several ways: He first asserts that political education occurs which teaches the mass of the population about the role of political debates, the selection of representatives and the nature of policies, plans and budgets in a democracy. He also notes that when training for political leadership occurs, it creates a seedbed for prospective political leaders to develop skills in policy-making, political party operations, and budgeting, which results to enhancing the quality of national politicians.

He again contends that political stability is secured by participation in formal politics, through voting and perhaps other practices such as active support of a party which strengthens trust in government. In addition, a mechanism is created to prepare the masses for the profound social and economic changes associated with development. He further states that political equality is gained from greater political participation which reduces the likelihood of concentration of power.

Political power will be more broadly distributed, thus making decentralisation a mechanism that can meet the needs of the poor and the disadvantaged. According to him accountability is enhanced because local representatives are more accessible to the populace and can thus be held more closely accountable for their policies and outcomes than distant national political leaders (or public servants) (Arikan, 2000; Akama, 2002; Arze del Granado et al, 2005).

A vote at local elections is a unique mechanism for the populace to register its satisfaction or dissatisfaction with the performance of representatives. He remarks also that responsiveness of government is improved because local representatives are best

placed to know the exact nature of local needs and how they can be met in a cost-effective way.

Crook and Manor (1994); Azfar and Livingstone (2002) and Faguet (2011) demonstrate that some countries, such as India, have benefited from the practice of decentralisation. They suggested that in India, decentralisation has resulted in a clear division of responsibilities between central and local government. Through India's decentralisation policies, community needs have been considered better and benefits have sometimes been channelled more effectively to vulnerable groups.

Other achievements have included; greater effectiveness in project delivery, the mobilisation of local resources and improved horizontal co-ordination. In addition, political awareness has been created among residents, and better information gathering networks have been established in local constituencies. Through decentralisation, the completion rate of local projects has potential to increase and the distribution of resources in localities may sometimes become fairer.

When decentralization has the financial aspect, it is called fiscal decentralization. This further refers to the devolution of taxing and spending powers to lower levels of government. This has become an important theme of governance in many developing countries in recent years. Because of much dissatisfaction with the results of centralized economic planning, reformers have turned to decentralisation to break the grip of central government and induce broader participation in democratic governance (World Bank, 1999; Manor, 1999; Olowu, 2000; Falletti, 2003; Azfar et al, 2001; and Morozov, 2015).

The LGA's officials through the empowerment of fiscal decentralization during the LGA's council annual meetings are able to budget on how best to utilize the funds from various local taxes to facilitate for various local development projects including the building of schools, health centres and improvement of rough roads to the tourist attraction area.

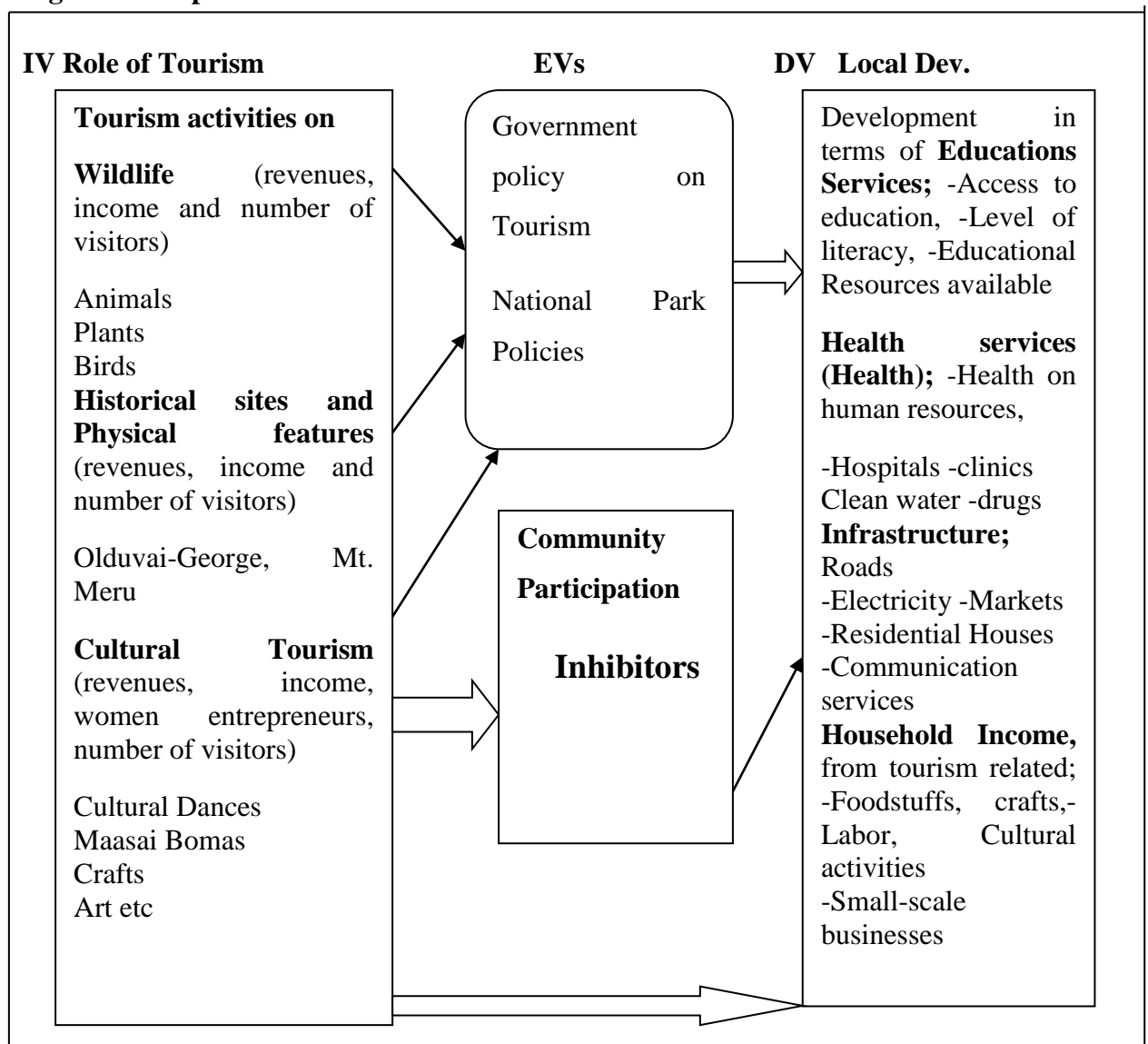
The fiscal decentralization theory is quite relevant for this study as it will help to assess the extent to which the LGA's councils which have been entrusted with the responsibility of discharging their duties in the provision of equitable development finances have taken initiative to put their efforts to ensure that the well communication

within and adjacent to National Parks get the economic spill over effects from the revenue generated from the tourism sector.

The researcher finally selected pro-poor tourism theoretical approach; Community Based Tourism theoretical approach and fiscal decentralization to guide the study because they were found relevant and focused to the study because it covers issues related to the approaches of facilitating the generated revenue from tourism to have a spill-over effects on raising the economies of the local population within and adjacent to the National Game Parks.

## 2.2 Conceptual Framework

**Fig2. 1 Conceptual Framework**



**Source: Researcher Conceptualizations of the IV and DV**

## **2.2 Conceptual Framework of the Study**

This study sought to establish the contribution of tourism on local community development in Arusha region, Tanzania. There are two primary components, which are independent variable that is, the Tourism Sector, and the dependent variable, which is local community development (a community in and adjacent to the tourism sites). The independent variable in this study was tourism activities, which was operationalized into tourism activities on Wildlife (Animals, Plants, Birds), historical sites and Physical features (Olduvai George and Mount Meru), and Cultural tourism (Dances, Maasai Bomas, Crafts, Arts, etc). These aspects are the factors which influence the flux of tourists to Arusha Region.

On the other hand, Local Community Development was the dependent variable of the study, which was conceptualised and measured by the components of income from tourism sector directed to education, health, infrastructure, and household income around and within the tourism sites under study. As shown in Figure 2.1, tourism ;2(revenuecollection, tourism visits, number of women entrepreneurs and employment income generated from the tourism activities) was hypothesized as a driver of Local Community Development in terms of education, health and infrastructure and per capita income in Arusha.

The relationship between tourism and Local Community Development was perceived to be intervened by National Park Policies, Government Policy on Tourism, Community Participation and Inhibitors. This implies that the intervening variables can directly or indirectly affect the independent and dependent variables. This is to say that if government policies such as fiscal decentralization (as reflected in the Local Government Reform Policy), National Park Policy and Tourism Policy are not given enough attention; they may lead to the negative impact on both tourism and may distort local community development. These include globalization effect, lack of entrepreneurship skills, lack of formal education, lack of grassroots born policies, lack of sustainable loans.

This study was based on impact assessment framework designed by the researcher so as to measure the effects of the tourism sector revenue contributing specifically towards the



improvement of the economic condition of local communities within and adjacent to the national game parks and other tourist attraction areas. Due to the leading high revenue generated from the tourism sector which goes to the government revenue, there exists a need to research on how the local communities within and adjacent to these sites economically benefit from wealth.

The framework was generated by the researcher through analysing the LGAs through fiscal decentralization focus on the use of local taxes to tourists use effectively and responsiveness to assist in activating economies of the local communities within the target areas, Tang et al (1990); Tohany and Swinscoe (2000); Torres (2003); Higgins (2005); and Singh et al (2015).

According to this framework, there are two primary components on the role of tourism which allows the LGAs to use fiscal decentralization to generate revenue from tourism or the tourist companies and hotels to use the same in pushing forward for the improvement of local communities' economic life through various ways. The role of tourism can be divided through fiscal decentralization into four elements namely; revenue generation and collection, increased tourist visits, employment opportunities and finally local business opportunities.

The frame work emphasizes that an authority (LGA) can be held accountable for performing specific functions from the realized tourists' revenue which do not conform to the needs and demands of the local communities. This framework is wide and inclusive of the aforementioned theories and, therefore, will meet the objectives of the study. Tourism sector was conceptualized through fiscal decentralization as autonomy in collection of revenue, in the facilitation of tourist visits, in the creation of employment, and in the creation of business activities. The local community development was

conceptualized as dependent variable measured by the contributions of revenue generated from tourism sector to finance the development of basic public social services including building of schools, health centers, and improvement of infrastructures and household income amongst the local communities within and adjacent to National Parks and other tourist attraction areas.

Communities with potential tourism attractions tend to have better resources as revenues collected either by central or local government tax authorities advantageous for education development facilities, medical care facilities, infrastructure facilities and employment than those without or with low tourism attractions. Therefore local government policy of taxation and subsidies is an intervening variable, which mediate the relation between tourism and local community development.

The tourism policy of Tanzania, however, with no explicit explanations on how tourism resources may be channeled to the local communities declare that tourism should create employment, entrepreneurship in the tourism sector, stimulate development of infrastructures and promote community participation. In this respect with national park policy, the local governments are called upon monitoring the tourism resources so that they can bring about development in communities within and adjacent to the national game parks.

### **2.3 Related Literature**

Policy is a dynamic construction that often creates unintended by-products, such as participatory constraints for potential business owners (Branwell, 2001). Policy derived under the influence of the World Bank and International Monetary Fund like Structural Adjustment Programmes may favour international investment in the form of international business ownership for the Tanzanian tourism industry (Hall and Jenkins, 1995).

A review of specific policies shows exactly that the government of Tanzania is attempting to create a “self-reliant” but still encouraging extensive direct foreign investment, especially in the provision of public goods. The outcomes of this strategy lead to poor or under provision of the social services that are desperately needed by the Tanzanian people (Thomas and Davis, 2004).

In this section, the following policies are discussed; these are the National Tourism Policy, Tourism Master Plan, Community Development Policy, Education and Training Policy, National Wildlife Policy, National Environment Policy, and Tanzania National Park Policy. These policies are discussed in order to find gaps which show the applicability of local community in maximizing the opportunities of getting ‘economic dividends’ from Tanzania Tourism Sector.

### **2.3.1 National Tourism Policy**

Tourism sector being one of the leading sectors in Tanzania in revenue generation, the government of Tanzania introduced a National Tourism Policy aimed at guiding the processes of the management of this sector in Tanzania. The main aim of the policy since its introduction in 1991 and later revised in the 1999 has been to guide the tourism sector to contribute positively towards the efficient economic growth of the country. The need to improve the quality and efficiency of services rendered by the tourism sector in order to create sustainable effects on the economic development of the country was of prime importance which led to the formulation of the National Tourism Policy.

The National Tourism Policy aimed at fostering social and human development of Tanzanians through the revenue generated from the efficient management of the tourism sector. The policy has outlined and guided on a number of issues which are required to be properly implemented during the efficient management of the tourism sector. Some of the key pre requisites are the regulations of which the tour operators are required to abide during the running of tourism activities. This includes the preservation of the eco-culture

and the environment. It also gives clear instructions to owners of tourist hotels and other functionaries within the hotel business which serves tourist on how best to handle them in order to create a positive image of the country. Furthermore, the issues regarding local taxes to be charged by LGA's geared towards poverty alleviation and the improvement of the economic conditions of local communities have been scantily covered by the policy.

According to this policy statement, the Government's role is to; regulate, promote, facilitate and provide very conducive environment for the sustained growth and development of tourism. The private sector is thus engaged in development, promotion and marketing of tourism products, construction of tourist accommodation facilities; and provision of tour packages and other related services for the sector's sustainable development. To encourage private investment in the country, investment incentives have been put in place.

The Government considers private investments (both foreign and local) as the engine of growth. It has taken steps to provide a macro economic framework and an enabling environment for private investors to operate. To strengthen private sector in tourism industry in Tanzania, the Government assisted in the formation of Tourism Confederation of Tanzania (TCT), a private sector body which is intended to be the representative, voice of the tourism private sector interests. Thus, the private sector is being assigned an increasing role in Tanzania's overall economic development.

In the six primary areas addressed by the Integrated Tourism Master Plan as follows; Creating greater awareness of Tanzania in the tourism source markets; Expanding tourism products; Securing a more competitive position; Maximizing the necessary service skills; and Establishing the necessary structures and controls to underpin tourism development. The Integrated Tourism Master Plan outlines details of each area and how

to implement it, nevertheless there is no explicit strategy for local community development.

The National Tourism Policy Seeks to assist in the effort to promote economy and livelihood of the people, especially poverty alleviation through encouraging the development of sustainable and quality tourism that is culturally and socially acceptable, ecologically friendly, environmentally sustainable, and economically. (p.5).

Section 2, of the tourism policy presents (formerly) status, constraints and limitations. This is arguably one of the most important sections. Before one launches a sustainable strategy for change, the limitations and challenges should be known. The priority of the challenges according to the policy is infrastructure (e.g. water and power supplies, transport, communication and accommodation) Laws (2009); Lepp (2007; 2008); Leedy and Ormond (2001). This constraint gives the current study a justification.

The National Tourism Policy focus is clearly based on infrastructure and product development, with an underlying attempt to minimize local costs. New tourism opportunities are highly regarded to make tourism a sustainable industry. The community focus is as a means of support to the industry rather than active members directly participating.

The document goes on to emphasize the need for enhanced marketing, environmental sustainability, improved multilateral relations, and increased tourism land holdings. This implies that the policy hardly put emphasis on promoting community-based tourism and pro-poor tourism approaches that benefit the poor. This means that the locals were ignored by the tourism policy Agarwal (1997).

There is a large emphasis on human resource development, which has been slow in materializing, however, little emphasis is placed on educating developers to respect local traditions and customs. The policies also address micro-finance opportunities for locals;

though, its application has never been assessed. The current study will determine if this policy has ever worked. The discussion now shifts to another document.

Generally, the National Tourism Policy aimed at ensuring that the management of tourism sector should contribute positively towards country's socio-economic development, preservation of the environment and culture. The policy also outlines the clear guidelines and strategies of ensuring that the revenue generated from tourism should focus on financing the infrastructure development within the National Game Parks to become possible throughout the year, the provision of employment which will lead to human resources development, and enhancement of local communities economies through participating in various touristic ventures including the selling of ornaments, and environmental protection to ensure that the tourist activities does not damage the eco-system within the National Game Parks.

### **2.3.2 Fiscal Decentralization Policy**

Fjeldstad and Semboja (2000) argue that fiscal decentralization is the devolution of fiscal responsibilities of federal government to state and local governments. The basic economic case for the introduction of fiscal decentralization is the enhancement of economic efficiency, the provision of local outputs that are differentiated according to local tastes and circumstances results in higher levels of social welfare that are centrally determined and more uniform level of output across all jurisdictions Alderfer (1957); Brennan and Buchanan (1980); Bahl (2002); Boardway and Shah (2009); and Deino (2012). The need is to reduce bureaucracy and improve the quality and efficiency of government spending has placed the LGA at the forefront of service delivery, particularly in the social sectors including health, education and infrastructure Litvack (1998); Lindaman and Thurmaier (2002); and De Mello (2011).

In many countries, it has been recognized that LGA have an important role to play in the implementation of public policies aimed at fostering social and human development. The key argument for reliance on LGA for service delivery is that they are closer to the intended beneficiaries of public programs with greater voice in the design and implementation of public policies, local communities can also benefit from greater choice in the goods and services delivered to them by the government.

Ahmad et al (2005) and Yuhndra (2012) found that the need for good governance through improved services provision in various countries led to the World Bank's recommendations that governments extend services provision through fiscal decentralization policy. This has made fiscal decentralization to become a main issue for economists and governments for the last three decades. Fiscal decentralization policy is the answer to creating good governance in countries around the world.

Blancard and Sleifer (2001); Bonet (2005); Bruckner (2005) and Beer-Toth (2009) discovered that fiscal decentralization policy includes three elements namely local expenditure, increasing revenue collections, and budgetary autonomy. Those elements interact with each other, therefore, it can be concluded that fiscal decentralization is all about sharing financial functions such as power and responsibility from the central government with different levels of administrative units. Necessary conditions for fiscal decentralization includes elected local council, locally appointed chief officers, significant local government revenue capacity, significant local government expenditures responsibility, Budget Autonomy, Expenditure mandates and Borrowing powers.

According to the Tanzania Local Government Reform Policy Paper (2001) the Tanzania fiscal decentralization policy intend to make LGA's have their own sound source of revenue, creating efficient intergovernmental fiscal transfers, providing efficient level of

funding for the delivery of mandated services, improving revenue generation, generating transparency and fairness in fiscal allocations and ensuring equity in service delivery.

Flynn, (2005); Tosun (2005) and Timothy (2005) accord that community participation derived from fiscal decentralization policy is one of the pre requisites in the most development and socio economic programs around the world. It remains a challenge that programs planners and other actors in development continue to take up due to its scope and potential for success of such programmes. Community participation has brought not only new solutions to problems in development programs but also generated new questions and challenges to the way development is being perceived or addressed.

Besley and Case (1995); Bird et al (2010); Blais et al (2011) and Kiwale's (2013) studies attempted to examine the impact of the decentralization of central government functions to the local authorities in Tanzania, the feelings and perception of the community towards the decentralization aspect, the link and interrelation between the central government and the local authorities at the ministry, regional and district levels, and the capacities of the local authorities in areas of human resources, finance, governance and infrastructure to carry the decentralized functions previously performed by the central government.

The study observed that there was a partial decentralization which does not lead to decentralization aspects as per the intention. Despite the provision in article 145-145 of the Constitution of the United Republic of Tanzania and Local Government Act Cap 287/7 decentralization is still not well and properly practiced due to overlapping of powers in decision making between the central government and local government and financing constraints are prevailing in the Tanzania LGAs.



Despite these efforts of trying to finance the budget deficits in the local government by central government, Local Government Authorities still experience financing gaps which they must fill if they are to remain effective in service delivery. This, therefore, poses a key question about how LGA's have been coping with this financing gap, specifically what strategies have they adopted to increase Revenue collections and what challenges have they faced in implementing such strategies Tanzi (1990); Taillant (1994); Thiessen (2003); and Kimario (2014).

### **2.3.3 The Community Development Policy**

The Community Development Policy was introduced by the government of Tanzania in 1995 with the aim of guiding the youth in communities to work together and to mobilized them to be self-reliant by working on various national projects. The objective of the policy was to create awareness of the people living in communities that they should work together through self-reliance basis so as to bring about their own economic development.

The Community Development Policy provides the guidelines that enable Tanzanians to work together in a cooperative manner within various self reliance projects aimed at bringing about their own development. The policy further focuses on encouraging the population to utilize their wealth so as to improve their welfare and realize social and economic development. It also focuses on enabling the population to undertake business activities which will enhance their individual economies and be able to utilize the banking facilities for further development of their economies.

Kiliza (2017) found out that the Community Development Policy practices was very effective during the first phase Government in Tanzania of Mwalimu Nyerere (from 1951-1985) with the practice of socialism and self-reliance policy during that particular

period the policy was quite effective in mobilizing the population throughout the country who participated in a number of self-reliance initiated regional and national projects. The move enabled the government to save significant revenue which could have been spent in hiring private operators to undertake those national assignments. The policy also assisted the community to work in cooperative basis and share revenues generated from their joint efforts, increased cultural and social ties and eventually raised to a certain levels their living standards through wealth accumulation.

Kiliza (2017) argues that the Community Development Policy has been overtaken by events and it currently does not fit in explaining the current scenario of the study on the effects of tourism on the economic activation of the local communities living within and adjacent to the National Game Parks in Arusha region. These villagers are not living in communal self-reliant basis but rather they are forced to be together due to their geographical boundaries. This being the case, there is a need to revise the current community development policy so that it reflects the needs and aspirations of the local communities living within and adjacent to National Game Parks and other tourist attraction areas.

In relation to the tourism policies discussed above, there is a direct contradiction between empowerment and the investment incentive packages promoted in the NTP. While the policy attempts to reduce the dependence on government support in favour of private investment, the community development policy places a high expectation on local participation, whereas the NTP looks at outside participation to promote tourism Ashley et al (2007); Aref and Farshid (2010) and Abuhay, (2015).

The document only briefly mentions the informal economy (so prevalent in the tourism industry) through “consolidating the informal sector by encouraging economic activities, industries, small businesses, and production in groups both in urban and rural areas” (p.

15). It is encouraging to see direct efforts to support small businesses to economic independence.

It is unclear if the local communities are aware of this policy or the drafters of tourism related policies were aware of this policy. It is possible to argue that most of these tourism related policies are fragmented as each of them emerges from its scope, with no effort of integration. The current study will consider this issue in the next chapters.

#### **2.3.4 The Education and Training Policy**

The Ministry of Education and Culture (1995) established the Education and Training policy with the main aim of providing adequate education and training facilities in the country to enable every school age child to be enrolled. The focus of the policy is to promote education so as to bring about economic benefits to the country, to promote the culture customs and traditions which includes the Kiswahili language and finally to promote knowledge, skills and changed attitudes to students, social, scientific, vocational, technological and other professions so as to ensure the build-up of self-confidence of the students to undertake various work assignments on completion of their studies.

Furthermore, the policy aimed at expanding the scope of the education and training policy which is currently being revised to cater for the changing demands of education in Tanzania. This has recorded progress in the delivery of education to the Tanzanian population. The record shows the fact that the number of schools and universities have increased in the country since independence in 1951 and this has led to the increase of educational capacity levels on the country.

Children under the age of five are to learn at home with the support of families and communities to reduce the financial burden on the government.

Primary school begins at age five and introduces the basic concepts of the Kiswahili language, local customs and traditions, basic math and creative thinking skills, and “prepares the child to enter the field of work” (Ministry of Education and Culture, 1995, p. 5). Secondary school begins at the age 12 and enhances national identity, personal integrity, human rights, and prepares students for vocational, technical, or professional training.

Vocation training is specifically designed to increase industry performance and provide adults with business management and entrepreneurial skills, for the aims and objectives of the educational policy. The policy continues to express the need of the private sector to provide the resources through liberalized trade policies. As many studies show that many members of local communities do not have adequate education to enable them either be employed or run a robust-tourism related business (URT, 2015). It is the intent of this study to explore the contribution of tourism sector in making the education sector work, within and around national parks.

On the other hand, the Education and Training policy has faced a number of challenges during its implementation stage which includes the following; The government has introduced free education policy from standard 1 up to form IV whereas the classrooms are not adequate and even the teachers resulting in the production of academically incompetent students. Other challenges include lack of teachers' housings and enough students boarding rooms, lack of enough textbooks and food. The situation of lack of educational facilities, classrooms and teachers is very acute within some of the local government areas in Tanzania and the government has failed to adequately address due to insufficient national budget.

The Education and training policy review has indicated that it is quite general and does not specifically address issues regarding the provision of basic social services of education through building special schools to unprivileged population of the local communities within and adjacent to the National Game Parks. Furthermore, the policy does not address through a change of curriculum to cater to provision of training which will enable the students to go for self-employment as the rate of unemployment in Tanzania is currently extremely high compared to other developing countries.

### **2.3.5 Tanzania National Park Policy**

The government of Tanzania issued the Tanzania National Park Policy in 1994 aimed at protecting the management of the National Parks so as to protect the wild animals and preserve the rich historical country's heritage and sceneries against any kind of abuse or mismanagement. The policy was geared to protect these facilities basically for tourist attractions of which the tourism sector in Tanzania contribute to 25 percent of the national revenue which translates to positively contributing to the country's economic development.

Meanwhile, since the introduction of the Tanzania National Park Policy and the management of the National Parks body known as Tanzania National Parks (TANAPA), there has been a good success in the management of the National Parks specifically protecting the wild animals such as elephants from poachers, protecting the Game Parks from the local communities who contributes to destruction of the environment by grazing and farming within the National game parks areas.

The policy has also contributed positively towards raising public awareness or education on the use of the National Game Park so as to increase the level of the local tourists from within the country to visit the national game parks during their vacations. It has also assisted in the preservation of the National Game parks environment by ensuring that human movements through tourism is conducted with all care not to provide destruction of the environment. The policy also place emphasis on the management of road network to the National Game Parks.

It is very interesting to note that the policy is “locked” in two words, which are preserving and maximizing human benefit for present and future generations. As noted above, the policy was drafted in 1994. It must have reflected the needs of that time in terms of national parks development. Nevertheless, it is now over two decades since its enacting. Since then, a lot has happened in terms of poaching, environmental destruction, global warming, and infrastructural development. Thus, a review of the policy is long overdue.

The policy is divided into 13 sections. It first introduces (pp.1–2) the history of conservation in Tanzania briefly, originated in 1951. In that year, the Arusha Manifesto on Conservation of Nature and Natural Resources were born. This signals how valuable national parks are to the country.

After that, a section on Park Systems Planning (pp. 3–11) has many subsections. However, the most significant to the study is new parks planning, which is guided by TANAPA and finally endorsed by the ministry. It is very clear from sub-section 2.3 that the local community is out of the picture in terms of planning and this has arguably remained so for the last five decades.

It follows that the Tanzania National Parks Policy is not an inclusive policy in the sense that it failed to give a guide on how the local communities within and adjacent to the

National Game Parks and other tourism attraction areas should be treated so as to ensure that they also are able to benefit from the tourism sector of which they are the custodians

### **2.3.6 The National Wildlife Policy**

The government of Tanzania issued the National Wildlife Policy in 1998 aimed at specifically protecting the actual wildlife within the National Game Parks against any kind of abuse including poaching from human being. The policy focused at ensuring that wildlife in the game protected areas are used by tourists for game viewing and other animals viewing like snake park and others.

The National Wildlife Policy's main objectives are to protect biodiversity, protecting wildlife against illegal use to conserve and manage the biodiversity and to ensure that wildlife conservation competes with other forms of land use. The policy also focuses on wildlife management, utilization and economics of integrating wildlife conservation with rural development.

The objectives of the Wildlife policy of 1998 are clearly highlighted from page 10 to 25 of the document. Among these objectives are to protect biodiversity, protecting wildlife against illegal use, to conserve and manage biodiversity, and to ensure that wildlife conservation competes with other forms of land use. The other objectives are wildlife management, and utilization and economics integrating wildlife conservation and rural development, recognizing the intrinsic value of wildlife to rural people, sharing the benefits, regulating, and developing the wildlife industry.

To address communities on issues relating to wildlife conservation and management, solving human-wildlife conflicts, Wildlife research and monitoring. To provide extension services, human resource development and capacity building. The current study has explored in the next chapters the knowledge ability and applicability of the National Wildlife Policy in the eyes of local communities, within and around the national parks.

The National Wildlife Policy since its introduction 1998 has recorded a number of significant achievements which includes the protection of wildlife from any kind of abuse to date. Furthermore, there has been a good management of biodiversity and the protection of wildlife against illegal use including poaching. TANAPA has continuously conducted awareness seminar so as to ensure that the local communities within and

adjacent to National Game Parks cooperate in undertaking environmental management issues.

However, despite the progressive successes recorded since the introduction of the National Wildlife Policy in 1998 it has been facing a number of challenging factors which includes lack of enough professional game soldiers to protect the wild animals from poachers, lack of enough equipment and ammunitions to fight against the poachers. In the case of our study the policy despite covering scantily on rural development it did not promote economic empowerment of the local communities within and adjacent to the National Game Parks who are to be included as beneficiaries of the revenue generated from tourism.

### **2.3.7 The National Environmental Policy**

The National Environmental Policy was introduced by the Government of Tanzania in 1997 with the aim of ensuring environment protection of all land which has value thinnest against any land of abuse and protection of the population against industrial pollution or any other kind of gases which may be result in the environmental degradation the policy also covers on the protection of the forest against whopper of tress which may result in deserts and environment hazard to current and future generation.

The National Environmental Policy objectives include ensuring the sustainability, security and equitable use of resources for meeting balanced socio-economic development between the current and the future generation. Moreover, on page 9 and 10 of the National Environmental policy (1997) also presents the objectives of this policy. One of the objectives is to ensure the sustainability, security and equitable use of resources for meeting the basic needs of the present and future generations without degrading the environment or risking health or safety.

The other objective of this national environment policy is to prevent and control degradation of land, water, vegetation, and air that constitute our life support systems.

In addition, to conserve and enhance our natural and heritage including the biological diversity of the unique ecosystem of Tanzania is yet another objective of the policy. To improve the condition and productivity of degraded areas including rural and urban settlements in order that all Tanzanians may live in safe, healthy, productive and aesthetic surroundings.

Another objective is to raise public awareness and understanding of the essential linkages between environment and development, and to remote individual and community participation in environmental action. The last objective is to promote international cooperation on the environmental agenda, and to expand our participation and contribution to relevant bilateral, sub-regional, regional, and global organizations and programs, including implementation of treaties.

The National Environmental Policy since its implementation in 1997 to date has recorded a number of success specifically on the protection of the environment against any kind of abuses. A number of NGOs have participated in a number of campaigns to the rural community areas to bring awareness to the community on the issues of chopping off trees for charcoal and suggested alternative sources of energy including special made charcoal and stores. Other campaigns which have continuously been undertaken by the LGA's with the cooperation of NGO's are on planting of trees in all parts so as to preserve the environment. Other efforts conducted by the government to continue inspecting industries which use various sources of energy not to become environment hazards and to check on old cars pollution. There are various national organizations that deal with environmental issues including the Ministry, NEMC, OSHA and other which have continuously contributed toward checking on environmental abuse and taking the culprits to court to answer charges of environmental abuse.

Despite these efforts done by the government of Tanzania, the National Environmental policy does not have a specific clause which addresses issues regarding the tourism sector and how if not well managed may also lead to environment abuse. Such issues as infrastructure improvement of having tarmac roads or hotels within the National Game Parks and other cases of same nature. Furthermore, the policy does not touch on the environmental degradation which may be done by the local communities within and adjacent to the National Game Parks when not checked through grazing of their animals, chopping off tress and farming in those areas.

In summary the review of the national policies have shown one fact that the relevant policies to be utilized in this research to properly describe the role of tourism on economic empowerment of the local communities along the National Game Parks are as follows: The National Tourism Policy the Fiscal Decentralization Policy which may be utilized to elaborate on the independent variable of the conceptual framework of this research.



## **2.4 Tourism**

### **2.4.1 Tourism Sector; Global Survey**

On a global perspective, the advent of commercial airline industry and jet planes in the 1950s contributed immensely to the growth of the tourism industry (Theobald, 2005). Hawkins and Ritchie (1991) cited by Theobald (2005) acknowledged that by 1991, the tourism industry was the number one employer in Australia, the Bahamas, Brazil, France, Canada, Japan, Hong Kong, the United States, the United Kingdom, Singapore, Italy and Jamaica. This is due to the various jobs provided by the industry in the areas of transport, accommodation, tour guides, security and other modern professional services like Internet services.

By 2013, the United Nations World Tourism Organization had forecasted an annual growth in the global tourism industry of 3.8% between 2010 and 2020. It is amazing to realize that this threshold was surpassed by 2014 when international tourism increased to a tune of 4.4% despite of the numerous hindering factors. The commonest hindering factors included; the geopolitical conflicts, global factor economic recovery and the outbreak of Ebola in the West African countries, however, the global economy was not stopped from collecting a total receipt of US dollar 1245 billion (United Nations World Tourism, 2014).

The World Trade and Tourism Council (2011) and cited by Christie et al. (2014) admitted that there is an important role this sector plays in terms of job creation, GDP expansion and export growth of various participating countries. The United Nations World Tourism Organisation (2014) affirmed that the tourism sector contributes 8.8% of the global jobs (258 million), 9.1% of the global GDP (\$5 trillion), 5.8% of the global exports (\$1.1 trillion) and 4.5% of the world's investments. These contributions have emerged because of the tremendous increase in the number of international tourists from 25 million in 1950 to 1133 million in 2014. The report further ascertains that the expected number of growth of the sector will be 1.8 billion international tourists by 2030 (UNWTO, 2014).

Local communities form a basic element to modern tourism. Godfrey and Clark (2005) affirm that local communities are the focal point for the supply of accommodation, catering services, information and transport facilities and services. Their local natural environment, building institutions, their people, culture and history, all form core

elements of what the tourists come to see. Whether in towns, villages or cities, every community has tourism at one level or the other and is affected by the growth and development of the industry.

Over the years, tourism has made remarkable contributions both locally and at the global stage in terms of employment creation, poverty alleviation, earning of foreign currency (Mwakalobo et al. 2015). Despite these contributions, developing countries have not outstandingly utilized the generated tourism revenue for the socio-economic development of their local communities.

In Asia, countries like Thailand, Singapore and Indonesia are endowed with islands, natural flora and fauna. The increased revenues and GDP have not benefited the local communities (Mohammed et al. 2013). The major fear is that the major private tourism operators have only focused on realization of profits from the industry while the governments tourism efforts has always focused on keeping the industry grow while the communities are left to fend for themselves.

Olivia (2012) observes the same fact in Latin America. She approves that since 2005 tourism's direct contribution to GDP grew by 7 percent to reach an estimated \$143 billion in 2011. This figure was projected to rise to \$224 billion by 2022. This revenue is generated through tourism-oriented services such as hotels and airlines, restaurants and leisure industries that cater to tourists. Countries like Brazil, Argentina, Chile and Peru have the biggest tourism increase, despite of this huge potential, their local communities have continued to be the same due to lack of policies and strategies that are pro-poor.

In the past three decades, tourism has transformed people's lives and economies both socially and economically. The tourism service is not just a mere luxury but also a life style (Kandampully, 2000). Developing countries used to be considered passive in this sector but recently, they have been proactively engaged in the industry (Christie, 2002).

The outcomes of their engagement have impacted not only developed economies rather also the developing economies have integrated tourism to become one of the major economic activities and the recent century it is forecasted that, tourism will act as a promising source of revenue to various countries in the world.

Recent trend shows that, tourism is the fastest growing industry in the economy as compared to automotive industry, financial services and health services (Kandampully,

2000). He further contends that, tourism boosts other economic activities such as transport services, retailing, financial services, telecommunication, education and health services. On a global scale, The World Travel and Tourism Council (2015) found that tourism contributes a total of USD 2,354.8 billion equal to 3.1 % of total GDP. The World Travel and Tourism Council further estimated the global GDP to rise by 3.7% in 2015 and go up by 3.9% in 2015. It is also alleged that from 2015 to 2025, the global GDP would reach at a point of USD 3,592.3 billion equalling to 3.3% of the global economy.

A study by Christie (2002) in developing countries confirm that, tourism is the biggest catalyst of development in the areas of economic, financial, social and environmental development. The study further points out that, tourism can be relied on as a viable and sustainable source of growth and economic diversification. However, for tourism to be an agent of development, viable policies and strategies must be put in place to guide the industry. Ashley (2007) acknowledges how tourism plays a paradoxical role in propelling the economic development of developing countries. However, on assessing the philanthropic contributions by tourism industry on the community in comparison to other industries, it is lagging.

Hence, it becomes difficult to judge whether the ratio of impact is positive or not, especially large tourist accommodation service providers. It is argued that tourism generates billions of money in revenues and creates millions of jobs globally. In emerging economies, it is a catalyst for development and change for quality life. However, on the other angle; it displays its uglier side resulting from the negative impact side on social-cultural values and environment aspects of host communities throughout the world (Paul, 2012).

Goedler and Ritcher (2012) revealed that the cost-benefit analysis of tourism can be viewed in three angles that are local community, authorities and tourists. Government and local authorities earn revenue in terms of taxes and balance of payment improvement. They further stretch that local communities gain from activities related to tourism and tourists feel the enjoyment for tourism activity. Archer et al. (2005) revealed that, increase in the level of tourism can induce incentives to other activities such as agricultural products, catering and souvenirs.

In countries where development activities are limited, tourism is the most active business and its impact is felt strongly and substantially benefits the communities from these regions. Acher et al. (2005) further argued that, in the countries where opportunities are limited, tourism acts as the biggest contributor to the welfare of the indigenous community, Nevertheless, the local community may enjoy few benefits from the industry. Given this scenario, it is imperative that, the respective authorities ensure that tourism makes much benefit to the local communities and the perception and attitude of the local communities becomes positive towards the industry lay efforts and constructive policies.

A community participation approach has long been advocated as an integral part of sustainable tourism development. It is envisaged to be an approach that can increase a community's carrying capacity by reducing tourism's negative impact while enhancing its positive effects (Murphy, 1985; Haywood, 1988; Jamal & Getz, 1995).

In the study conducted by Connel (1997), it was revealed that a community participatory approach provides enough lubrication to eliminate the conflict that would exist between the community and stakeholders in the tourism industry. He further emphasizes that participation is "not only about achieving the more efficient and more equitable distribution of material resources, this is also about the sharing of knowledge and the transformation of the process of learning itself in the service of people's self-development" (Ibid. p.142).

Arnstein (1959) looks at participation as a tool used in the process of power redistribution, thereby enabling society to fairly redistribute benefits and costs. In the context of tourism planning, Haywood, (1988, p.19) defines community participation as "a process of involving all [stakeholders] (local government officials, local citizens, architects, developers, business people, and planners) in such way that decision-making is shared."

Despite the advantages enclosed in the concept of participation, many researchers, however, have doubted the possibility of implementing community participation. Taylor, (1995) criticises "communitarianism" as romanticism that is not rooted. In addition, a participatory approach is time-consuming. The concept is surrounded by so many other barriers namely; lack of education, business inexperience, insufficient financial

assistance and conflicting vested interests) also must be overcome (Addison, 1995) before public involvement can be embraced.

Thus, such an approach is often ineffective because of its high transaction costs, not only in terms of getting the programme started but also in its maintenance (Jamal and Getz, 1995). Other barriers include lack of education and business inexperience among local communities. Jamal and Getz (1995) assert that the capacity to partake cannot be guaranteed merely by the right to do so: the means to get involved is also necessary.

Practical participation requires both the right and the means. Moreover, Gray (1985) emphasises that community residents need adequate resources and skills to acquire the capacity to take part; the power to obtain them is often held by governments or other stakeholders who do not regard residents as equal partners.

The residents themselves often do not even know where to begin when it comes to participation (Joppe, 1995). The above arguments provided against community participation have neither suggested alternatives for achieving sustainable tourism development nor considered the demand for such programmes. The community-based approach, despite the implementation barriers, is still the best course of action due to the following reasons.

First, local issues have a direct influence on the tourist experience: a backlash by the locals' results in hostile behaviour towards tourists (Pearce, 1994). Thus, tourist environments should be created in harmony with the social climate, where residents will benefit from tourism and not become the victims (Wahab and Pigram, 1997). Second, the image of tourism is based on the assets of the local community, including not only the local people but also the natural environment, infrastructure, facilities and special events or festivals, therefore, the cooperation of the host community is essential to access and develop these assets appropriately (Murphy, 1985).

While tourism has accolades of spurring economic development, sometimes it comes with a baggage of unpleasant things. In the background paper UNCSO (1999) indicated that tourism can lead to decreased access to natural resources for local communities; it can lead to increasing cultural erosion and disrespect for human rights and it can lead to unqualified jobs and foreign exchange leakage.

This information implies that countries like Tanzania and others elsewhere should not be only be content with the positive side of tourism in terms of economic development, but also consider the negative side. This side is very important because if not taken care of, all the development could be brought into stagnation.

Much studies have focused on the impact of tourism on the economy, environmental and social cultural impact and very little on the health of the hosting community. As a matter of fact, this study integrated health aspect of the local community. According to Bauer (1995) tourism contributes to increase in the spread of diseases during the tour. As a result, this study also focused on workplace health, safety and concerns caused by tourism.

To benefit the entire community, the World Tourism actors acknowledge that countries should support greater involvement of communities in the planning, implementation, monitoring, and evaluation processes of tourism plans, programmes and projects (Murphy & Murphy, 2004; Hall, 2007). While tourism relies on visiting places and people, it cannot exist outside a community.

The role of both tourism and the communities should be viewed simultaneously – any change on one will influence the other. After this general discussion on the state and impact of tourism across the world, the shift now goes to specific studies that deal with how tourism is related to community development. This section reviews studies from countries such as the USA, Europe, Asia, Africa, East Africa and finally Tanzania.

In the study conducted by the United States Institute of Peace, (2009), it was revealed that tourism has the potential to deliver prosperity and stabilise communities, especially when there is an improvement in service delivery, environmental protection and culture. Whereas this observation is true, this is not generally what is happening in Tanzania. Tourism in Tanzania has caused land grabbing, and the culture of local people is at risk (Haule, 2013).

As if that is not enough, the service delivery in terms of primary schools and secondary schools is not in good order (URT,2012). In this connection, Ooi (2013) conducted a qualitative study in Colorado, USA, to explore whether social capital and socio-cultural sustainability is enhanced by mountain resort tourism. A total of 53 interviews were conducted. After thematic analysis, the findings revealed that there was a wide range of

impact that affected the social capital components of networks, norms, and resources in numerous ways.

These effects include the strengthening of community bonding networks, the reinforcement of social norms, and the mobilisation of shared resources through collective action, all of which highlight the existence of positive aspects of socio-cultural sustainability as a sense of community, democratic community participation, collaboration, and empowerment. This study is important because it shows that when there is democratic community participation, the likelihood of socio-economic development is enhanced.

Santana (2000) evaluated the tourism development and its future prosperity in Brazil. The study depicted that tourism plays the biggest role in the Brazilian economy by acting as a promoter of economic development through its contributions on National GDP and the creation of employment. Based on these findings it was proposed that, given the economic impact on tourism, it needs a high level of quality in terms of safety and security, responsiveness.

The study further lays out that the sector plays the biggest part in the country's heritage and conquests. Also, Empirical findings by Venegas, (2014) on an inquiry conducted in five Central American countries (Costa Rica, Nicaragua, El Salvador and Guatemala) found that, tourism is linked to poverty alleviation, economic growth and generally tourism matters for Central America poverty alleviation.

Similarly, a study conducted by Milman, Okumus and Dickson (2010) in USA on measuring the contribution made by Theme Parks on social-economic sustainability, it was found that, they contribute to job creation, tourism revenues, tax revenues and community support. Nonetheless, it was also realized that the failure of the theme parks will also result in the deterioration or failure of the destination points.

Additionally, using the input-output model, Frechtling and Horath (1999) empirical findings revealed that, generated revenue, created jobs, total visitor expenditure was \$2,395.4 million, and the impact on employment led to generation of \$38,585 million. The study further established that, employees in the tourism sector spend more on local produced goods. This was revealed in their study titled analysing the impact of tourism on the economy in Washington D.C of the United States.

In Europe, many studies agree that tourism is one of the largest and fastest growing industries in the world (UNCSD, 1999; Paci and Marrocu, 2013). To evidence this claim, Paci and Marrocu (2013) noted that domestic and international tourism promoted economic growth in 179 surveyed European nations. This was just a confirmation of an earlier study carried out by Eccle in 1995. Eccle (1995) argued that, the tourism industry had made remarkable contributions on infrastructure that relates to transportation in airline industry, development, railways and ferries. Eccle further asserted that the infrastructure was developed to enhance movement of people from various parts of the world. For example, airports are mainly developed to support international movements, tourism being among the motivators.

In the same direction, empirical evidence by Morgan, (2004) in UK on a study conducted to assess the link between tourism and education development found that the tourism sector affects the education sector. Morgan's study revealed that various education curricula were developed to cater the needs of the tourism industry. New trainings related to tourism were also started to equip graduates with more awareness about tourism and creativity relating to the industry.

Based on these facts from the UK, it is vivid that, tourism leads to education development directly and indirectly, however, considering the technological, cultural and economic differences. The study is useful to the Tanzanian context where tourism is fast growing and there are higher deficiencies in the aspects of education, health, infrastructure and per capita income.

Yuling (2013) carried out a study on sustainable employment of government policies on indigenous tourism in Australia. The finding revealed that though policy objectives have been developed regarding sustainability, they tend to be limited and mainly focus on the economic aspect and, to a much lesser extent, socio-cultural, political and ecological development, which are the other three pillars of sustainability. These findings mean that indigenous communities benefit least in terms of tourism income. It is noteworthy to realise that the trend of disempowering local communities is widespread even in developed nations.

In their studies on social, economic and cultural impact of tourism in Australia, Sharma and Dyer (2009) found out that the tourism sector contributes much on the economy, but the local people were not contented with these economic outcomes, so they demanded



tourism to provide more jobs, restore historical buildings, investment to the community, and maintaining positive cultural identity.

These demands call for serious government intervention in setting up competent and favourable policies, infrastructural development and adequate security. Moyle, Croy, and Weiler (2010) disagree with Sharma and Dyer, (2009) because they experienced different findings in their study on assessing the social exchange between tourists and locals in Australia. Their findings revealed that tourism contributes to community development. According to them, its contribution was depicted as satisfaction of locals' economic needs, interaction with tourists during exchange processes, increased income and knowledge due to interaction and sharing information with visitors.

Tourism is integrated into the various functional units of the economy. It involves the management process at international, national, regional level and local. Tourism, therefore, is not limited to hospitality industry, transportation industry, entertainment sector and accommodation industry only. It is particularly evident that at the time of events and afterwards, the impact of tourism, significantly affects the economic growth of the region Simoni and Mihai, (2012); and Ateljevic et al (2009).

Costa, Gomer and Montenegro (2014) investigated the contribution of tourism in tourist destinations in Portugal. It was revealed that despite of the volatile economic situation in the country, tourist destinations managed to remain stable. Tourism helped to cushion Portugal as a country from a world economic crisis. It is for this reason that Portugal is one the most visited tourist hub in Europe.

The stability in the economy of Portugal could have been brought about by the spending nature of visitors hence making money circulation faster in the economy. This argument is supported by Monente (2000), who conducted a study on consumption habits of foreign tourists in Italy in terms of expenditure and composition. The study found that the expenditure level by tourists is localized, drives the economy and improves the balance of payment.

In Italy, Brida, Osti and Faccioli (2011) carried out a study on the perceptions and attitudes of the residents concerning the outcomes of tourism in Folgaria Community. The findings of their study showed that the residents had positive perceptions and

realized the socio-economic impact from the tourism industry. The community members further realized the positive impact of tourism on their cultural heritage.

More important to mention, the responses from this study also revealed that cultural positive impact was lower than economic impact; nevertheless, the multiple group clusters involved in the study exerted different opinions. Parallel to the above findings, the study carried on in Italy by Akes et al. (1995) on analysing the attitude of people concerning tourists based on the relationship between attitude and frequency of contact with tourists found that, people with high rate of contact with tourists ranked their perceptions as positive or very positive.

Vellas (2011) conducted a study in France and from his findings argues that tourism's indirect contribution to the economy is tremendous and it contributes to the following; GDP, Foreign trade, employment, and it is mostly observed in hospitality industry. For instance, he cites such indirect contribution to hotels; restaurants, cafes, inbound and outbound travel, and carrier agency that form the large parties of many economies in several countries in the world. Nevertheless, the economic impact of tourism is greater because, multiple inputs and sectors are needed to facilitate tourism and leisure services. Indeed, many sectors such as agribusiness, industrial, capital goods industry, public works and construction industry are spurred by tourism industry. As a result, a well-managed tourism industry with well-designed policies can act as a catalyst the economy of many countries.

Chheang (2009) indicated that tourism has been rapidly growing in Cambodia since the early 1990s and, more importantly, it has been focusing on benefitting the local communities. These studies indicate that tourism, regardless of being found in a developed economy or developing economies, has potential to spur economic development. Peric and Njurkin (2014) assessed the impact of CBT in Croatia.

The study found that, it is the most influential sub-sector of tourism that contributes to the social-economic development and the welfare of the community, since it is a bottom-up strategy that involves the local community from the bottom line. However, based on the study findings it was confirmed that, for CBT to be influential on economic and social development the following elements related to the local communities should prevail: transparency, participative decision making, ensuring that the ownership and

control is well distributed between the residents, local authorities, and investors and setting the long-term strategies for the CBT.

Ramos (2012) assessed the ways local communities are empowered economically Mayan rainforests of China. The findings revealed that scholars who have addressed issues related to community-based ecotourism have observed that the top-down approach to ecotourism development has often resulted in communities having limited power to have their voices heard or to exercise choice in its implementation.

One of the interesting findings was that both disempowered communities were located next to a World Heritage Site and protected natural area, but lacked tourists, tourism services, and access to the community by paved roads. It appeared from this study that although government is a necessary stakeholder who enacts legislation, develops infrastructure and implements policies, the private sector is paramount through its ability to connect guests and hosts.

These findings are relevant to the situation in Tanzania, where the Maasai people are located at another world heritage site, the Ngorongoro Crater, but their socio-economic life does not reflect tourism earnings as revealed by Charnley (2005).

Also, the World Travel and Tourism Council (WTTC, 2010) estimates that travel and tourism contributed US\$59 billion to the Asia region's GDP, and created 8.2 million jobs in 2010 and expect an average growth rate of 5.5 percent per annum between 2010 and 2020. Tourism in the region has gradually recovered from the Asian financial crisis in 1997, the Severe Acute Respiratory Syndrome (SARS) epidemics in 2003 and the massive earthquake and tsunami in 2004 that seriously shrank international demand. Experts from Dubai also affirm the contribution of tourism in development of major cities of the world.

Jaafar et al. (2013) analysed the economic impact that results from Tourism in rural areas in Malaysia, Kinabu National Park. The study discovered that, tourism contributes to job opportunities and standards of living improvement. The study further revealed that in spite of the positive outcomes from the tourist sector, sustaining these outcomes, the national park and supply of facilities proved a challenge.

Dian-Yulie (2014) conducted a qualitative study in Madura Island, Indonesia. The purpose of the study was to explore the meanings of tourism held by residents in the

context of tourism planning. The theoretical framework used was symbolic interaction, while the data interpretation employed a thematic analysis approach. The findings revealed that there was little local participation in planning for socio-economic development related to tourism.

This study is important because it showed that lack of participatory planning is not only in Tanzania as cited by Kazuzuru (2014), but also in other parts of the world. Parallel to the above findings, Naidu and Chand (2014) in the study conducted in Fiji and Tonga handcraft industry found out that, the industry has become very innovative because of tourism. Innovation has been made in eight areas that are value adding, unique design, new product development, advanced technology, cultural uniqueness, owner experience which all together contributes constructively.

The findings by Haley et al. (2005) in the study conducted in Cyprus concerning the perception of the local community on the impact of tourism revealed that, low-income earners within the community have a more positive perception about tourism as compared to high-income earners. In China, Yang and Hung, (2014) assessed the impact of tourism cooperatives on poverty alleviation among the community members of Yahu.

The study discovered that tourism improved businesses of the villagers but did not benefit the entire community. They claim that it benefited only those who could communicate to the tourists. Basing on the study findings, it was concluded that tourism could be beneficial to the entire community if it will be organized in cooperatives to benefit the entire community as opposed to self-individuals.

In same vein, the study findings by Alonso and Liu (2010); Zaei and Zaei (2012) discovered that tourism affects economic growth of a region with both social and economic benefits. Examples of economic benefits are creation of new jobs, enterprises development, and infrastructure development. The study also revealed that tourism culturally enriches the community and it contributes to maintenance of national parks and environment conservation. Cultural tourism is a sub-sector of tourism, which looks like an element of community enrichment (Zaei and Zaei, 2013).

#### **2.4.2 Tourism Sector; African Continent Survey**

In Africa, the African Tourism Monitor recorded a tremendous growth in the number of visitors coming to the continent from 17.4million visitors in 1990 to 55.3 million tourists

in 2014 (African Development Bank, et al. 2014). Although this industry grows day and night, tourist operators within the African countries have concentrated in the growth of the profit margins within the business and ignored the socio-economic development of the local communities within the rural sectors (World Bank, 2014). Some of the existing challenges within the African countries include; lack of strong local investors, tourism board to address issues of land availability, local investors access to finance, taxes on tourism investors, lack of security law, low levels of tourism skills, public interest, safety and high crimes, visa requirements, and bureaucracy.

Regionally, Kenyan tourism sector has been ever growing and this has generated the revenue for the economic development of the country. According to Bachman (1988); Akama and Kieti (2007), the case study conducted in Mombasa revealed the fact that the revenue generated from tourism industry has not had a clearest effect on the socio-economic development of the local communities within Mombasa County. According to the study the only small amount of revenue generated for the local communities is in terms of working within the tourism hotels, selling of crafts and drives to and toward the game reserves.

In a similar aspect, Spenceley et al. (2010) argued that the country of Rwanda has been booming in the tourist industry, especially on Gorilla game reserve and the 1994 Genocide Museum. The statistics released, however, show that the revenue generated from tourism contributes heavily to the GDP at the expense of local communities' socio-economic development (Rwanda Tourism Board, 2014).

Dieke (2003) examined tourism and its impact on the economic development in Africa. The study found out that tourism stimulates and inhibits development on the continent. However, the study suggested that more emphasis is needed on education to make sure that the continent has competent people who fit the sector. The study further points out that, the policies that are favourable for the industry should be enacted to enhance sustainable development on the continent and its communities.

Also, Manwa and Manwa (2014) conducted a study in Botswana to assess the contributions made to the community through opening new forest sites for tourism. Data was collected using mixed methods approach whereby in-depth interviews were conducted and data collected from government departments, Botswana Hospitality and Tourism Association, quasi-government organization and traditional leaders. The study

also employed focus group discussions with village development committees and consultative networks with various stakeholders.

The study found that the stakeholder of tourism agrees that tourism contributes to poverty alleviation. Tourism was also found to be important for the creation of employment, creation of new enterprises, and improvement of livelihood.

Sandra and Castillo-Canelejo (2014) assessed the impact of tourism in Boa Vista, Cape Verde on assessing the impact of tourism. The study involved 12 tourist service firms, comprising seven (7) accommodation providers, two active tourist firms, one travel agency, one handicrafts and one restaurant-bar. The study found out that, tourism had impact on both socio-economic development and the companies involved revealed a high level of commitment.

They revealed that 58.4% of the studied companies have one to nine employees and the remaining 41.5% have ten and above employees and 33% of the companies with 20 staff, all are high-category hotels. The studied companies, six were European owned ones, and one from Africa. It is noted that tourism activities are mostly very labour intensive and often require low levels of skills. Because of the seasonal character of tourism, many jobs might be provided to certain groups of people such as students or the elderly (Bull, 1995).

However, foreign ownership of tourism businesses, which is often typical in developing countries, can cause high levels of leakage (Telfer and Wall, 2000; Torres, 2003; Telfer and Sharpley, 2008). The tourism industry also competes with other economic sectors, such as agriculture. While in some destinations locals might be completely dependent on the tourism industry for their income, in other places it might provide a nice way to gain some extra earnings besides regular income.

Adekunley (2005); and Achiempong (2011) conducted studie on the relationship between tourism policies and development in the Eastern Cape of South Africa. The studies indicated that although there is a lot of positive development in improving socio-economic development to communities, there was lack of collaboration between the local communities, government and private sector. This has been experienced in Tanzania and maximum gains from tourism have not been achieved, especially in communities practicing pastoralism.

The MaliAsili presents a good example in 2011 showing how in 2009 over 200 pastoralists' households occupying eight (8) villages in Loliondo were forced to move from conservation areas by the Field Force Unit (FFU) in order to promote tourism. The forced eviction resulted into destruction and loss of property hence increasing the dispute (MaliAsili Initiative, 2011).

Gopaul (2005) studied the role of tourism, empowerment and participation in the socio-economic development of Umgababa, South Africa. The study concluded that the socio-economic living conditions of the community of Umgababa are very poor and that empowerment and participation of the community in tourism could be an answer to their problems. The study identified that given the opportunity; most of the people were willing to participate in a tourism business venture.

Investigations further revealed that there is an abundance of natural and human resources in Umgababa to start a tourism business. The community also felt that by communicating their knowledge and experience they would be able to help other communities in their own development. This study resonates closely with the socio-economic realities of local communities living close to National Parks in Arusha region (Kazuzuru, 2013). Therefore, it was important to explore deeply the real contextual issues in the Tanzanian setting.

Similarly, a complementary study in Ghana by Frempong and Asamoah (2014) indicated that community members around Lake Bosomtwe find it difficult to meet their daily responsibilities of taking care of their family needs due to low-income generation from their activities. However, another study in the Seychelles by IFAD, (2013) indicated that the country has an initiative to eradicate rural poverty through fisheries and tourism. This positive initiative is ought to be emulated by all countries which aim at deriving significant earnings from tourism.

Seetanah et al. (2011) carried out a study in Mauritius Island. The study revealed that, tourism and development of infrastructure are linked. According to the study countries that depend on tourism like Mauritius invest heavily on infrastructure in order to smoothen the tourism activities. For example, as explained in the study airports that are the major means of destining in Mauritius were developed by the government to facilitate arrivals in Mauritius. Seenatanah et al. (2011) further affirmed that the

government of Mauritius has realized the importance of infrastructure, hence constantly upgrading of infrastructure is important.

According to Adebayo and Iweka (2014), tourism infrastructure are physical attributes that are established to serve tourists and a link between tourism and infrastructure development has been established. The literature provides different views on the meaning of infrastructure in tourism perspectives that are transport infrastructure comprising roads, airports and railways. Social infrastructure comprising accommodation facilities like hotels, and other necessary facilities.

Environment infrastructure comprising national parks, reserves, marine parks where tourists can visit for recreation Tourism and Transport Forum, 2012 cited in (Mrema, 2015). In addition, Onyeocha et al. (2015) in a study carried on in Nigeria further supports that infrastructure and tourism are connected and where there is good transportation infrastructure, tourism flourishes.

A study conducted in Ghana by Arthur and Menshah (2005) assessed the urban management and heritage tourism for sustainable development. The study found that tourism plays a great role on infrastructure development in Ghana. It was further discovered in the study that exist a great link between social-economic development and tourism. The study pointed out that tourism contributes to wealth creation, improved infrastructure, poverty reduction and improved local governance for sustainability.

Tohamy and Swinschoe (2000) assessed the tourists expenditure flows to other sectors in Egypt. The study found that mainly the tourism revenue was through hotels and restaurants and establishing the benefits to the local community were paradoxical. The study used input-output model. Based on the study, it was impossible to make conclusion concerning the actual figure contributed by tourism since, tourists' expenditure in purchases during their trips was not included in the study. However, the contribution made to GDP in 1999 was found to be 11.5% and 2.7 million employment opportunities created.

The findings by the Ministry of Tourism, (2015) in Malta showed that, the tourism sector created 20,500 jobs in Malta. The findings confirm that tourism creates employment to the society and because of employment, income is generated, and consequently improvement in standards of living as well as government revenue in terms of taxation.



In connection to the above, Africa exhibits challenges on how tourism affects the socio-economic development of local community.

Monakhisi, (2009) conducted an empirical study in the Panorama Region, in Mpumalanga Province, South Africa. The aim of the study was to analyse the benefits of growing tourism for the local communities. The study found that meaningful involvement of local communities in the tourism industry through ownership of tourism-related enterprises was almost non-existent.

There were no meaningful linkages between the industry and the local communities other than the communities' supply of unskilled labour. There were also no programmes aimed at harnessing the phenomenal growth in South Africa's tourism for the economic empowerment of local communities.

The economic empowerment of local communities cannot only be achieved through the ownership of tourism-related enterprises but may also include aspects of shareholding, outsourcing, affirmative procurement and social responsibility programmes by the industry. The continued marginalisation of local communities by the tourism industry was attributed to unsatisfactory progress with the industry's transformation.

This study comes close to the Tanzanian situation, where the beneficiaries of tourism are primarily the government and the rich in the private sector, and not the local community (Sitts, 2009).

Tourism infrastructure is the bedrock for the development of tourism in various tourist destinations. Jovanovic and Ilic (2015) point out that tourism infrastructure is depicted in different areas with physical, services, governance and cultural infrastructure. Physical infrastructure includes transportation, motels, hotels, restaurants, water, and electricity facilities. Service infrastructure includes banking facilities, travel agencies, insurance agency, and tourist agencies while cultural infrastructure like culture and heritages. Governance infrastructure involves aspects like the law and order mechanisms, customers and immigration facilities.

### **2.4.3 Tourism Sector; Tanzania Survey**

#### **2.4.3.1 From Colonial Era to Socialism Era**

According to Hore (1892); and Chambers (2004) cited in Ngowi (2009), development was assigned different meanings in different eras, different professionals, different places and different organizations. However, the common meaning is the one pointed by Economists. Hence, development has been linked with economic development. As far as Development is concerned, different indicators that assess whether the level of development is increasing, decreasing or stagnant, depict it.

These indicators are macro-economic factors like Gross Domestic Product (GDP), Gross National product (GNP), investment level, inflation level and national debt. In addition, birth and death rates are used whereby infant and maternal mortality are considered, education level, housing condition, health services, safety, infrastructure, life expectancy, and clean water (Ibid, 2009).

Even though tourism has been the largest growing economy in the world, it has been faced by several problems that face other outward development strategies. These problems are environment degradation, excessive foreign dependency, for the creation of separate enclaves there is a need of institutional mechanisms for solving these problems and this can be achieved through participatory mechanism whereby community has to be involved and their interests should match the interests of the local communities (Brohman, 1995).

In Tanzania, the history of tourism activities dates to the period preceding the effective establishment of colonial rules in Tanzania and Africa in general. Prior to the effective establishment of the colonial rule in Tanzania and Africa, explorers from Europe came to find out more about the geophysical characteristics of the continent (Coupland, 1958).

These explorers, such as Richard Burton, John Speke, Henry Morton Stanley and Johannes Rebmann were the agents of colonialism. They were later credited by Europeans as the discoverers of key natural tourist attractions such as Lake Tanganyika, Lake Victoria and Mount Kilimanjaro (Swayne, 1858). At that time, the only way to get to East Africa was by ship and Zanzibar was the only reliable port alongside East Africa (Ibid). Basic necessitates for tourists were bought to Zanzibar and later to the mainland (Swayne, Ibid; Hore, Ibid).

The only means of transport in the mainland was on foot and/or ox back (Swayne, Ibid; Hore, Ibid). However, there were indigenous African porters, known popularly as *wapagazi* in Swahili who were specialized in carrying tourist's luggage for money as well as the tourists themselves when necessary (Muhammedi, 1971).

The *wapagazi* were under an organized group that was accountable to the local chiefs/rulers of an area. These people can be viewed as the ancient tour operators and guides in Tanzania (Muhammedi, Ibid). Alongside the *wapagazi*, the explorers were accompanied by soldiers hired from the Zanzibar/Coastal areas, where Sultan had influence (Hore Ibid, Swayne, Ibid, and Coupland Ibid). Key problems at that time were transport, diseases such as malaria and smallpox, insecurity and illiteracy among the locals (Coupland, Ibid). To date some of these problems such as malaria for coast regions and transport problems especially in western regions persist and can discourage tourists from coming.

The explorers who featured in the 19th century were not the earliest foreigners to visit East Africa, but were comparatively like the modern tourists. The earliest 19th century visitors to East Africa were the Arabs (Jaffe, 1988). From the historian view the Arabs came much earlier before the 19th century and between the 15th and the 17th centuries had struggled against the Portuguese over control of the East African coast (Oliver and Gervase, 1953).

The Arabs, who preceded the explorers, came not to see the natural wonders of the land and the people but rather to plunder elephant tusks, slaves and other precious resources. Their engagement in conflicts may not qualify them to be compared to modern tourists. After the formal and effective colonization of Africa, tourism activities began to be handled and formally organized by the colonial governments. In Tanzania (at that time Tanganyika) the Germans (1885-1918) and later the British (1919-1951) took over the administration, including tourism issues.

In Zanzibar (an independent state before the 1954 union with Tanganyika), the Oman Sultanate controlled the Island from the 1550s up to 1890, when Zanzibar was put under British protectorate (Coupland, 1958). From 1913, the island came under the British governing system whereby Governors were appointed to rule the Island until 1953, when independence was granted by the British (Ward and White, 1971). Later in 1954, indigenous Africans took over by force by overthrowing the existing leadership, which was predominantly Arabic and serving Arab interests (Ward and White, Ibid).

The formal tourist activities could be credited to the German colonialists, who were the first to formally establish game reserves in Tanganyika. They were followed by the British who took over after the First World War. Chachage (1998) as quoted by Kulindwa et al. (2001, P.124) gives an account of the formal establishment of tourism under the two colonial masters as follows: “In 1890s German colonial rule established game reserves and sanctuaries beginning with those in Moshi and Kilimanjaro districts in 1891. Later, in 1895 Rufiji, which is now part of Selous game reserve, and west Kilimanjaro were established.

By 1908 there were 8 game reserves in Tanganyika. After the British took over, the game reserves were extended to 13 in the early 1920’s. The Game Preservation Ordinance of 1921 confirmed game reserves such as Selous, Ngorongoro and Serengeti. Lake Rukwa and Usambara were later included in 1933, while Serengeti and Ngorongoro were further extended in 1935. By 1939 game reserves in the Southern highlands and Tabora were also established.”

Tourism activities under both colonial governments were established to serve the rich Europeans who came to visit Africa (Chenjeh, 1998; Kulindwa et al., 2001). This traditional market continued to be dominant during and after independence, and continues to be dominant. Africans had neither the resources nor the interest to tour the parks or sites; this indifference continues to this day.

Africans’ lack of interest in visiting tourist sites could have been partly attributed to the colonialists themselves, as they restricted them from using tourists’ assets. For example, under the German rule African were not allowed to hunt in the game reserves (Kulindwa et al. Ibid). During British rule, an attempt was made in 1938 to form the East African Publicity Association (EAPA) for promoting tourism in East Africa (Ouma, 1959). However, due to the World War II, the organ’s activities were not successful (Ouma, Ibid).

In 1947, two years after the end of the world war, an inter-territorial conference was held in Nairobi to discuss ways to improve tourism in East Africa. This led to the establishment of the East African Tourist Travel Association known as EATTA (Ouma, 1959). EATTA was given a ten-year review and in 1958, its activities were reviewed; and deemed as successful. At this time, movements for national independence began to flourish.

Besides some member, countries (Uganda and Tanganyika) felt that EATTA was over-promoting Kenya at the expense of the other two (Ouma, Ibid). This feeling led Uganda to establish her own promotion organ in 1955, known as the Tourism Advisory Board, followed by Tanganyika in 1952, which established the National Tourist Board of Tanganyika (Ibid, 1959). The individual countries' organs operated alongside EATTA until 1955 when the opinion of the majority was that each country should carry out its own promotion activities (Ouma, Ibid).

In the period after independence, the public could not perceive the tourism industry as an important sector (Chenjeh, 1998). Its promotion was viewed as an act of embracing colonial interests in the country (Chenjeh, Ibid). This argument might be supported by the fact that, in the early days of independence, nationalistic feelings were very high (Nyangwine and Maluka, 2008) and the roaming back of Europeans could have been perceived as an attempt to decolonize the country.

It was also felt that tourism was an economically less viable industry because it was associated with import leakages. This view may be verified by examining the reaction of the Ministry of Information and Tourism (MIT), now the Ministry of Natural Resources and Tourism (MNRT) to the debate among UDSM students back in 1972 regarding the viability of the tourism industry.

According to MIT (1972), some students were arguing that the industry was economically unviable. Giving a statistical account, MIT (Ibid) argued that the students' arguments were more theoretical and unfounded in the Tanzanian case; because the industry was more profitable even after accounting for import leakages.

Despite such views by some academicians and the public, it was during independence when most of the game reserves were transformed into national parks. In fact, the first president of Tanzania (at that time Tanganyika) had long ago recognized the importance of tourism for Tanzania and Africa in general (TANAPA, 2002).

A speech delivered by the president in September 1951, at a symposium on the conservation of nature and natural resources, came to be known as the Arusha Declaration; in which he stressed the importance of protecting wildlife for the future of our wellbeing (TANAPA, Ibid). Because of this the government enhanced efforts to protect wildlife and other tourist attractions.

TANAPA (Ibid) asserts that between 1950 and 1980, the following national parks attained that status of being national parks from game reserves: Lake Manyara National Park (1950), Mikumi National Park (1954), Ruaha National Park (1954), and Arusha

National Park (1957), others were Gombe National Park (1958), Tarangire National Park (1970), Kilimanjaro National Park (1973), Katavi National Park (1974) and Rubondo National Park (1977).

Two more were established in 1980 and 1992. These are Mahale National Park (1980) and Udzungwa National Park (1992). Between 1992 and 2008, three more parks were established. These are Mkomazi National Park, Kitulo Plateau National Park and Saadani National Park. The total number of National Parks is now 15. These national parks form the core of the tourism industry in Tanzania.

In the first decade after independence, Tanzania adopted socialist policies which led to the nationalization of all major means of production, including tourism in what was called the Arusha Declaration. The National Tourist Cooperation was formed to monitor all the tourist activities. However, from the 1970's, few years after the nationalization policy up to the mid-1980s, the tourism sector did not perform well. There was stagnant growth in both the number of arrivals and revenue.

After trade liberalization in 1985, tourism was viewed as an important sector. This led to the establishment of the National Policy on Tourism in 1992 and the enactment of the Tanzania Tourist Board in 1993 (Chenjeh, 1998, MNRT, 1999). Since then, TTB has been responsible for the promotion of tourism in the country. TTB is an organ, among many others, within MNRT, which oversees all the tourism activities, including the maintenance and development of tourism assets (MNRT, 2002). The discussion now turns into another section.

#### **2.4.3.2 From Socialism to Free Market Economy**

In the mid-1980s, Tanzania turned away from socialism and embraced the neoliberal social and economic policies espoused by the International Monetary Fund and World Bank. Under the structural adjustment programmes of the 1980s, opportunities for foreign investment increased in the country and today tourism is fast growing, particularly in northern Tanzania where the more famous game parks of the Serengeti and Ngorongoro Conservation Area (NCA) are located. Over decades the tourism industry has been one of the major economic activity at local, regional and national level, hence a major element of economic growth and diversification (Akunay, at el. 2003).

Evidently, Tanzania is among the poorest nations in the world and since independence, its population has remained relatively poor in comparison to many other countries. In

2014, the per capita income was estimated at USD 955 per annum (World Bank, 2015). Unique features in a sense that, there are two distinctions, whereby in the rural areas, it is traditional economic sector and an urban area is modern economic sector, have characterized the economy of Tanzania. In the rural areas is mainly production of agricultural products as opposed to urban areas with mainly manufacturing and services sector (Mwakalobo et al. 2015).

As a tourism hub, Tanzania is among the leading nations in Africa for tourism business. The country is endowed with multiple natural attractions (Kweka et al., 2003). Among the nation's leading natural attractions is Mountain Kilimanjaro which attracts many tourists globally. Also, the national parks that are Serengeti, Manyara Conservation, Ngorongoro Crater, Saadani National Parks, rift Valley, Mikumi National Park and beaches and coral reefs.

Tanzania has started embarking on efforts of utilization of natural resources for the betterment of the lives of its citizens (NSGRP, 2005). Tanzania has been growing as a global tourist destination whereby the number of visitors reaches about 740,000 which amounts to 13% of the Gross domestic product (GDP) of the country (World Economic Forum, 2015) and it accounts for 25% of the total export revenues of the country (TMNRT, 2015).

However, TMNRT, (2005) as cited in Slocum (2010) shows that, 75% of the tourism market utilizes the organized tour system. This is most of their spending are paid in the foreign countries and even though the income related to Tanzanian tourist companies is remitted to the country, very little reaches the local community and increased marginalization dominates because of the dominance of the market by foreign owned companies.

Akunay et al. (2003) asserts that, CBT is vital for poverty alleviation and diversification. WTO, (2002) posits that, "tourism has major impact in developing countries and it benefits the community due to opportunities, which are created to the people. Tourism earnings increased from about 15% in the 1980s to over 40% in the 1990s, becoming the second largest foreign exchange earner after agriculture" (Kweka et al. 2003). A report by World Bank, (2002) around 1990s earnings from tourism were around \$55 million and around 2001 it was \$ 725, and tourism comprised 40% of the country's export around 1998/1999 while in 2001 it was 12%.

Tanzania is a growing global tourism destination, with over 740,000 visitors annually that account for 12% of the country's GDP (World Economic Forum, 2007). The Ministry of Natural Resources and Tourism estimate that 75% of the leisure market utilises organised tours when travelling to Tanzania and that most of their expenditures occur outside the country of Tanzania (TMNRT, 2005).

While some of this revenue is returned to Tanzanian tour companies, very little of it reaches the local communities surrounding tourism destinations (Ibid), resulting in little economic gain at the community level (Cooper, 2002; Leys, 2005) and increased marginalisation of local concerns through an industry dominated by foreign ownership (Hjalager, 2007).

The problem that the study addressed, therefore, is why the local communities where the tourism sites are located are still marginalised and undeveloped in terms of health, education, infrastructure and income, while tourism is observed to be one of the major sectors contributing to Tanzania's GDP. Currently, Tourism produces at an average of USD 2billion (25% of annual foreign currency earnings) a year. Tourism has brought Tanzania the largest amount of foreign currency in the past three years (2012, 2013 and 2014).

In 2015, Tanzania received 1.1 million tourists who visited various tourist attractions found across the country. Tanzania's political stability and its legacy as a peaceful country have significantly contributed to the development of the tourism sector. Advancements in communication technology, developments in transport infrastructure, and improvements in quality and quantity of hospitality services have aided growth in the sector (MNRT, 2015).

Tourism brings Tanzania significant amounts of foreign exchange. President Benjamin Mkapa, in office from 1995 to 2005, singled out tourism as a potentially important contributor of poverty reduction. Yet, as Sosovele, (2005) points out, tourism's contribution to poverty reduction among local communities has been limited. Similarly, Jakaya Kikwete, who took over from Mkapa out 2005, has also targeted tourism as an important sector for growth in Tanzania's economy.

Tanzania is among the developing countries with diverse tourism potential such as natural and man-made features. A third of the land is contracted with natural parks that



make Tanzania to become a tourist attraction hub (Kweka et al., 2003). The common cultural assets include traditional heritage attractions while natural assets include protected wildlife areas and resources, landscape, beaches and mountains (URT, 2013). United Nations Education, Scientific and Cultural Organization (UNESCO) has designated some of these assets as World Heritage Sites due to their outstanding biodiversity compositions, for example, Serengeti National Park and Ngorongoro Conservation Area. A combination of these natural resources attracts most international arrivals to Tanzania (UNESCO, 2010).

According to the recent Tanzania reports tourism has been a leading sector in earning foreign currencies, and the third in contribution to (GDP) for ten years. In the 2015 report the sector generated an increase of more than 100% about US\$900 million between 2000 and 2010 and 30% equivalent to US\$500 million between 2010-2015 which is about 25% of foreign currency and 17% of country GDP. The report also reveals that tourism sector has respectively increased employment between 2000 and 2015 by about 350,000 and 520,000 people directly and up to 1.2 million to 2.3 million people indirectly (MNRT, 2015).

The Tourism Act of 1991 established many regulatory bodies within the Tanzanian tourism industry. According to the TMNRT, tourism has three main departments, these are; The Licensing and Control Department which is in charge of licensing and inspecting tour operators and travel agencies to ensure policy compliance. Tanzania had no licensing fees for hotel operations and there was no active body to license hotels.

The second Department is the Research, Training, and Statistics department on the tourist development. It is actively involved in the collection of tourism statistics. However, there has been no activity in its training role (Integrated Tourism Master Plan, 2002).

The third department is the Tourism development. This is currently responsible for the tourism development zones and facilitating the projects within each zone. They have developed a new cultural tourism program discussed more fully in chapter 5 and 8 of the policy.

The role of the Tanzanian Tourism Board (TTB) is to “to promote and develop all aspects of the tourism industry” (Integrated Tourism Master Plan, 2002, p. 30) and concentrates on tourism marketing. The Hotel and Tourism Training Institute (HTTI) focuses on training and has recently been relocated to Bandari College at Temeke in Dar

es Salaam. The private sector tourism development has also launched many trade associations, such as the Tanzanian Tour Operators Association, the Tanzanian Travel Agents Association, the Hotelkeepers Association, and the Tanzanian Hunters Association.

All the above policies and strategies have been developed by the government of Tanzania to guide tourism development in the country. The first document is the National Tourism Policy (NTP), updated in 1999, as a beginning regulatory framework for the industry.

The second document, the Integrated Tourism Master Plan (ITMP), which was published in 2002, combines the renewed policy goals and specific development objectives within a market analysis. Finally, the Tourism Policy and Strategies in Tanzania (TPST) were amended in 2005 and modifies the formalized policies and strategies undertaken by the Tanzanian Tourism Board (TTB)

#### **2.4.3.3 Tourism in Tanzania empirical studies.**

Melita (2014) asserts that tourism and social-economic development are inseparable. Melita further contends that, in 2013 the tourism industry contributed 3.1% to the World GDP, and created 101 million jobs, and particularly in Tanzania GDP grew by 12.7% and 11.2 of the total employment. For example, in Ngorongoro conservation area inhabited by Maasai, Datoga and Hadzabe, totalling 87,851 residents, tourism contributed 92% of their total economy and only 8% was from other sectors. This is evident that, had it not been tourism sector the economy of the residents in Ngorongoro would be bad. Given this circumstance, endeavours should be made to strengthen the sector, not only in Ngorongoro rather, in the entire Tanzania.

Another study related to this was by Kazuzuru (2014). He examined challenges that face tourism in Tanzania by highlighting the key aspects that relate to the environment, lack of empirical studies, tax policy on accommodation being relatively high as compared to neighbouring countries, competition for use of natural resources between national parks and local communities, financial leakages, fewer benefits to local communities, destruction of culture, lack of domestic tourism, lack of proper statistics in relation to arrivals and departures of tourists before 1995, poor infrastructure, mastery of English language, and health issues like malaria and HIV/AIDS.

The current study commends the author for a thorough analysis of the issues that face tourism in Tanzania. However, what is of utmost importance is the recognition that there is lack of empirical data on tourism as well as the plight of local communities benefitting from tourism. These two aspects arguably support the need for empirical studies to address how local communities can benefit socio-economically from tourism.

Charnley (2005) performed an in-depth study that examined what is needed to be done to transform nature tourism in protected areas to eco-tourism. This was supposed to have social benefits for local community sustainable development. The study revealed three aspects that must be performed to achieve maximum outputs of tourism. The first aspect to be performed is that opportunities to capture the economic benefits of tourism must be structured in a way that is culturally appropriate hence accessibility to the target population.

The second aspect is that there must be a need to secure land tenure over the area in which it takes place as well as the ability to make land use decisions for that area. Lastly, tourism benefits to local communities must be more than economic; they must promote deeper social and political justice goals that, if left unaddressed it will restrict peoples' ability to enjoy the economic benefits of tourism.

Without these elements, the conservation outcomes of ecotourism are likely to be less favourable. Although this study was conducted ten years ago, it is still relevant and sound today. The local communities not only in Ngorongoro Conservation alone, but also other communities living in national parks within Arusha, need to be supported from the proceeds of tourism via participatory planning.

Vannarith (2007) conducted a study on tourism and local community development in Siem Reap. The study found out that the tourism industry in Cambodia has grown rapidly since the early 1990s and become a major contributor to domestic economic growth. At the national level, tourism provides jobs and income for Cambodians.

However, at the local level, people had mixed views regarding the benefits of the tourism industry. Based on surveys conducted in 15 villages in Angkor Park and Siem Reap city, the study found out that local people perceive both costs and benefits of tourism, and argues that the current structure of the tourism industry could be changed to provide greater benefit to the local community.

Fariborz (2009) conducted a study on community leaders' perceptions toward tourism impact and level of community capacity building in tourism development in Malaysia. The study was based on the study carried out among 175 communities' leader. The analysis of data uses Pearson correlation to determine the relationship between variables involved. The findings revealed that two impacts (economic and environmental) have the most significant relationship with the level of community capacity building.

The findings of the study imply that those leaders who perceived the tourism activities could bring economic benefits would have the higher tendency to be actively involved in building the capacity of their communities in relation to the development of tourism, whereas those who perceived tourism could bring negative impact to the environment, would put less effort in the capacity building.

Another study conducted by Irmgard (1999) on the impact of tourism in developing countries on the health of the local host communities in Chile, it found out that tourism influenced health. The objectives of this study were to review literature related to the topic as a background for future research, to explore if findings from a field trip to Easter Island/Chile and Peru support the hypotheses derived from the analysis of publications, to recommend a range of research topics based on the outcome of this study, and to propose elements of a framework for the assessment of health impact of tourism.

The findings suggest that there are considerable gaps in the current knowledge on tourism's health impact. Potential indirect and direct health impacts were identified. Workplace health and safety concerns in relation to local tourism employees were raised. A wide range of research topics were suggested based on these findings. Finally, elements of a possible framework for understanding tourism's health impact and their interrelationships were identified.

Manuel (2013) carried out a study on rapid assessment of tourism impact through community participation, a pilot study being Cuba for projecting new strategies of management. The purpose of the study was to develop a methodology to identify how tourism affects social organization in communities, to consider different policy implications and management options, at the same time, to conduct comparative studies to monitor vulnerabilities and the effectiveness of social and health-promoting policies.

This project brought together researchers and community representatives from Cárdenas and Caibarién, and two coastal communities in Cuba. They examined how the expansion

of tourism in these communities directly and/or indirectly affects them. In relation to the general objective a conceptual framework is elaborated to explain pathways that link the impact of tourism and the policies that influence them across their lifespan. A consensus was developed on indicators and research/measurement protocols based on a comprehensive re-view of existing evidence on these issues.

A preliminary agreement was also promoted according to the policy implications and policy options of insights that can be gained regarding the impact of tourism on local communities among policy-makers, researchers and community leaders. The study found out that people achieve a higher educational and professional level through special courses that provide them with higher training in areas of tourism services. On the other hand, many university professional seek jobs in the tourist sector, “even washing dishes,” in order to make more money.

Nelson (2011) conducted a seminal study that attempted to investigate if political economy of tourism development is either a blessing or a curse. The study found that local communities and ordinary citizens are not able to capture tourism value in addressing poverty issues. Furthermore, the study noted illustrations of growing conflicts over land tenure, wildlife revenues as well as access to tourism benefits. These studies, therefore, clearly support the findings that tourism in Tanzania has not come to a state that local communities are empowered economically.

Using the lenses of pro-poor tourism and poverty alleviation concepts, Snyder and Sulle (2011) wondered that there are many questions that remain about whether tourism in Tanzania will alleviate poverty. However, their study was optimistic about the fact that if tourism in Tanzania is managed properly, it could achieve significant benefits for poor communities. The current study supports these findings, by using the same theory of Pro-poor tourism to investigate how communities are benefitting socially and economically from tourism.

Mrema (2015) assessed the socio-economic impact of tourist hotels and lodges in Arusha, Monduli district, Mto wa Mbu Ward using focus group discussions, semi-structured interviews and physical visits. In his study it was revealed that, tourist hotels contributed to residents’ employments. The study discovered that the investors in hotels and lodgers assisted the government in initiating various development projects like

schools, clean water provision and building dispensaries. The local community acknowledged that these investors contribute positively to their livelihood.

Based on these empirical findings, it is evident that tourism contributes to community development in terms of education and health. Henry (2012) analysed of various prevailing impact of different tourism sites and activities on communities adjoining eco-destinations in Plateau State, Nigeria. The study was designed to collect data on the impact of tourism using structured questionnaire, field observations and interviews. A total of 410 questionnaires were administered at random to household heads from ten selected communities bordering five surveyed ecotourism centres. Data obtained were analysed using Chi square and descriptive statistics.

The findings revealed that tourism has different impact based on differences in products, management strategies, activities created, location, occupation, ownership and closeness to the parkland, and level of households' involvement. Increased land hunger (74.55%) is the most reported negative impact of Jos Wildlife Park on Kabon community. In Dong household respondents complained of blocked access road to Jos town (95.00%).

Among the positive impact indicated by Pandam household respondents are employment (95.55%), fishing (84.44%), preservation of culture (58.89%), increase in population (51.11%), supply of fish to the community market (48.89%), proliferation of private enterprises (42.22%) and biodiversity conservation (24.44%).

All Pandam respondents implicated reduced land for farming, destruction of crops by animals, consumption of livestock by wild animals and fuel wood scarcity as negative impact. In Namu community, 14.29% of the respondents reported fishing and limited land for agriculture as respective positive and negative impact from the Pandam game reserve while only 2.85% of the respondents mentioned destruction of crops by wild animals as a negative impact.

François, (2011) analysed the indirect economic impact of tourism on GDP, employment and growth. He involved a comparison of indirect effects between the T20 countries to determine how tourism can contribute to economic growth, especially in times of crisis and in the context of stimulus policies.

From the literature reviewed and related studies, it is evident that the government through the Ministry of Natural Resources and Tourism, NGOs based in Tanzania, and other scholars have conducted researches on the impact and contribution of the tourism sector in Tanzania and on the community development within the tourism attraction areas. So far there is no availability of any research specifically focusing on the impact

of tourism sector performance on local community development in Arusha region and this is the reason this study was conducted to fill this knowledge gap.

As a strategy to enhance community development, Sitts (2009) discussed comprehensively the ways tourism can benefit the poor in Tanzania. The ways include, the establishment of primary tourism enterprises by the poor, direct sales of goods and services to visitors by the poor and other secondary enterprises, employment of the poor in tourism enterprises and the supply of goods and services to tourism enterprises by the poor and therefore, the levy on tourism income will benefitting the poor. The current study agrees with the above reasons but its focus is particularly on what tourism can benefit the poor directly in aspects related to community development.

According to the World Tourism Organization (1995) cited in Bauer (1995), the fastest global growing industry is tourism in both industrialized and non-industrialized countries. These were previously seen as disadvantageous but now are becoming natural and cultural tourism hubs.

Luvanga and Shitundu (2003) assert that tourism in Tanzania leads to poverty alleviation and they further postulate that the rapid growth of tourism industry has been experienced and tourism activities and earnings are remarkable. Luvanga and Shitundu further assert that tourism increases foreign currency in the economy, creation of employment, increase in sales of both agricultural products and crafts products. However, the industry is complex by the fact that it is dominated by the private sector and foreign companies.

On the other hand, Igiha's (2013) study investigated the impact of tourism on the income of the households that surround protected areas in Mto wa Mbu, Tanzania. He found that tourism contributes to the employment, sales to tourist hotels in terms of agricultural products and artworks to tourists and the general income of the surrounding communities.

Mwakalobo et al. (2015) analysed the economic contribution of each single tourism business operating in rural areas in Africa in Mara region. The study found out that there is contribution to the economy, as compared to the investments that are made by the government in the region. However, 1.7 million people remain under poverty basket, yet,

if well paired with environment conservation and community development endeavours, it will be socially and economically constructive for sustainable development.

In these years, tourism industry has been growing tremendously, making remarkable contributions in the world economy. Tanzania considers the sector as a vital one contributing significantly on employment creation, poverty alleviation, earnings of foreign currency. As a result, much attention is paid to the sector by both international and national agencies (Mwakalobo et al. 2015).

Tanzania is among the poorest nations in the world and since independence, its population has remained relatively poor in comparison to other countries. In 2014, Tanzania's per capita income was estimated to be USD 955 per annum (World Bank, 2015). The economy of Tanzania is majorly characterized by two unique sectors namely; the traditional sector found in the rural areas and the modern economic sector in the urban areas. In the rural areas is mainly production of agricultural products as opposed to urban areas with mainly manufacturing and services sector (Ibid).

Anderson, (2015) assessed the impact of cultural tourism on the welfare of Kilimanjaro communities in Tanzania. The study used a random sample of 85 respondents and it was found that cultural tourism contributes positively to the livelihood of the community members. The study revealed that cultural tourism leads to the increase in household income, access to health services, access to education and employment opportunities in various tourist businesses. Nevertheless, many residents are less knowledgeable coupled with negative perceptions of the tourism industry.

Kweka (2004) investigated the importance of tourism as a foreign exchange earner in Tanzania. The study findings revealed that, tourism has remarkable contributions to the economy in the areas of GDP, taxation and infrastructural development. The study further found that tourism has substantial effects on the overall welfare and country's exports. Parallel to the above findings, Mutayoba and Mbwete (2013) investigated whether tourism is booming in Zanzibar and discovered that tourism has been important to creation of employment and business opportunities for the local communities.

Kazingumbe (2008) assessed on tourism and its impact on the society in Tanzania. The study applied both qualitative and quantitative techniques and data was collected through interviews questionnaires aimed at collecting data about the impact of tourism in the communities. The study concluded that tourism is a mystery that remains a debatable



issue since; tourism sector remains ineffective to the local communities especially in rural areas.

Mwakalobo et al. (2015) investigated and concluded that tourism in Mara region at Grumeti and Ikorongo Game Reserves have made impact to the community by contributing to development of various community projects like education, business development, water projects and other community services. Similarly, they have made significant contribution on the environment and the ecosystem of the region.

Based on the findings, it was argued that tourism contributes to social economic development as well s poverty alleviation among the surrounding communities. The far-reaching implications of tourism are remarkable particularly in developing countries, especially when well managed (Kiss, 2004). In addition, tourism reduces the local community threats to biodiversity, particularly when there is agricultural expansion and improper trees harvesting. However, if tourism is not well managed it can also contribute to environment destruction.

The report by TMNRT (2005) indicates that, tourism accounts to 25 percent of the gross exports revenue. Tanzania has established itself as the leading Safari hub with estimated annual tourist at 750,000 in number in 2008 and this contributes USD 950 million in the economy of the Country (TTB, 2008).

World Travel and Tourism Council (2015) contends that, the impact of tourism on economics and social development of involved countries are tremendous; paving the way for businesses, capital investment, trade, employment opportunities and entrepreneurial opportunities.

A study conducted by Anderson, (2015) in assessing the impact of cultural tourism of the welfare of Kilimanjaro communities in Tanzania, revealed that cultural tourism contributes positively to the livelihood of the community members. The findings further showed that cultural tourism leads to the increase in household income, access to health services, access to education and employment opportunities in various tourist businesses. Nevertheless, many residents are less knowledgeable coupled with negative perceptions of the tourism industry.

Oglethorpe, (1984); Sinclair, (1990); and Westergaard and Alam (1995) who opine that the development of unplanned mass tourism that mainly responds to short-term

exogenous socio-economic and political factors that are not connected to the needs of local people usually lead to a high leakage of tourism revenues.

This results in lower linkage and a minimal multiplier effect that may not lead to long-term sustainable socio-economic development and an overall stimulation of economic growth within local African communities. Fariborz, (2009) conducted a study on community leaders' perceptions toward tourism impact and level of community capacity building in tourism development in Malaysia.

The study was based on the study carried out among 175 community leaders. The analysis of data uses Pearson correlation to determine the relationship between variables involved. The findings reveal that two impacts (economic and environmental) have the most significant relationship with the level of community capacity building.

The findings of this study give a strong implication that respondents who perceived the tourism activities to be agents of economic benefits can be easily involved in building the capacity of their communities in relation to the development of tourism, whereas those who perceived tourism could bring negative impact to the environment would put less effort in the capacity building.

Anstrand (2005) affirms that there are very few who benefited directly from the tourism Industry. Anstrand conducted a study to investigate the benefits enjoyed by locals because of Swedish students' excursion to Babati. The students visited Babati from Sodertorns University to find the answers for their essays of the course titled Environment and Development Programmes. The study applied a case study design, data was collected through content analysis and interviews of the indigenous, and most of the indigenous responded.

The responses revealed that the benefits of tourism were enjoyed by just a few number of the population, especially those who owned guesthouses, restaurants, internet cafes, garment stores and those who were employed as drivers, translators and the company that organized the trip and has indirect benefits to those who supplied food products to the restaurants. This study further revealed that, the guesthouses workers and restaurant workers were paid more during the visit.

In terms of education, the community benefited through the books that were donated by the students from Sweden to the schools located in Babati. The Swedish students paid for the poor students, electricity were installed and a renovation of the schools was done.

Actually, it is evident that, tourism is beneficial economically and socially, however imbalances in economic benefits are indispensable.

Nelson (2003) assessed the impact of CBT and ecotourism activities in northern Tanzania whether they have grown rapidly over the past decade. CBT is strategically important to the national tourism industry, now valued at approximately \$725 million annually, in terms of diversifying tourism products and relieving pressure on overcrowded protected areas.

Locally controlled and managed ecotourism activities are also essential for providing economic opportunities to relieve rural poverty and create incentives for sustainable natural resource stewardship. Because of these complementary opportunities, CBT has assumed a focal role in Tanzania's tourism development strategies and policies, as well as those for wildlife conservation and rural development.

CBT thus provides important opportunities to take advantage of the increasing demand for Tanzania's ecotourism products in order to create environmental and socioeconomic benefits at national, regional, and local levels. Achieving this depends principally on ensuring that benefits from resource-based enterprises are generated and captured by rural communities possessing secure rights to natural resources.

The realization of this potential is threatened, however, by escalating conflicts among stakeholders over control of and access to the lands and natural resources that are used as tourism products. Such conflicts in northern Tanzania are centred on contests amongst the private sector, local communities, and district and national government bodies.

These conflicts undermine the potential of CBT by creating an uncertain enabling environment for community and private sector investments in resource management and tourism development, and lead to short-term perspectives among key stakeholders. The conflicts over CBT in northern Tanzania are fundamentally about competing claims to valuable resources and the benefits they generate through tourism activities.

The development of CBT, when viewed within the context of these conflicts over lands and natural resources, is at root a governance issue characterized by power struggles between local communities and outside interests. Finding ways to address these political economy factors and secure local rights to the lands and natural resources that underpin

CBT is critical for effective tourism development, conservation, and rural livelihoods in northern Tanzania.

Surprisingly, the Tanzania 2015/2017 budget reports that, service industry accounts 50% of the overall GDP and just mentioning telecommunication and financial services, ignoring the tourism industry. The failure to mention tourism might be mismanagement of the sector or lack of good policies that makes the sector remarkable before the government and policymakers.

## **2.5 Local Community Development**

### **2.5.1 Local Community Development; African Continent Survey**

African continent is the least developed region of the world; with 52 per cent of the population living in rural communities and 55 percent are below poverty line. Livestock ownership is of great value and status among the population and is central to cultural, economic and social life. Cattle-raiding is related to the desire to accumulate cattle, and is a potent factor in insecurity in the region. A special report on Security Provision and Small Arms in Africa suggests three types of conflict: a) conflict and insecurity between ethnic groups; b) conflict between the State and African societies; and c) conflict and insecurity within ethnic groups.

Main challenges facing local communities in Africa include poverty, lack of resources, lack of alternative livelihoods and lack of education, negative cultural practices to mention a few. Main drivers of conflict include uneven disarmament, poverty and hunger, illiteracy and unemployment, are compelling programmes for Livelihoods and General Food Distribution in some societies in addressing social services provision, hunger, unemployment problems and access to financial resources to promote local community development.

One of the powerful instruments of local community development is provided by the United Nations report that substantial social and economic progress is also evident at the local level across the continent. For this report local innovations have played an essential role in this process and could prove crucial for long term sustainable development. Innovation is the “embodiment, combination or synthesis of knowledge in original, relevant, valued new products, processes or services.” In the African continent innovation has promoted local community development in water management in Zambia, Ecosystems in South Africa and Nigeria, Health improvement in Uganda and

Rwanda, Agriculture in Kenya and Madagascar and Tourism in Sierra Leone and Uganda (UN, 2015).

Great achievements in social economy in terms of economic development, poverty reduction and social integrations resulting from Local community development emphasis is noted in Ethiopia by Abate (2015) promoted by primary co-operatives, domestic associations, and numerous traditional mutual aid organizations; in Ghana by Francesconi (2014) promoted by member owned organizations like credit unions associations, Co-operative Susu Collectors Associations, and Co-operative councils which are farmer-based organizations. In Kenya social economy is driven by Faith-Based Organisations on health care facilities, Co-operatives on economic empowerment, and the traditional communities like the Harambee culture on education, Ochand (2015). In Morocco, Dossa (2013) asserts that social economy is promoted by the co-operation between the government, local organizations, co-operative associations, NGOs and donors.

Weyer (2011) in a South African analysis gives an approach of perception in evaluating local community development. This perception or approach represents more of a *mindset* that the practitioner should adopt in all his dealings with and on behalf of the community, than a roadmap for intervention. In terms of it, everything that the social worker does should be based on the principal of helping the client system discover, embellish, explore and exploit their strengths and resources. It should assist them to achieve their goals, realize their dreams and shed the shackles of their own misgivings and self-perceived weaknesses. This approach requires that all *forms* (e.g. preventative, therapeutic or developmental) and all *levels* of professional intervention (e.g. personal, interpersonal and socio-political) should focus on strengths.

Fourier (2014) remarks that, “development can most securely be identified with local community development, not economic development.” He addresses the quest for local government’s authorities that “African countries...should give LGAs power aimed at promoting the self-reliance of communities in developing countries.” In the rural development programme charter of South Africa the basic goals of local community development has been to; meet the social and economic needs of the people; achieving sustainable improvements through economic growth; undertake substantial public investment in infrastructure; and development of human resources and the labour market.

Kimenyi et al (2014) used the Institutional Analysis and Development (IAD) framework was used to evaluate the ADF. Results from the descriptive statistics reveals that a majority of the respondents (the heads of households surveyed in Akassa Nigeria's Niger Delta were satisfied with the design and implementation of the ADF as a framework for local community development. Thus, the study recommended that policies that promote community involvement in similar development interventions should be encouraged.

In similar studies, the goal of achieving local community development has been related to education, health promotion in capacity building and infrastructure development for economic empowerment. Further, in understanding the perceptions of national and local stakeholders (municipalities, ministries, public agencies, media, etc.) and the public (including non-users) in Ethiopia, Ghana, Kenya, Uganda and Zimbabwe, Manyi (2007) posits the potential of public social services in community development and understand how these stakeholders could best be positively influenced to create, fund, support or use public social services.

In Rwanda the local community development seem to be achieved in a gender and local community members' empowerment responsive manner to guiding the EAC's efforts in improving the living conditions of the local communities' population through participatory and empowerment mechanisms. Sanyare, (2014) asserts that empowerment increases the capabilities of the poor to influence and hold accountable the institutions that provide for them. To this end, empowerment attempts to give power and knowledge to rural communities to assist in creating a better quality of life, so that in the future they will have the skills to rely less on external forces to provide vital services and infrastructure. This share the same views with Livingstone (2013); Cooper, (2002); Roiko, (2014) and Moore, (2014).

In another study of Manyi (2007), democratic decentralization is perceived as an engine for local community development. The results of the study in Cameroon reveals that power has not been devolved in its entirety from the central government to the decentralized units and that the rural masses are still not empowered and, therefore, do not participate fully in the development of Buea in Cameroon. The result of the study also reveals that in Cameroon, there is decentralization without empowerment. The state has officially espoused democratic ideals but its practicality is absent thus limiting the achievement of local community development.

There is a widespread agreement among development practitioners, government officials and foreign donors that local government plays an increasingly proactive role in

participatory community development. The World Development Report (2003) strongly supports devolution for making service delivery work for the poor. Recently a number of scholarly books, articles and panels at conferences have dealt with the growing importance of local government as providers of local services, valuable partners in community development arena and a successful laboratory for local democracy Vadeveloo (2013). At the international level, local governments are improving their performance by playing a very significant role in providing better cooperation together with the people at local level concerning community development.

Community Driven Development framework has some notable and successful projects for tackling poverty in Africa including the Benin National Community Driven Development Project, the Nigeria Second National Fadama Development Project II (NFDPII); the Morocco National Initiative for Human Development (INDH), Kimenyi (2012); Hjalager (2007); Zangn (2009) and Cao (2005).

Community members are increasingly shouldering the adverse consequences of the economic downturn and the growing inability of the state to provide economic and social development by initiating, mobilizing and galvanizing their own resources in the quest for improving their standard of living. The reliance on indigenous technology and local human resources has led to overwhelming popular participation in community-driven development by looking for available opportunities.

These opportunities are tourism, new links and lower costs to international trade and access to global supply-chains. New technologies: Green Revolution, ICT-enabled services, better access to and exchange of information for rural populations (must be leveraged on other policy actions) like rural industry, education and health services. This goes hand in hand with improving both soft and hard infrastructure to reduce transaction costs, strengthen rural-urban linkages, and build capability is a key part of any strategy in developing countries. It includes improvements in connectivity across rural areas and with secondary cities, as well as in access to education and health services.

### **2.5.2 Local Community Development; Tanzania Survey**

Ngowi (2009) asserts that economic development in Tanzania passed through different phases starting from Independence in 1951. The first phase started from 1951-1957. The second phase from 1957 after the Arusha declaration up to the mid-1980s economic reforms and the third phase from mid 1980s to the present. Different commentators

assign different meanings to the concept of development, whereby there are general meanings and economic development (Ngowi, 2009); and Bhandari (2014).

According to Chambers (2004) cited in Ngowi (2009), development was assigned different meanings in different eras, different professionals, different places and different organizations. However, the common meaning is the one pointed by Economists. Hence, development has been linked with economic development. As far as development is concerned, different indicators that assess whether the level of development is increasing, decreasing or stagnant, depict it.

These indicators are macro-economic factors like GDP, Gross National product (GNP), investment level, inflation level and national debt. In addition, birth and death rates are used whereby infant and maternal mortality are considered, education level, housing condition, health services, safety, infrastructure, life expectancy, and clean water (Ibid, 2009).

Even though tourism has been the largest growing economy in the world, it has been faced with several problems that face other outward development strategies. These problems are environment degradation, excessive foreign dependency, for the creation of separate enclaves there is a need of institutional mechanisms for solving these problems and this can be achieved through participatory mechanism whereby community has to be involved and their interests should match the interests of the local communities (Brohman, 1995).

According to the Five Year Development Plan II (FYDPII) 2015/17-2010/21 and the National Strategy for Growth and Reduction of Poverty (NSGRP/ MKUKUTA), the Tanzania Development Vision (TDV) 2025 is explicit on local community development. That is to accelerate broad-based and inclusive economic growth that reduces poverty substantially and intensifying and strengthening the role of local actors in planning and implementation.

In 1971, 72% of all Tanzanians living in villages were living in poverty as compared to 50.5% in 1991 and 28.2% in 2011/ 2012. Only 12% (1971) and 47% (1980), 45% (1992) and 72 % ( 2014) had safe and dean water. In terms of education, up to 1977 about 73% of all Tanzanians had basic education literacy and numeracy skills. However, statistics show that in 1993 this had declined to 53% and 48% in 2013. School enrolment in 1980



was 93% and declined to 58% by 1993. However statistics show that in 2014 the trend improved and had increased to 94%.

It should be stressed that the successes recorded in 1975 to the 1980s are attributed to community development workers (Economic Survey, 2015; Ministry of Community Development Women affairs and Children Report 2017) where leaders collaborated with community members in nation building activities.

Health services provision in local communities are limited by economic problems which has resulted to shortage of medicines and essential equipment as well as low salaries which have led to loss of commitment among medical and health staff. The Tanzania under five mortality rates in 1951 was 215 per 1000 live births and 105 per 1000 live births in 1987, dropped to 81 deaths per 1000 live births 2014/ 2015. The maternal mortality rate of 432 per 100,000 live births was recorded in 2014/ 2015 as a result of poverty the national human development index is much lower/ of the value 052(2014) compared to many other countries in East Africa and Sub-Saharan region.

However, the successes recorded on local community development in 1970s and 1980s did not come automatically. Government and other stakeholders' efforts had credits in these successes. For instance; in 1952 the government started Rural Construction and Technical Training units in local communities. The chief responsibility was to provide technical support to the people's self- help projects in national building. By using these units community development officers could contribute to the people's efforts in construction of schools, dispensaries, health centres and even roads and shallow wells. Community development officers also used different audio- visual media to mobilize and educate the people on how to get rid of ignorance, poverty, diseases and a generally low standard of living. Community centres and village libraries were key points of accessing skills and knowledge.

Local community development on the social economy focused to poverty alleviation of Tanzania features in activities of agriculture, fishing, pastoralist, small scale mining. However, the challenges are reliable employment and weather conditions, low prices for farm produce, poor technology and financial services inadequacy as a result of all these many of local community members in Tanzania are forced to engage in petty businesses which cannot give them an adequate and reliable income. Community members find

difficulty to pay for services including social services such as education, health, clean and safe water, better nutrition, clothing and good housing.

Various clubs for Local community development on poverty reduction, improving health, education, and infrastructures have been launched in the country particularly in Arusha, Morogoro, Mbeya, Mwanza, Kagera, Kigoma, Dar es Salaam, Kilimanjaro, Tanga, Dodoma and Tabora Regions and are financed by international development agencies such as ODI, WHO, USAID, JICA, TASAF, IFAD, FAO regional initiatives, governments and bilateral governments. For example in Mauritania, Niger, Ghana, and Senegal by the FAO's regional Integrated Production and Pest Management (IPPM) programme. In some communities various forum are made at least annually for sharing, discussing and making decisions (Rob, 2014).

Ultimately good development should be measured by how much it has improved living standards at the family level. This can be measured by whether schools, water sources, health facilities, and other related amenities are near home and accessible by all members of the community and should also be affordable. This requires that the community should know that members are doing income generating jobs. However the local community development does not come without challenges like negative attitudes by the community towards new innovations and ideas, outsiders may be accepted with suspicion over their purpose and presence of corrupt leaders who are out for personal gain, poor knowledge among the majority and contradictory roles. (Xie 1999); and (Mulwa, 2008).

In addition to the above mentioned challenges, the current local community members in Tanzania, as in most Africa countries, have a challenge in working together. For instance school of management, health facility development and infrastructure improvement etc. This makes most local communities to continue leading a poor life due to low income, poor education, poor health and continued adherence to customs and traditions which retard their development.

Local community extension is one of the instruments in use by local and national governments and international agencies for the implementation of local community development projects and policies. In line with this, some studies observe that the basic problem for poverty, diseases, and illiteracy in local communities of less developed countries is the restriction of local population to access productive resources and

profitable employment opportunities in the broadest sense. Ways of provision of credits, technical and material inputs have been proved to make local community labour more productive.

According to Cooper (2008) the process of local community development especially in rural areas is constrained by low purchasing power and largely non-monetized economies. Other factors are insufficient R&D effort as well as organizational and institutional bottlenecks. Local Community Development projects in less developed countries are selected and designed without taking into account priorities and local communities, local inputs and capabilities and traditions that vary across regions.

### **2.5.3 Local Community Development; Arusha region Survey**

Tanzania's policy on Local community development openly recognizes the regional governments and Arusha region comprising about six districts with each district served by wards and villages. The major decisions on how to finance local community development extends to villages as the fiscal decentralization policy stipulates. Socio-economic potentials are recognized far beyond the region particularly on the fact that the region is the nation's tourist hub. The NBS, (2015) reports that tourism in Arusha region accounts 29.0 percent of region's exports of goods and services. Furthermore, the number of international tourist arrivals increased by 1.7%, to 1,095,885 in 2013, from 1,077,058 as recorded in 2012. This reality is attributed to macro-economic reforms and enhanced promotional efforts.

The document further records that the earnings increased too by 8.2 percent, reaching USD 1,853.28 million in 2013 from USD 1,712,7 million in 2012. Nevertheless, Akunay (2003) contends that tourism benefits most the urban elites, entrepreneurs foreign investors and central government through taxation, leaving away most of the local communities who do not participate fully in the sector.

The study in principle agrees with the report. However, the need to establish whether there is a harmonious relationship between tourism and local community development in Tanzania particularly in Arusha region, where the challenges of urbanization co-exist with rural poverty, lack of sufficient health facilities, educational facilities, and infrastructural facilities, is critical especially in areas outside the city.

The local community development positive progress though with numerous challenges have been contributed by the implementation of the policy of benefit sharing (URT,

1995). The priorities of employment and other social and economic benefits from tourism were advocated to be involved by the region and local governments so as to raise the educational standards of the local community members. Apart from contributing to education, increasing number of tourist hotels and excessive number of tour operators, tour guides and companies that had rapidly increased in the Arusha region contributing to local community development.

Arusha is a city in northern Tanzania and the capital of the Arusha region. It has a population of 415,442 plus 323,198 in the surrounding Arusha District, (2012 census). It is located below Mount Meru on the eastern edge of the eastern branch of the Great Rift Valley. The city is close to the Serengeti National Park, the Ngorongoro Conservation Area, Lake Manyara National Park, Olduvai Gorge, Tarangire National Park, Mount Kilimanjaro, and Arusha National Park on Mount Meru.

Tourism is also a major part of the economy of the city of Arusha, and the largest dollar-earning economic sector in Tanzania. The city is located on the northern safari circuit near some of the greatest national parks and game reserves in Africa, including Serengeti National Park, Kilimanjaro National Park, Ngorongoro Conservation Area, Arusha National Park, Lake Manyara National Park, and Tarangire National Park.

The city of Arusha is the headquarters of the East African Community, and plays host to the International Residual Mechanism for Criminal Tribunals, and the African Court on Human and Peoples' Rights. The city is home to the famous Arusha International Conference Centre, host to many international meetings. Arusha is also a well-known destination for Non-Governmental Organizations that operate out the city in a variety of regions and aid areas such as HIV and AIDS Awareness, children's education, and micro-finance.

## **2.6 Tourism and Local Community Development**

For decades, the tourism sector has been a major contributor to increased socio-economic activities throughout the world where tourism attractive sites exist, Anderson (2015). It has created jobs in both large and small communities and is a major industry in many places. It is the dominant socio-economic activity in some communities generating income, revenues for various social services like education, health facilities, infrastructure facilities and social network. Yet, the impact of tourism to local

community development can be understood through various literature as indicated below. However, the analysis of the relationship between tourism and local community development is classified into the selected local community development components of; poverty reduction, education development, infrastructure development and health facilities which are the study's greatest interest or concern Britton (1982; 1995); Tresisman (2000); Wade et al (2001); Tosun and Timothy (2003).

Tourism has transformed people's lives and economies both socially and economically. The tourism service is not just a mere luxury but also a life style (Kandampully, 2000). Developing countries used to be considered passive in this sector but recently, they have proactively engaged in the industry (Christie, 2002); Ashley and Mitchell (2005) and Blake et al (2008); Blake (2008); Briedenhann (2011); and Blumenschine et al (2012).

The outcome of their engagement have impacted not only developed economies but also the developing economies. They have integrated tourism to become one of the major economic activities and the recent century forecast that tourism will act as a promising source of revenues to various countries in the world.

Recent trend shows that, tourism is the fastest growing industry in the economy as compared to automotive industry, financial services and health services (Kandampully, 2000). He further contends that, tourism boosts other economic activities as well such as transport services, retailing, financial services, telecommunication, education and health services, Prideaux (2000); Babyenebonela (2010); Bardhan and Mookerjee (2003).

On poverty reduction, the potential areas can be understood by the manner in which the local communities mobilize resources for development and operation of pro poor micro, small and medium size tourism enterprises and a defined poor that can be positively impacted by tourism development. It is important to recognize that tourism sector must have a mechanism to reach the poorest of the poor using many of the tourism interventions. This issue must be further explored in order to be able to conclusively determine the role of tourism in reducing poverty amongst the poorest of any local community. This calls for a need to develop tourism policies and practices that can ensure the equitable distribution of tourism benefits to the poor.

Goodwin et al (2004); Beeton (2005); Zeng et al (2005); and Pritchard (2011) argue that there is an urgent need to work with local communities poverty specialists who are

concentrating on how the government, nongovernmental organizations and aid agencies can use tourism as an important tool in helping to improve the conditions of the poor living in local communities within and adjacent the national game parks. This is especially important given the growth patterns in many Asian countries and some Latin American countries like Brazil, Chile particularly in communities surrounding the tourism sites. These communities have managed to establish networks on PPT to exchange information and knowledge. They have succeeded in development of pro poor marketing techniques approaches for developing pro poor products.

Balasoiu et al (2003); Torres and Mormsen (2005); Phillips (2008) and Mao (2015) further add on the design of different tourism stakeholder management and involvement structures, in tourism site management skills, how to develop pro poor visitor management plans, the development of impact assessment techniques stressing life cycle concerns, defining the role of women in pro poor tourism, how to understand the role of various actors in pro poor tourism, on how to hold fundraising initiatives to help in the development of pro poor tourism products, and on how to develop and implement tax incentives are very imperative to support pro poor tourism initiatives.

On education development, the potential indirect and direct impact of tourism on the education development of the host community is a popular topic in the literature, usually covered in the socio-economic aspects. However, few discourses are based on research evidence. Cooper (2007) attributed this to the difficulty of studying impact due to their complexity. An additional problem is that social and cultural dimensions are difficult to quantify, therefore, out of reach of most researchers employing conventional methods. Using the tourism literature as a baseline, one can develop the arguments further and identify ways in which this impact can affect education in positive or negative ways.

Even though economic benefits are certainly the primary cause for the promotion of tourism in developing countries, the benefits are mainly seen in the gain of (often desperately needed) foreign exchange and the creation of employment. Zhao and Ritchie (2007); and Christie et al (2014) claimed that tourism generates a considerable secondary economic activity in a destination country with income percolating to the public sector, business and private households. Consequently, the locals' possession of foreign or local currency earned in the tourism industry enables them to spend more on education leading to a better education status. It also allows them access to better education

facilities like building schools, libraries, books and the like if earnings from tourism have been used to improve the services. Hundt (1995) presented Brazil, Jamaica, Peru, South Africa and Kenya as examples where tourism development has led to prosperity and improved education of the population.

Studies have shown that different groups within a community may have different perceptions of the impact of tourism on their community and lives. Cole (2005); Tureac et al (2008) and Choudhury (2013) examined on a role of tourism sector on the socio-economic development of a local community and found that local residents who were economically dependent on tourism had a more positive attitude towards the tourism industry's positive impact on social sector development specifically education development than those who were not.

In the above findings the factors that were affecting different groups' perceptions of tourism's benefits or costs include length of residency, extent of tourism development, residents' proximity to the tourism sites, the degree of dependency on tourism, the degree of community cohesiveness and/or local patriotism, age, gender, reasons for moving to the community, income, employment status, education, contact with tourists knowledge about the tourism industry type and the type of tourism at the destination.

Zaei (2013) argues that tourism is not limited only to activities in the accommodation and hospitality sector, transportation sector and entertainment sector with visitor attractions, such as, theme parks, amusement parks, sports facilities and museums. Tourism and its management are closely connected to all major functions, processes and procedures that are practiced in various areas related to tourism as a system. Luvanga (2003) and Kweka (2004) are very specific on this point that tourism benefits local communities in a multidimensional manner including education sector.

Tourism has contributed to the growth of the local communities of attractive sites where revenues collections are well managed. In particular tourism has developed the local education in terms of increasing number of schools and education facilities in these tourism surrounding societies. Crooker (2007) pinpoints that one will agree that tourism whether on a large scale or low scale, in no small measure affects the local community development. This is particularly evident during the period of the events and sometimes afterwards. Tourism is an economic sector able to offer a significant contribution to the

economic growth of a region and to the labour market, and creates good source of revenue for social sector development like education facilities.

Dieke (2001) and Dian-Yulie (2014) at different times have contended that tourism generates occupation opportunities directly and indirectly through the supply of goods and the necessary services for tourist activities. Moreover, tourism produces social benefits to the region (i.e. small and medium-sized enterprises' development, creation of new jobs, improvement of education status etc.). Culturally, tourism is considered as an element of community enrichment; this is attributed to the meeting of different cultures that can be complements to educational developments of young population. Also, tourism can positively contribute to the maintenance of natural environment by protecting, creating or maintaining national parks or other protected areas that are equally learning facilities to current and future young generation.

Tourism on infrastructure can have a significant role as well since over years there has been much investment in infrastructure, such as new roads and electricity, particularly within the national parks to encourage further development of the tourism industry. The phenomenal growth in tourist arrivals in different places is facilitated by its accessibility. Visitors come to visit tourist attractions mainly by air and road.

Frederico (2012) acknowledges that in local community development relationship the closest and easy of passing to sites determines frequency of tourists' arrivals and the amount of revenues that can be collected from these tourists. Revenue generated from tourism should be used to construct and improve roads by upgrading some, especially those roads taking tourists to airlines or towns. Buses, hired cars and taxis should regularly travel between tourism sites and town or city smoothly; all this termed as tourism infrastructure has contributed to local community development.

Tourism is most attractive if a country has all possible types of alternative transport facilities both in its major and minor networks. Trunk routes are inter-state routes forming the national network (Tom, 2007); and (Zaei, 2013). They can provide linkages between main transport hubs of a country. The connections between the trunk routes and the nodal towns within a tourist region are mostly managed by regional transport authority. Private travel organisations have a greater role at the lowest level to look after the transport needs of tourists within the smallest local network. A tourist requires not



just an access to a tourist region but also an easy access in terms of cost, time and level of comfort.

The importance of infrastructure on local communities is that it increases economic capacity and potential for growth and development, very important marketing of products (for retail shopping, and ambiance), facilitates free activities within walking distance, and promoting operational efficiencies.

Tourism sector influences local community development in terms of health facilities. It is generally known worldwide that tourism is the fastest growing industry. Nevertheless, the popular areas of study on the contribution of tourism on social sector development are mainly centred on the economic, environmental and socio cultural impact. Very few studies have been done on the impact of tourism on the local community development in terms of health facilities. Nowadays, the emergence of new infectious diseases or the re-emergence of diseases is causing concern on how tourism activity can contribute to health sector improvement in local communities. More importantly is that tourism revenue is a chief source of developmental resource and should give significant contribution to health sector within and adjacent the tourism sites.

The study findings of Cooper (2002) and Roiko (2004) suggest that there are considerable gaps in the current knowledge on tourism's health development impact in local communities. Potential indirect and direct health impacts have been identified. Provision and improvement of community health centres, equipment and health officers and other related facilities concerns in relation to local community development resulting from tourism activities have been raised. A wide range of research topics has been suggested based on these findings. Finally, elements of a possible framework for understanding tourism's health impact and their interrelationships have been identified.

The question of the rapidity of the return on investment in relation to other sectors show that tourism has the potential to make a substantial contribution to an upturn in economic activity in other sectors. Tourism is a major component of the services economy, representing 30% of international trade in services.

One vital contribution that tourism can make to economic growth lies in their indirect impacts, which in the T20 countries represent over 45% of tourism's total contribution to GDP. The indirect economic impact which correspond both to goods and services

purchased by the tourism sector and to investment and public spending generated by tourism, are important drivers of economic growth.

Tourism, especially the hotel and catering segments, is one of the few sectors of the economy to be at the centre of the production chain, not only for farm and food products but also for consumer and capital goods. An analysis of the G20 countries shows that tourism's contribution is particularly important in countries where there is strong domestic demand for tourism. The same is true of countries that have developed high value-added tourism by combining the two fundamental pillars of domestic and international demand (WTO, 2017)

Local communities form a basic element to modern tourism. Godfrey and Clark, (2005) affirm that local communities are the focal point for the supply of accommodation, catering services, information and transport facilities and services. Their local natural environment, building institutions, their people, culture and history, all form core elements of what the tourists come to see. Whether as towns, villages or cities, every community has tourism at one level or the other and is affected by the growth and development of the industry.

Over the years, tourism has made remarkable contribution both locally and at the global stage in terms of employment creation, poverty alleviation, earning of foreign currency (Mwakalobo et al. 2015). Despite of this contribution, developing countries have not outstandingly utilized the generated tourism revenue for the socio-economic development of their local communities Bushel and McCool (2007).

## **2.7 Research Gap**

The study has surveyed a large corpus of literature where it touched the economic significance of tourism by appreciating role. Then the review shifted to consider Tanzania tourism focusing on history, the role of Arusha as a unique hub, and later it focussed on the role of tourism for local community development. In this section it was established that there is huge resource that is generated by tourism activities, however, good the decentralization policy is, due to less effectiveness in implementing it, the local communities can be left in the marginalized states.

Assessment of the performance of local government authorities in imposing and allocating the collected tourism revenues and the income generated from tourism

activities has not been done in Tanzania in general and Arusha region in particular. It was for this reason the study has decided to carry out this empirical study so as to fill this gap. The central theory of fiscal decentralization reviewed in this study contains several implications that can help the formulation of policies for local community development. After that, the study shifted to review seven policies which are in one way or another connected to tourism. These policies are the National Tourism Policy, The Community Development Policy, The Education and Training Policy, The Wildlife Policy, The National Environment Policy and Tanzania National Parks Policy.

In retrospective, all policies were not participatory in nature, since none of them have claimed to have involved the grassroots communities. Secondly all these policies are in a 'way fragmented,' as none of them has consciously tried to mainstream the components of the other. For example, one would expect Community Development Policy to be quoted in the National Tourism Policy or National Parks Policy.

After that, the review shifted to discuss the theories underpinning the study. These theories are pro-poor tourism, and collective action theory. These theories are discussed with the view that globalization retains its significant effect, whether positive or negative. The knowledge gap determined here is that there is currently no study which has been conducted in Tanzania in terms of scope of using the selected theories to determine the role of tourism on local community development using quantitative approach which realistically measures development components.

In the last section of the review, there is coverage of studies on tourism and community development, which has used a qualitative approach. There are studies, which have a global scope, Africa scope, East Africa Scope and Tanzania Scope. The overall finding is that tourism has a huge potential for community development, but the material benefits to local communities living within and adjacent to the National Game Parks in Arusha region was not known, considering that tourism has been said in various reports to generate a significant revenue to the nation and occupy a vital position for socio-economy of Arusha region. Another major research gap in literature was in terms of methodology, it has been discovered that most of scholars discussed here have employed qualitative approaches in collection and analysis of data. The current study has employed mixed research methods whereby the qualitative approach has covered five years (2011-2015) and quantitative approach has covered a period of 25 years (1991-2015).

Moreover, another critical gap unveiled in the chapter was that most studies, which have dealt with local community development, were largely general, or particularly touching one or two aspects which are central to this study. These variables are; health expenditures, education development expenditures, infrastructures and household income. All these have been studied in relation to tourism revenue collection, number of tourism visitors, and women entrepreneurs and employees' income in the tourism sites. Furthermore the study has sought to identify the existence of inhibitors of local community development.

## **CHAPTER THREE**

### **RESEARCH METHODS**

#### **3.1 Introduction**

This chapter describes the methods that were used to carry out the study. It has covered the following: research design, study area, and population, the sample size and the sampling procedures, data collection methods and tools, the validity and reliability of data, data gathering procedure, data analysis, ethical considerations and the limitations of the study.

#### **3.2 Research Design**

The study employed a triangulation design, which is a form of mixed methods in social sciences. According to McMillan and Schummacher (2005), mixed methods approaches are becoming increasingly popular in academia, where researchers want to maximize the strengths of both quantitative and qualitative paradigms, and minimize their weaknesses. These authors categorize mixed methods designs to fall into two groups namely; exploratory designs, where the main results are expected to be qualitative providing a detailed description of opinions and perceptions of respondents on the study problem, and the quantitative studies are intended to construct statistical models in an attempt to analyse and explain the study problem.

This method of simultaneously using qualitative and quantitative approaches is referred by Cresswell (2013) as sequential procedure. The study begins the sequence by gathering qualitative data to get detailed description and analysis of target concepts in the study which are; the perceptions, opinions and views of respondents in evaluating the study problem, measured by frequencies, percentages, means, standard deviations and inhibitors/challenges. After qualitative analysis, the quantitative data were also collected to get precise measurement and analysis of target concepts in the study these are; regression coefficients, coefficients of determination, trend analysis, and long run relationships (cointegration analysis).

The exploratory design, begin by performing a pilot study and analysing qualitative data from few individuals (20 respondents), thereby obtaining themes and perspectives which would prepare for a larger study of 504 respondents that would take a qualitative nature. On this qualitative side, in-depth data were collected using the interview guide and data

were thematically analysed. During the study, a cross-sectional approach was chosen because data was collected at one point in time from several individuals. Furthermore, the quantitative data was collected from the Arusha regional Commissioner's office department of National Bureau of Statistics and the TANAPA office, though not organised systematically, a researcher had to organise them appropriately to cover 26 years period for time series analysis. The above mentioned design according to McMillan and Schummacher (2005) is called triangulation design, whereas Cresswell (2013) calls it a sequential/concurrent mixed methods design. The concurrent mixed methods design intends to establish the relationship between tourism and local community development in the aspects of education, health, per capita income and infrastructure. Other aspects are the inhibitors/challenges of community development which were also studied using qualitative approach.

### **3.3 Target Population**

The target population of study was comprised of households from selected villages in Arusha region within and adjacent the National Game Parks. Arusha region has four major attractions namely Arusha National Park and Mount Meru, Ngorongoro Conservation area (Crater) and Olduvai Gorge (Historical site), Manyara National Park, and Tarangire National Park. There were five (5) selected villages adjacent to Arusha National Park and Mount Meru. The villages are Ngurudoto, Ngongongare, Njeku, Sakita and Ngarenanyuki (Ary et al 2002). There were five (5) selected villages around and within Ngorongoro Conservation Area and Olduvai Gorge these were Tloma, Bashay, Mbulumbu, Mbuga Nyekundu and Oldeani.

Five other villages were selected around and within Manyara National Park. These are Endamarariiek, Bassodawish, Kibaoni, Endabash, and Chemchem. Lastly, there were three (3) selected villages around and within Tarangire National Park. These were Kakoi, Vilima Vitatu and Qash. All the mentioned villages were selected purposively to ensure that the selected wards have the population which interacts with tourists when visiting their areas. This was to enable the researcher to collect enough data from respondents who interacts with the tourists, the LGAs and their economic status deriving out of those interactions.

**Table 3.1 Population Distribution by Tourist sites**

S/N	National Parks/Conservation Area	Village	Target population	Sample	Samplig strategy
1.	Arusha National Park	Ngurudoto	96	48	Cluster sampling  Simple Random
		Ngongongare	104	52	
		Njeku	75	37	
		Sakita	70	35	
		Ngarenanyuki	66	33	
		<b>TOTAL</b>	<b>411</b>	<b>205</b>	
2.	Ngorongoro Conservation area and Olduvai Gorge	Tloma	55	27	Cluster sampling  Simple Random
		Bashay	42	21	
		Mbulumbulu	65	32	
		Mbuga	46	23	
		Nyekundu	35	17	
		Oldeani	32	16	
		Endamarariek			
		<b>TOTAL</b>	<b>275</b>	<b>135</b>	
3.	Manyara National Park	Bassodawish	50	25	Cluster sampling  Simple Random
		Kibaoni	70	35	
		Endabash	42	21	
		Chemchem	34	17	
		<b>TOTAL</b>	<b>196</b>	<b>98</b>	
4.	Tarangire National Park	Kakoi	35	16	Cluster sampling  Simple Random
		Vilima Vitatu	50	25	
		Qash	30	15	
		<b>TOTAL</b>	<b>115</b>	<b>56</b>	
5	TANAPA LEADERS	<b>TOTAL</b>	<b>10</b>	10	Purposive Sampling
<b>Gland TOTAL</b>			<b>1,007</b>	<b>504</b>	

**Source: Researcher' Field data (2016)**

Figure 3:1 shows the population distribution by tourist sites, where the target population were 1,007 and the sample was 504. The Sampling strategy used are cluster and simple

random. The 10 top TANAPA officials were purposively selected with the intention of conducting in-depth interviews for the study.

### **3.4 Sampling Procedures**

The study employed three sampling techniques: the purposive sampling technique, clustered sampling and simple random sampling. Purposive sampling was used to select village leaders and TANAPA officials. A total of 35 village leaders were selected, who were either the village Chairperson or Village Executive Officer. These leaders were selected because they occupy the top management positions within the LGAs and are often consulted by tourist agencies, security agencies and possess detailed local knowledge in terms of economic, political and social aspects. Furthermore, ten officials from TANAPA high management were interviewed (Director General, Director of Tourism and Marketing, Director of Outreach programme, TANAPA Manager, TANAPA Assistant park Ecologist, and five chief park wardens) because they are familiar with the tourism activities in the community.

The selection of the community members living within or around the national parks was based on the clustered sampling technique because the respondents were sparsely scattered in various villages. After obtaining a list from each village, the simple random technique was then adopted in such a way that samples of the same size had equal chances of being selected as also explained by Amin (2005) and Baumgartner et al (2005).

#### **3.4.1 Research Instruments**

This study employed questionnaires, face-to-face interviews and focus group discussions Bell (2005). The questionnaires were used to collect data, to describe study variables qualitatively, while the face-to-face interviews and focus group discussions were employed with key informants to gain detailed qualitative information about the study variables. The researcher also made some observations to see the economic levels of local communities within the research area and the levels of the provision of basic social services including health centres, schools and passable roads.

The documentation analysis was done from the secondary time series data obtained from the Ministry of Natural Resources and Tourism, TANAPA, and the National Bureau of Statistics in Arusha region.



### 3.4.2 Structured Questionnaires

A questionnaire was used to key informants to obtain relevant information from the study area of the actual happenings and activities. Through these questionnaires, respondents got ample time to read the questions and see what the researcher demanded to be replied. This produced concrete, researchable and reliable information. Generally, this method helps to mitigate weakness likely to be met when conducting personal interviews because respondents might not be able to respond immediately as sometimes they are busy with their own activities. Self-completion questionnaires were one of the data collection methods in this study which was used by the researcher to all the four categories of these respondents. The sample of the structured questionnaire is attached as Appendix I.

The questionnaire was designed into sections as highlighted below: (1) Section (A) focused on information related to the demographic characteristics of the respondents like gender, age, and average income per month, and household size. Section (B) Focussed on the three research questions. The first research question was labelled B1. It investigated the role of tourism on social sector development of local communities within and adjacent to National Parks in Arusha region local communities. It had three subsections, namely economic development impact (11 items); social cultural impact (7 items) and infrastructural impact (7 items) with the overall total of 25 items.

For B2 Research question two; focused on tourism contribution on social sector development in health development (14 items), and established the extent to which tourism activities influence on education development (14 items), to assess the contributions of tourism towards infrastructure development (14 items).

The scoring system of this section required the respondents to rate the responses by checking/ticking the relevant number: 4.1-5.0 = Very Satisfactory: 3.1-4.0 = Satisfactory: 2.1-3.0 = Fair: 1.1-2.0 = Poor.

The second research question was labelled B3. It investigated the extent to which tourism contributes on household income of local communities within and adjacent to National Parks in Arusha region, it had 14 items.

The third research question was geared to examine the impact of inhibitors of community development adjacent and within tourism sites. It was labelled as B4. It had a total of 9 items.

The scoring system of this section required the respondents to rate the responses by checking/ticking the relevant number: 4.1-5.0 = Very Satisfactory: 3.1-4.0 = Satisfactory: 2.1-3.0 = Fair: 1.1-2.0 = Poor.

### **3.4.3 Face to Face Interviews**

This method involves face-to-face conversation between the interviewees and the interviewer. The researcher held interviews with key informants including the village leaders and TANAPA officials to gain a picture of how tourism revenue can result in spill-over economic benefits to the local population within and adjacent to the National Game Parks, the interviews were structured in line with the study's research questions.

The study looked on the perceptions, attitudes, and opinion of respondents on the tourism sector and how it enhances community development. The instrument had four open-ended questions, which reflected the objectives of the study. The instrument was used because it had a high possibility of gathering in-depth data. The duration of face-to-face interviews ranged between 30 and 45 minutes (appendix II illustrates). According to Yin (1991), interviews are one of the most important sources of qualitative data collection; interviews have an advantage of collecting in-depth information. Interviewing is basically about asking questions and receiving answers. It is a way of accessing people's perceptions, meaning and definitions of situations and construction of reality (Punch 2005).

### **3.4.4 Focus Group discussions and observations**

The researcher also made focus group discussions and observing the physical infrastructures of housing, health centres, schools, mobile banking and passable rough roads within the selected research villages. The researcher, in addition to the group discussions, further visited the available schools and health centres facilities. The aim of this method was to have a clear physical verification on the status on the available public sector facilities such as health care centres and public schools within the researched areas.

This was the third data collection method that was used for collecting data as the research was carried out. The researcher ran an observation exercise which is used to observe diverse issues that were relating to the study. The information gathered through this method was used to back up data that was collected via other methods. Observations were systematically made in places where tourism revenue generation is being disbursed by LGAs through fiscal decentralization so as to measure its effects on economic empowerment of the local communities.

### 3.5 Validity and Reliability of the Instruments

#### 3.5.1 Validity of the Instrument

Validity of the data refers to the extent to which the concept one wishes to measure is being measured by a particular scale or index. It is also defined as the extent to which an instrument measures what it purports. Validity requires that an instrument is reliable, but an instrument can be reliable without being valid Babbie (1992); and Carole (2008). The validity of the instrument was insured by use of the following strategies: the researcher computed the validity coefficient using the content validity index (CVI), which was obtained by considering items declared valid over total items declared invalid. Theoretically the minimum value of validity measure should be 0.5. Since the questionnaire had a CVI index of 0.91, it is therefore confirmed that the instrument is valid and excellent (Madondo, 2015). The validity coefficient value was obtained using the formula below:

$$V = \frac{CVI}{TI} \quad \text{Where CVI} = \text{number of items declared valid. TI} = \text{total number of items}$$

$$\frac{CVI}{TI} = \frac{14 + 14 + 14 + 11}{57} = \frac{53}{57} = 0.91228070175485$$

Therefore, since the computed CVI is greater than the Critical minimum value of 0.5, the questionnaire was declared valid. Concerning the construct and content validity, items were constructed considering the elements of the dependent and independent variable. The questionnaire is therefore in congruence with the variables/purpose/objectives/research questions and the design that the study employed. Considering the face validity, five experts (senior) lecturers in the postgraduate school were requested to critic, examine and score the questionnaire. From their comments and advice, the CVI were calculated and agreed the study instruments.

### 3.5.2 Reliability of the Instruments

Reliability refers to the consistency with which repeated measure promotes the same results across time and across observers (Patton, 2002). The reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials. Although unreliability is always present to a certain extent, there will generally be a good deal of consistency in the results of a quality instrument gathered at different times.

The tendency toward consistency found in repeated measurements is referred to as reliability coefficients. The reliability analysis was done using Cronbach's alpha coefficient on the researcher-devised questionnaire for the independent variables and the dependent variables (tourism and community development) to test the accuracy of the research instrument.

A pilot test was administered to 20 respondents living in Ngongongare village, which is adjacent to Arusha National Park (western border). The results were coded into the SPSS program to establish the Cronbach's alpha, which has the purpose of confirming the internal consistency of the questionnaire items. The findings are depicted in Table 3.3.

**Table 3.3 Reliability Statistics**

Variables	Measures	Cronbach Alpha coefficients
Tourism	Economic Development	0.753
	Social Cultural Impact	0.922
	Infrastructural impact	0.754
Community development	Education	0.742
	Health	0.891
	Infrastructure	0.825
Household Income	Assets	0.975
Inhibitors	Challenges	0.834

Source: Researcher' Field Data (2016)

Since the computed Cronbach's alpha coefficient of all the variable measures were above the minimum level of 0.5, the instrument is said to be reliable therefore acceptable for data collection.

### **3.6 Data Collection Procedures**

For dependable and relevant data, the data collection procedures were followed before, during and after the data collection process. Before the data collection process, an introduction letter was obtained from the School of Post Graduate Studies and Research of Kampala International University-Tanzania allowing the study to commence and seek approval from the relevant authorities.

Approval to conduct research was sought from the office of the Director General of Tanzania National Parks. Further, letters of consent were written to the respondents with the intention of requesting for their participation. The respondents were briefed about the study and were requested to sign the informed consent form (Appendix VI).

Four-research assistants were recruited, oriented and trained to assist in the data collection process. An orientation seminar took place in Arusha town and Karatu district, were conducted to enhance their skills and familiarize them with the study. In this seminar, many aspects were discussed; amongst them was the research topic, problem statement, objectives, the conceptual framework and lastly the questionnaire and the interview protocol.

The researcher and assistants emphasised the importance of retrieval of the questionnaires within five days from the date of distribution. On retrieval of the raw data, all returned questionnaires were thoroughly checked to ascertain if all were well answered. The data collected was cleaned, sorted and coded into the computer (SPSS and STATA software) and statistically analysed.

### **3.7 Qualitative Data Analysis Procedures**

#### **3.7.1 Descriptive Analysis Procedures**

According to Cooper and Schindler (2003), analysis refers to the process of reducing accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques. Since the study employed the mixed methods paradigm, descriptive and inferential statistics were used to analyse the qualitative data, and for

quantitative data statistics used are descriptive, strength of relationship and the structure (tendency) of the variables relationship in the sample period were used.

The SPSS and STATA software were employed in this study. Using SPSS 9.0 windows programme frequency distribution was performed for qualitative analysis. Frequency distributions allowed us to examine each variable at a time and provided counts of percentage for each value associated with a variable. These include the gender, age, and marital status, level of education, local community benefits, average monthly income, and monthly income directly from tourism of the respondents.

Data concerning the demographic characteristics of respondents were descriptively analysed by frequencies and percentages. Using the Likert scale, means and standard deviations were used to measure responses on the four constructs of local community development namely; education, health, infrastructure and per household income and the inhibitors of local community development. Table 3.4 shows the mean ranges from which interpretations were drawn.

**Table 3.4 The mean ranges from which the interpretations were drawn**

SN	Mean Range	Response	Interpretation
4	4.1–5.0	Very Satisfactory	very satisfactory
3	3.1–4.0	Satisfactory	Satisfactory
2	2.1–3.0	Fair	Fair
1	1.1–2.0	Poor	Poor

**Source: Researcher’ Field Data (2016)**

### **3.7.2 Inferential Statistics**

The study has employed regression technique to establish the relationships between tourism and local community development in terms of education, health and infrastructure; between tourism and local community development in terms of household income; existence of development inhibitors of local community development in the tourism sites (location) and independent variables are continuous. The table 3.5 below shows a graphical explanation of how data presented for addressing each research question was analysed.

The table 3.5 below presents how variables were operationalised in the study.

**Table 3.5 Variables Operationalization**

<b>Concept</b>	<b>Operational Definition</b>	<b>Units</b>
Gender	A state of being male or female	a-Male b-Female
Age	Number of years since one was born	Years a-18-25 b-25-35 c-35-45 d-45-55 e-55 and above
Household Size	Number of members in the household	a-2 or less b-3-5 c-5-10 d-11 and above
Income	Monetary value of earning in a month	a-below 250,000 TZS b-251,000-500,000 TZS c-501,000-1,000,000 TZS d. 1,001,000-2,000,000 TZS e, 2,001,000 andTZS
Tourism Income	Monetary value from tourism related activity/business	Monthly percentile of income
Education	Income provided to support learning in	Likert Scale

	schools	
Health	Income provided to support medical services	Likert Scale
Infrastructure	Wide range of constructed places such as roads, playgrounds, bridges	Likert Scale
Contribution	The assessment on how tourism has contributed to ownership of various assets	Yes/No
Inhibitors	Challenges or obstacles preventing community members to maximize opportunities found in tourism sector	Likert Scale
Tourism	Community development impact as caused by people who visit national parks or conservation areas	Likert Scale
Community Development	Tangible outcomes of tourism in improving social sectors as well as household income	Likert Scale

**Source: Developed by the Researcher, 2016**

Qualitative Data Analysis (QDA) is the range of processes and procedures whereby we move from the qualitative data that have been collected, into some form of explanation, understanding or interpretation of the people and situations we are investigating. QDA is usually based on an interpretative philosophy. The idea is to examine the meaningful and symbolic content of qualitative data which are transcribed.

The study followed the processes or steps of qualitative analysis in organizing data, identifying the framework of the study and sorting the data into that framework as described in the conceptual framework of the relationship between tourism sector and local community development, next the description of data was followed by the second order analysis of results.

In this respect the data management was performed by searching for commonalities of tourism activities and resources and local community development components, contrasts and comparisons which led to physical reduction of data and enabled the



creation of coding categories and labels of data and their relationships. The inhibitors also were identified through inquiry on local communities' stakeholders in the tourism sites, and their perception values had to be evaluated in the information of interviewees and questionnaires respondents in the Arusha National Game Parks. This techniques lead to producing summaries, abstracts and finding ways of displaying the results and drawing conclusions.

This study has opted to use Cresswell (2003) qualitative data analysis procedures because of the robust and easy to follow techniques of data analysis. In his work, there are research methodologies which culminate to fledged data analysis, these are outlined and applied as indicated below:

***Step 1: Organize and Prepare for data analysis***—this involved transcribing of key informant interviews which were ten and focus group discussions which were four representing at least one village around or within the four selected national parks. So the data were organized into four computer folders. Each folder was labelled to represent one research question.

***Step 2: Read through all the data***—In order to get a general sense of the whole, the researcher read everything; at this point it was interesting to note the qualitative findings were deeply amplifying quantitative findings. The general ideas indicated that tourism has significantly low impact in community development. The tone of the respondents was pitiful; some were very emotional and disappointed to what TANAPA was doing to the communities around and within national parks. At this point, the researcher was ready to proceed to the next step.

***Step 3: Perform the Coding Process***—Coding process is the hallmark of qualitative research designs. It involves labelling the raw materials into meaningful 'chunks' or 'flags' which will later be used in the constant comparative method. Powell and Connaway (2004), have argued that constant comparative method, is a most effective means of content analysis. The authors add that it has four stages namely, comparing incidents applicable to each category; integrating categories and their properties; delimiting theory and lastly writing the theory.

As noted earlier, the importance of coding cannot be over emphasized. The study has employed open coding which is usually the foundation of all coding. It did not do selective coding because the established categories were all important.

The open coding was done first by establishing the themes for each research question. This is the key idea in each research question. Since the research questions were three, the overall themes were four namely social sector developments; household income, community development inhibitors. Further coding was done to establish chunks of meanings in each focus group quotations or face to face interviews. As it will be seen many subthemes emerged and were written in the Ms-Word margins, using the aid of review tab in the upper tool bar. This entire process was done manually by the researcher.

*Step 4: Conduct Description.* At this stage the researcher drew a table in order to get more descriptive and analytical characteristics of the sample. The table has five columns. The first column is labelled themes, the second column is labelled sub-themes, the third column is labelled quotations—here there is a selection of best verbatim quotes to represent a coded sub-theme, which relates to the overall theme; the fourth column is called findings—this so important, because it synthesises the overall finding under particular theme or subtheme; the last column is called references, it bears symbolic expressions of respondents. This is done intentionally in order to comply with research ethics which demands anonymity.

*Step 5: Advance the Description of Themes*—here first drafts or qualitative data analyses were written in a narrative form, based on objectives.

*Step 5: Capture the final interpretation of data*—since this is the last step, the researcher worked out the earlier draft of analysis by re-reading and editing. Moreover, the researcher looked for conceptual connections from scholarly published works and was duly cited.

### **3.8 Quantitative Data Analysis Procedures**

#### **3.8.1 Descriptive Quantitative Analysis**

From the quantitative research approach the first two questions have a characteristic of numerical measurability. The study preferred to use non-linear analysis technique due to the fact that the relationships between the dependent and independent variables do not exhibit a predictable pattern of proportionality, Yin (2003).

The STATA programme was used to calculate time series data, observed for a given time sequences and collected at a single point in time, that is from 1991 – 2016 (26

series years), known as time series data. On this analysis the scales of variables is measured in terms of million Tanzania Shillings for monetary tourism revenues, per capita incomes and expenditures, individual number of visitors and women entrepreneurs are measured in nominal measures as the Arusha socio-economic profile indicates.

The descriptive statistics on the mentioned quantitative variables are analysed in mean, standard deviation, variance, skewness, kurtosis, minima, maxima and normality for each variable. The strength of relationship in this study is analysed using the coefficient of determination ( $R^2$ ) in each multiple regression result. Furthermore, the structure (tendency) of a relationship was analysed basing on the line graphs produced to show the distribution of the data and a set of tables and other graphs like the impulse response functions and forecasting graphs to show more relationships in the study Lutkepohl, (2005).

Regression results produced regression coefficients; analysis and interpretation from the quantitative model were made from these results. The variables were employed on tourism resources on time series data and its role in local community development. It should be born in mind that according to the nature of data mentioned earlier (both dependent and independent variables are quantitative), the analysis technique is the multiple regression. In addition to that the significance levels have also been computed and interpreted to explain the relationship and significance of the STATA estimated results; these are t-statistics and F-statistics at 5% (0.05) and lower which is typically acceptable in the social sciences.

**Table 3.6 Quantitative Data Analysis Matrix**

S/N	RESEARCH QUESTION	ANALYSIS TECHNIQUE
1	What are the contribution of tourism on social sector development in health, Education and Infrastructures?	Non-Linear Multiple regression Analysis
2	To what extent do tourism activities contribute on household income in Arusha region?	Non-Linear multiple regression Analysis

**Source: Developed by the Researcher, 2017**

### 3.8.2 Research Model on Quantitative Analysis

Economics theories have underpinned the basic tools of analysing the ability and motives of any economic agent or sector on maximizing the benefits and minimizing the costs as a condition for sustainable economic development Ramirez et al, (2000); Akunay et al. (2003). It should be born in mind that development is a quantitative and qualitative improvement in all dimensions of human life. This analysis has underscored the study in such a way that is viable for stakeholders to plan and formulate policies that are sustainable on tourism development. According to literature review chapter, the development theories suggest that while 2/3 of total output in the economy is determined by working time, 1/3 of output overflows from leisure activity, and tourism is the heart of such economic activity Kydland, (1995); Wu, (2003); Liu and Hao, (2009).

### 3.8.3 Derivation of Local Community Development Function

Some studies have observed that tourism earnings and resources are among the major drivers of community development (Hamzah, 2009; Akunay et al, 2003; Leys, 2005; and Sosovele, 2005); health development (Cooper, 2002; Roiko, 2014); educational development and per capita income earnings (Moore, 2014; and Thapa, 2012); and for infrastructural development (Hjalager, 2007; Cooper, 2002; Zhangn, 2009; and Cao, 2005).

Because the model emerges from economic activity and is a multiplicative welfare function, it will assume Cobb-Douglas function of the form  $BF_t = f(T^\alpha, N^{1-\alpha})$ , where  $BF_t$  is the community development benefit derived from tourism resource earnings (*T such as revenue collections, earnings from selling crafts, earnings from any tourism related employments*) and non-tourism resources (*N such as government funds, NGOs projects, and any nontourism related employments like farming*) in time (*t*).

The local community surrounding tourism sites and within the tourism sites seek to maximize the development benefits ( $BF_t$ ).

$$\text{Max } BF_t = f(T^\alpha, N^{1-\alpha}) \dots \dots \dots (1)$$

Where  $\alpha$  is the power coefficient in the Cobb-Douglas function, and it represents the share of tourism resources or earnings in total local community development (which would be 100% equivalent to 1) and  $0 < \alpha < 1$ . All the variables are flow variables that mean are measured per unit time (*t*).

The maximization problem of local community development is constrained by the following budget if price is (P) and total resources (Y);  $P_T T + P_N N = Y$ . The tourism earnings are spent through allocating them to health services as estimates of service like spending on medicals, buildings to health and other finances related to health (HBF<sub>1t</sub>). On education development as estimate of value in terms of buildings, equipments and other finances related to education (EBF<sub>2t</sub>). And on infrastructure development as amount of funds from government channelled to infrastructural facilities and other related finances (INBF<sub>3t</sub>). Finally we have tourism benefits to household income in the local community (HIBF<sub>4t</sub>).

On the other hand, tourism earnings in Arusha region includes fees, taxes, foreign intermediaries, domestic intermediaries or regional air transport, accommodation, and out of pocket expenses. The study has labelled them as T<sub>1t</sub>, T<sub>2t</sub>, T<sub>3t</sub> and T<sub>4t</sub> for total earnings collection (T<sub>1t</sub>), Number of visitors (T<sub>2t</sub>), Number of women entrepreneurs (T<sub>3t</sub>), and employees' income per capita (T<sub>4t</sub>) in the tourism sites respectively.

It should be noted that T<sub>1t</sub> proxies socio-economic development resources, T<sub>2t</sub> and T<sub>3t</sub> proxy socio-cultural development resources, the variable T<sub>4t</sub> proxies' economic and household development resources, according to (Zaei, 2013; Chheang, 2010; Brohman, 1995; Hatton, 1999; Sharplayard and Telfer, 2015). Since the study has assumed that each of the four local community development components is influenced by the four independent variables simultaneously, we can therefore formulate four multiple non-linear regression model by assuming away the influence of non-tourism resources (N) as follows:

$$\begin{array}{l}
 HBF_{1t} = F[T_{1t}, T_{2t}, T_{3t}, T_{4t}] \dots \dots \dots 2a \\
 EBF_{2t} = F[T_{1t}, T_{2t}, T_{3t}, T_{4t}] \dots \dots \dots 2b \dots \dots \dots (2) \\
 INBF_{3t} = F[T_{1t}, T_{2t}, T_{3t}, T_{4t}] \dots \dots \dots 2c \\
 HIBF_{4t} = F[T_{1t}, T_{2t}, T_{3t}, T_{4t}] \dots \dots \dots 2d
 \end{array}
 \left. \vphantom{\begin{array}{l} 2a \\ 2b \\ 2c \\ 2d \end{array}} \right\} T_{3t},$$

It should be noted further, that the variables used in this analysis are defined for operationalization of the model, all these independent variables are operationalized from wildlife activities in viewing (animals, plants and birds), historical sites and physical

features (like Olduvai Gorge and mount Meru), cultural tourism that includes dances, Masai Bomas, crafts etc) which in total contribute to tourism resources and earnings.

The quantitative analysis which has four dependent variables ( $T_{1t}$ ,  $T_{2t}$ ,  $T_{3t}$ , and  $T_{4t}$ ) and four independent variables ( $HBF_{1t}$ ,  $EBF_{2t}$ ,  $INBF_{3t}$ , and  $HIBF_{4t}$ ) covers twenty six years (1991-2016) sample period data as shown in the appendix IX. For clear interpretations in reference to literature relating to community development, the indicators are scaled to Arusha Gross Domestic Product (GDP), Theodos (2015) and Drogin (2015).

### 3.8.4 The Basic Econometric Model

The above model number (2) is a functional form and can be re-written in equation form which is called the basic econometric model. The study's basic regression or econometric model (3) deals with the specific relationship between dependent (local community development) and independent (Tourism activities) variables in question. This is hereby expressed symbolically in four simultaneous equations as;

$$\begin{array}{l}
 HBF_{1t} = \beta_0 + \beta_1 T_{1t} + \beta_2 T_{2t} + \beta_3 T_{3t} + \beta_4 T_{4t} \dots \dots \dots 3a \\
 EBF_{2t} = \gamma_0 + \gamma_1 T_{1t} + \gamma_2 T_{2t} + \gamma_3 T_{3t} + \gamma_4 T_{4t} \dots \dots \dots 3b \\
 INBF_{3t} = \theta_0 + \theta_1 T_{1t} + \theta_2 T_{2t} + \theta_3 T_{3t} + \theta_4 T_{4t} \dots \dots \dots 3c \\
 HIBF_{4t} = \delta_0 + \delta_1 T_{1t} + \delta_2 T_{2t} + \delta_3 T_{3t} + \delta_4 T_{4t} \dots \dots \dots 3d
 \end{array} \quad (3)$$

Where;  $\beta_0$ ,  $\gamma_0$ ,  $\theta_0$ ,  $\delta_0$  are intercepts coefficients of dependent variables when the independent variables equal to zero.  $\beta$ 's,  $\gamma$ 's,  $\theta$ 's, and  $\delta$ 's are partial slope coefficients of independent variables, because equations in the model (3) above is multiplicative, they can be transformed from linear to log-log functions as;

$$\begin{array}{l}
 \ln HBF_{1t} = \beta_0 + \beta_1 \ln T_{1t} + \beta_2 \ln T_{2t} + \beta_3 \ln T_{3t} + \beta_4 \ln T_{4t} \dots \dots \dots 4a \\
 \ln EBF_{2t} = \gamma_0 + \gamma_1 \ln T_{1t} + \gamma_2 \ln T_{2t} + \gamma_3 \ln T_{3t} + \gamma_4 \ln T_{4t} \dots \dots \dots 4b \\
 \ln INBF_{3t} = \theta_0 + \theta_1 \ln T_{1t} + \theta_2 \ln T_{2t} + \theta_3 \ln T_{3t} + \theta_4 \ln T_{4t} \dots \dots \dots 4c \\
 \ln HIBF_{4t} = \delta_0 + \delta_1 \ln T_{1t} + \delta_2 \ln T_{2t} + \delta_3 \ln T_{3t} + \delta_4 \ln T_{4t} \dots \dots \dots 4d
 \end{array} \quad (4)$$

The partial slopes are shares of resources from tourism sector to local community development. But also can be interpreted as elasticity's. By independent variables we mean explanatory variables or predictor or regressed variables. And dependent variables we mean predicted variables. Another notable feature of this model is that the relationship between dependent and independent variables is not directly proportional and thus the variables have been transformed into natural logarithmic forms (Cobb and Douglass, 1928; Gupta, 2003, 2015).

If the above model function (3) is estimated by ordinary least squares in STATA the study will generate the following tabulated results:

**Table 3.7: Ordinary Least Squares Estimations**

<b>Local Community Development</b>	<b>Tourism Sector Resource Utilization</b>				
	$\log T_{1t}$	$\log T_{2t}$	$\log T_{3t}$	$\log T_{4t}$	<i>Constant</i>
LogHBF <sub>1</sub>	$\beta_{1t}$	$\beta_{2t}$	$\beta_{3t}$	$\beta_{4t}$	$\beta_{0t}$
LogEBF <sub>2</sub>	$\gamma_{1t}$	$\gamma_{2t}$	$\gamma_{3t}$	$\gamma_{4t}$	$\gamma_{0t}$
logINBF <sub>3</sub>	$\theta_{1t}$	$\theta_{2t}$	$\theta_{3t}$	$\theta_{4t}$	$\theta_{0t}$
logHIBF <sub>4</sub>	$\delta_{1t}$	$\delta_{2t}$	$\delta_{3t}$	$\delta_{4t}$	$\delta_{0t}$

**Source: Researcher computations, 2017**

From the theoretical and empirical literature reviews all our partial regression coefficients above in table 3.7 should have positive expected signs. This will indicate positive association between local community development and tourism earnings. Furthermore, since the variables have been transformed into natural logarithms, the partial slope coefficients have been interpreted as elasticities of local community development expenditures and earnings with respect to tourism sector resources.

Before estimating the basic econometric model the researcher had to declare that the variables are time series and the descriptive characteristics of variables and their relationship to the study were done accordingly, then estimating the basic econometric model. After estimating the basic econometric model pre- estimations tests were performed on the estimated model including parameters test and stationarity tests so as to determine the unit root or stochastic trend process on the model. The study used the Augmented Dickey Fuller and the Philips Perron test for unit roots, sequentially once the unit root test are performed then follows the determination of the long run relationship



between variables in the model through co-integration estimations, the co-integration test of the variables is important as it seek to determine whether to use Vector Autoregressive (VAR) model or Vector Error Correction Model (VECM) in the model analysis.

A VAR means vectors autoregressive model is analysed for non-stationary variables model equation. Specifically VAR with endogenous variables  $Y_t$  and exogenous variable  $X_t$  can be written as  $Y_t = V + A_1 Y_{t-1} + \dots + A_p Y_{t-p} + B X_t + U_t$

$$\text{Or } Y_t = V + A_1 Y_{t-1} + A_2 Y_{t-2} + \dots + A_p Y_{t-p} + U_t \dots \dots \dots (5)$$

Where P represents number of lags,  $t = 1, \dots, T$  time periods

$Y_t = (Y_{1t} \dots Y_{kt})$  is a  $K \times 1$  random vector

$A_i$  are fixed ( $K \times K$ ) matrices of parameters

$X_t$  is an ( $M \times 1$ ) vector of exogenesis variables

$B$  is a ( $K \times M$ ) matrix of coefficients

$V$  is a ( $K \times 1$ ) vector of fixed parameters

$U_t$  is assumed to be white noise

A reduced form VAR is estimated by equation-by-equation OLS, and so are the  $t$  statistics for the  $V$  and  $A_i$  estimates are the usual ones. This can be motivated by seeing that each individual equation in the VAR is a dynamic regression model of the sort described in the previous notes, where it was mentioned that they typically are estimated by OLS. After conducting VAR estimations, the appropriate specification tests (Autocorrelation, Lag length tests and Granger Causality tests).

A Vector Error Correction model (VECM): The model reliably predicted the co-integrated equations explaining the long run relationship between tourism and local communities as they have a long run relationship that is analysed by the co-integration process.

Considering that a VECM form is given by  $\Delta Y_t = V + \Pi Y_{t-1} + \sum_{i=1}^{p-1} \Gamma_i Y_{t-i} + U_t \dots \dots \dots (5)$

Where  $\Pi = \sum_{j=1}^{j=P} A_j - I_k$  and  $\Gamma_i = - \sum_{j=i+1}^{j=P} A_j$ .

$V$  and  $U_t$  are identical. If the variables  $Y_t$  are integrated of order one  $I(1)$  the matrix  $\Pi$  in the above equation has rank  $0 \leq r < k$ , where  $r$  is the number of linearly independent co-integrating vectors. This is because if  $Y_t$  and  $X_t$  are  $I(1)$ , then  $\Delta Y_t$  and  $\Delta X_t$  are  $I(0)$ , and by definition if  $Y_t$  and  $X_t$  are co-integrated then their linear combination  $[Y_{t-1} - \alpha - \beta X_{t-1}] \sim I(0)$ .

The coefficient  $(1-A_1)$  provides us with information about the speed of adjustment in cases of disequilibrium. To understand this better, consider the long-run condition. When equilibrium holds, then  $[Y_{t-1} - \alpha - \beta X_{t-1}] = 0$ . However, during periods of disequilibrium this term can no longer be zero and measures the distance the system is away from equilibrium.  $(1-A_1)$  can be negative due to a series of negative shocks in the economy in period  $t-1$ , this cause  $[Y_{t-1} - \alpha - \beta X_{t-1}]$  to be negative, as  $Y_{t-1}$  has moved below its long-run equilibrium path. However, the absolute value  $|1-A_1|$  must be positive because the overall effect is to boost  $\Delta Y_t$  back towards its long-run path as determined by  $X_t$ .

Notice that the speed of this adjustment to equilibrium is dependent upon the magnitude of  $(1-A_1)$ , this component stands for an error correction coefficient or adjustment coefficient. The  $(1-A_1)$  tells us how much of the adjustment to equilibrium takes place each period, or how much of the equilibrium error is corrected each period, Asteriou (2007). Because of this, the ECM has important meaning that if the variables are co-integrated implies that there is some automatically adjustment process which prevents the errors in the long-run relationship becoming larger and larger.

**Cointegration Test:** Suppose  $x_t$  and  $y_t$  are  $I(1)$ . If they are co-integrated, then the error term in the co-integrating equation is  $I(0)$  by definition, and if they are not co-integrated, the error term is  $I(1)$ .

The most common way to interpret the  $\Gamma_i$  coefficients is through impulse response functions (IRFs). These functions show the effect of a one-unit, or sometimes a one standard deviation, shock in variable  $j$  (i.e. a one-unit increase in  $U_t$ ) on variable  $k$  (that is, the change in  $y_{k,t+s}$ )  $s$  periods ahead, as a function of  $s$ .

### 3.9 Ethical Considerations

In respect to the sensitive nature of this study, deliberate efforts were undertaken to ensure that research ethics, both the researcher and his assistants introduced themselves

to the respondents. Anonymity of respondents was highly emphasized as a way of protecting the interests and rights of all the respondents. Similarly, the principle of voluntary participation of the respondents was highly emphasized and this ensured that none of the respondents were forced, pressurized or compelled to participate in the study (See Appendix 4).

### **3.10 Limitations**

The study stresses that there has been primarily concern with the role of tourism resources on local community development. Various limitations may exist in this study. Sample composition, which is one of the most frequently cited threats to external validity, is not considered a limitation in this study. This is a study of cognitive processes, and such processes are normally generalizable across populations within an economic system. As stated previously, because the purpose of this study is to generalize the significance of path coefficients of parameters (rather than actual parameter estimates), the used 504 respondents and 25 yearly time series data is not considered a hindrance to validity.

The primary limitation of this study, then, is revenue collection. While the tourism revenue collection was known; it remained partly unknown for the leakage of tourism revenues. This is not an oversight on the part of the study, instead, it has been acknowledged due to lack of information for a substantial number of years so constituted as another serious shortcoming of the study. In particular, lack of information in these mentioned areas precluded a more thorough empirical investigation of this research phenomenon.

Among the studies of tourism resources, it has been considered that tourism is the most difficult sector to analyse quantitatively especially the socio-cultural aspects. The study has, therefore, contributed to the understanding of the local community development process from tourism using quantitative measures.

Secondly, the target period of the study spanned within twenty-six years. The researches into this field were limited to qualitative primary and secondary data of respondents who were available at the time when studies were conducted. The previous researchers' assumption was that those respondents available during study period could give correct information for a whole span of period when the socio-economic activities are taking

place (e.g. Kweka, 2004; Ashley, 2007; and Goedler and Ritcher, 2012). As a result, the current findings has enhanced the knowledge of the local community development process from tourism resources by making empirical investigation considering a substantial period of time rather than some few existing years alone.

Finally, because the investigations could focus on local community development as a function of the tourism resources that underlie the theoretical approaches of pro-poor and social collective action theory in line with other development theories; this increased the originality of the study. Although these theories have been applied to other studies like Cooper (2002), Rubin (2002), Leys (2005), Ekpo (2008) and Mookherjee (2014), the focus on the components and their impact on local community development remain unfamiliar to many researchers and policy makers who include them in their policy formulation. It is the anticipation that the findings of the study will attract other researchers' and policymakers' attention.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

#### 4.1 Introduction

This chapter presents data in tables, where analysis and interpretation of the data was based on: (1) socio-demographic characteristics of respondents in terms of gender, age, educational qualifications. (2) Means and standard deviations were employed to examine the level/extent at which tourism has contributed to community development in terms of social sector development and household income. (3) Descriptive qualitative analyses were made to identify the inhibitors to the local communities and the trend analyses for more than two decades to determine the growth, similarities and differences among the communities were examined. (4) The multi learner regression analysis was adopted to establish the effect of each variable on the other.

#### 4.2 Demographic Characteristics of Respondents

The demographic characteristics of respondents include, sex, age, level of education and type of occupation of respondents that were surveyed within the surveyed areas. Moreover gender and age are important variables in regard to economic empowerment of the local communities under focus.

**Table 4.1 Shows the Gender of the Respondents**

Category	Frequency	Percentage	Cumulative Percent
Male	243	48.2	48.2
Female	251	51.8	100.0
<b>Total</b>	<b>504</b>	<b>100.0</b>	

**Source: Field Data (2016)**

Table 4.1; shows that out of the 504 respondents surveyed 51.8% were females while 48.2% were males which means majority of the total sample population were females.

Findings indicate that more female than male took part in the study. The highest of the respondents were female 51.8% simply because women spend most of their time on roadsides and tourism attractive centres targeting tourists to sell handcrafts as an income generating opportunities compared to male who spend most of their time in the forests

taking care of herd cattle and other activities. Also the female had enough knowledge of their LGA's practices of fiscal decentralization and local taxes imposed to them and the tourists and the social development in their areas.

**Table 4.2 Shows the Age of Respondents**

Age range	Frequency	Percent	Cumulative percent
18–25	75	14.9	14.9
25–35	124	24.5	39.5
35–45	204	40.5	80.0
45–55	57	13.3	93.3
55 +	34	5.7	100.0
<b>Total</b>	<b>504</b>	<b>100.0</b>	

**Source: Field Data (2016)**

The table 4.2 below shows the age range of respondents. Majority (40.5%) of the respondents belong to the 35-45 years age range. The 25-35 years old came next which comprised 24% of the total respondents. Then followed by the 18-25% year's age range, which comprised 14.9%. The lowest percent was those who were 55 years and above and comprised of 5.7% of the sample which means that the survey was dominated by the respondents whose age ranged between 35-45 years, the age which is considered as the middle age and the most economically productive age.

**Table 4.3 Show marital status of the respondents**

Marital Status	Frequency	Percentage	Cumulative Percent
Married	241	47.8	47.8
Single	203	40.3	88.1
Divorced	50	11.9	100.0
<b>Total</b>	<b>504</b>	<b>100.0</b>	

**Source: Field Data (2016)**

Table 4.3 below shows that out of the 504 respondents surveyed 47.8% were married while 40.3% were single and 11.9% divorcee which means majority of the total sample population were spouses.

**Table 4.4 Shows the level of Education of Respondents**

Education level	Frequency	Percent	Cumulative percent
None	243	48.2	48.2
Primary	115	22.8	71.0
Secondary	78	15.5	85.5
High School	42	8.33	94.83
Vocational Train	12	2.4	97.23
Bachelor degree	10	1.98	99.21
Master degree	4	0.79	100.0
<b>Total</b>	<b>504</b>	<b>100.0</b>	

**Source: Field Data (2016)**

The table 4.4; shows the academic qualification of the respondents. Majority (48.2%) of the respondents had no any academic qualification (N: 243). Out of 504 only 22.8 percent had a primary school education (N: 115) and 15.5percent secondary school (N: 78), 8.33 percent high school (N: 42), and 2.4 percent vocational training (N: 12). Out of 504 only 1.98 percent (N: 10) had bachelor degree, 0.79 percent master degree (N: 4).

**Table 4.5 Respondents' Average Monthly Income**

Income category	Frequency	Percent	Cumulative percent
Below 250,000	380	75.4	75.4
251,000-500,000	88	17.5	92.9
501,000-1,000,000	23	4.5	97.4
1,001,000-2,000,000	7	1.4	98.8
2,001,000 and above	5	1.2	100.0
<b>Total</b>	<b>504</b>	<b>100.0</b>	

**Source: Field Data (2016)**

### 4.3 Monthly Income of the Respondents

The table 4.5 shows that out of 504 respondents surveyed 75.4% was earning a monthly income of below TZS 250,000/= per month, followed by 17.5% of respondents earning monthly income between TZS 251,000/= to TZS 500,000/=. Only 4.5% of the respondents were in the monthly income earning of between TZS 501,000/= and TZS

1,000,000/= and 1.4% were found in the monthly income earning between TZS 1,001,000/= to TZS 2,000,000/= as well as 1.2% of the respondents were earning monthly income from TZS 2,001,000/= and more.

The average length of involvement in the tourism industry is about one and half years. The average salary of hotel and restaurant staff is about TZS 450,000/= per month. Although this is a little better than salaries for government workers, it is still very difficult to save because of the increasing cost of livelihood in the tourist sites. For middle and top managers, the average salary is about TZS 2, 550,000/= for locals and more than TZS 4, 000,000/= for foreigners. Construction workers could earn about TZS 10, 000/= per day and save about TZS 5, 000/= for their family, but they must bring their own lunch and commute by bicycle from their villages to the tourism sites every day.

Health and safety are the main issues concerning these workers. Motor-taxi drivers and tour guides could earn more than construction workers and hospitality staff, but they depended mainly on the generosity of the guests/tourists through tips. Moto-taxi drivers could earn about TZS 400, 000/= in the low season (April–September) and TZS 750, 000/= during the high season (September–March). Tour guides could earn more than TZS 30, 000/= per day and about TZS 850, 000/= per month. As one citizen tour guide stated (on personal interview, 15 December 2015), “Some tourists spend a lot of money on shopping while others don’t. I could earn extra money besides working as tour guide...we could get some tips from the restaurants and shops. Some places give us 50 percent of the total price. It means that if tourists buy a carving costing TZS 10, 000/=. I could get TZS 5, 000/=, but this is rare”.

The analysed data implies that the local communities living within and adjacent to the National Game Parks their economic conditions are within the poverty stage. It is also one of the indicators to the researcher that the generated income from a big boom of revenue generated from the tourism sector does not provide pill-over economic effects to the local communities.



**Table 4.7 Respondents' percentage monthly income directly from tourism**

	Frequency	Percent	Cumulative percent
10% and below	320	53.5	53.5
11-20%	114	22.5	85.1
21-30%	37	7.3	93.5
31- 40%	22	4.4	97.8
41- 50% and above	11	2.2	100.0
<b>Total</b>	<b>504</b>	<b>100.0</b>	

**Source: Field Data (2016)**

It was necessary to establish the amount of income that emerges directly from tourism. It is from this angle the findings become more specific on how tourism is related to local community development. In addressing this aspect, the respondents were asked to rate their earnings which directly come from the tourist activities by use of estimated percentages.

The table 4.7 indicates that, out of 504 respondents surveyed 53.5% were receiving 10% or below earnings from tourism related activities. Followed by 22.5% who earned 20% from tourism related activities and 7.3% earned 30% income from tourism related activities and 4.4% earned 40% income from tourism related activities while only 2.2% of the respondents earned 50% and above of the income from tourism related activities.

This means that 434 (85.1%) of the respondents only earn between 10 and 20% of their total income from tourism for their incomes. This is not good enough since these tourism centres are in their communities and in normal circumstances. One would expect them to benefit more from such activities.

*Objective One sought to examine the role/contribution of tourism on social sector development of communities within and adjacent to the National Parks in Arusha Region. Variables such as education services, health services and infrastructural development were examined as follows. A four-point Likert scale was used to measure the levels and the extent to which tourism has contributed to community development in terms of education.*

**Table 4.8 Means and Standard Deviations showing the Contribution of Tourism to Local Community Development in terms of Education services.**

<b>Items on Education</b>	<b>Mean</b>	<b>SD</b>	<b>Interpretation</b>
In the last 5 years, more than 5 Classes have been built in schools	3.4782	1.29353	Satisfactory
In the last 5 years more than 50 Primary school pupils received bursaries	3.2437	1.33095	Satisfactory
In the last 5 years, more than 50 Secondary school students have Received Bursaries	3.1087	1.24511	Satisfactory
Access to both Primary and Secondary school has improved	3.8511	1.19555	Satisfactory
In the last 5 years, more than 5 Laboratories have been built in schools	1.1552	1.21153	Poor
In the last 5 years, more than 5 Teachers have received bursaries for professional development	2.8194	1.23932	Fair
In the last 5 years, several batches of apparatus and chemicals have been delivered	2.8115	1.24514	Fair
In the last 5 years, schools sports and games have been sponsored	3.2798	1.23771	Satisfactory
Wildlife tourism has contributed significantly to education	3.1559	1.22950	Satisfactory
Parents are able to pay their children's school fees	1.7153	1.25039	Poor
In the last 5 years, more than 5 head teachers have received bursaries for leadership seminars	2.5925	1.07874	Fair
Schools have been well equipped with physical, human and financial resources	2.5785	1.22103	Fair
In the last 5 years, computers have been given to Schools	2.4444	1.11598	Fair

*Key: 1.1–2.0 = poor: 2.1–3.0 = Fair: 3.1–4.0 = Satisfactory: 4.1–5.00 = Very satisfactory*

**Source: Field Data (2016)**

The qualitative findings revealed that tourism activities on average have made significant contribution to community development in terms of education. The contribution is in form of classrooms construction, bursaries awarded to primary and secondary school children, resourcing schools by building libraries, laboratories, and other scholastic materials, bursaries and programmes for teacher professional development, co-curricular activities such as games and sports, among others. These were examined and found to be satisfactory with the mean range of between 3.1-4.0 mean ratings.

Considering the gap between the scales from poor, to satisfactory and very satisfactory, it is evident that tourism has made real contribution [emphasis supplied] in terms of education to the development of the local communities where the tourism sites are located.

Similarly, factors such as parents being able to pay their children's school fees, provision of human, physical and financial resources among others were found to be poor, with a mean range of 1.1 – 2.0. This implies that a lot of effort is still needed to improve on those items. The findings from the quantitative analyses were supported by the qualitative findings from the face to face interviews where respondents' perceptions were as follows; one of the respondents claimed that, *“during the past five years in which I served as a ten-cell leader and a member of the village council committee the management of the Arusha National park assisted in the construction of one house for the teacher of Ngongongare Secondary School. However, it was not a one hundred per cent contribution. Each one of the Ngongongare household contributed Tshs. 20,000.00 (Twenty Thousand Tanzanian Shillings) and we have 400 (four hundred) households; as a result, we contributed about Tshs 8,000,000.00(eight million) and the rest of the amount was donated by the Arusha National Park. That is what they did. On the side of the Ngongongare Primary School, they constructed for us three classes that are quite good looking.*

*In the same vein an officer from Tanzania National Parks Association claimed that, “We as TANAPA have a department of good neighbourhood. This is a department of the TANAPA that works with the communities around the National Parks. For example, we have 15 National Parks and every park has the same department that works with the people who surround the park. Our major task is to educate people on national park activities. In the course of giving this education the following things are taken into consideration: What a national park is; we are a government institution therefore we are*

*directly accountable to the government; however, we educate the community and after educating we cooperate with them in sharing the income that proceeds from tourism. The major part of the income is used for operations and a small portion is given to the people living around the park for financing social services like education. We have a program called Support for Community Initiated Project; that is we support in the implementation of the project initiated by the community. Sometimes we go beyond that!*

In addition, a village official in Endamariiek village, Near Tarangire further added that, *Laboratories have been constructed for Ganako Secondary School and laboratory equipment has been supplied. Computers and laptops have been donated as well to Ganako Secondary School. Sponsorship has been granted to students in primary and secondary schools although the exact figure of the beneficiaries is not yet known. Sponsorship to teachers is done privately there is no clear report on how many teachers have been sponsored.*

**Table 4.9 Means and Standard Deviations, showing the respondents' perceptions on the Contributions of Tourism to Health as a Component of Local Community Development.**

<b>Items on Health</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Standard Error Deviation</b>	<b>Interpretation</b>
In the last five years, a hospital has been built through tourism activities	1.12	1.45432	0.13	Poor
In the last five years, a clinic has been built through tourism activities	1.17	1.31111	0.09	Poor
In the last five years, food programme for malnourished children was sponsored by tourism.	1.14	1.29875	0.14	Poor
In the last five years, clean water was supplied to the community through tourism	2.19	1.28195	0.08	Fair
Due to tourism the community receives good maternity services	2.21	1.81480	0.09	Fair
In the last five years, tourism funds have been spent on Medicine	2.15	1.27095	0.04	Fair
Due to tourism family planning and sensitization programmes are given to the community	1.13	1.25531	0.05	Poor
Physical features tourism has contributed significantly to the health sector.	1.11	1.47833	0.14	Poor
In the last five years, clinic equipments were bought through tourism earnings.	2.18	1.24724	0.09	Fair
In the last five years, tourism funds have been spent to facilitate training of medical practitioners	1.15	1.17572	0.05	Poor
In the last five years, more than 10 public health seminars were sponsored by tourism organisations.	1.15	1.19794	0.17	Poor
Qualified medical personnel have been sponsored and obtained through tourism activities.	1.13	1.13802	0.05	Poor
In the last five years, a mobile clinic was put in place.	1.00	1.14445	0.08	Poor
In the last five years, at least one ambulance was bought through tourism earnings.	1.11	1.77445	0.07	Poor

*Key: 1.1–2.0 = Poor: 2.1–3.0 = Fair: 3.1–4.0 = Satisfactory: 4.1–5.0 = Very Satisfactory*

**Source: Field data (2016).**

Table 4.9 indicates that, all the elements measured to determine the contribution of tourism on health were rated between poor and fair. This implies that, the health services within and adjacent to the national parks in Arusha region are not adequate.

Elements such as building hospitals, clinics, and the provision of diet foods to kids with malnutrition, provision of piped clean water, maternity services, medicine and drugs were all rated poor with an overall mean rating value of 1.42, which indicates that tourism has not significantly contributed to the health conditions of people.

Correspondingly, factors such as family planning services, the provision of hospital equipment and training of medical practitioners, sensitization programmes and seminars on health issues, mobile health services and the availability of ambulance were found to be poor. This implies none of the above health aspects have been initiated because of tourism.

This shows that there is great need for the tourism industry to support the communities health services where the attraction sites are located. On a positive note, little has been contributed to the communities living around and within tourist sites and this is ascertained by the fair responses. The responses from respondents on the questions asked on this variable were poor and fair an indication that the respondents acknowledged that tourism plays an insignificant role towards their access of health services.

These quantitative findings are supported by the qualitative findings from the face to face interviews considering the following perceptions from different individuals. The respondents perceived health as their ability to; access health treatment services, access to clean and safe drinking water, nutrition and ambulatory service. One of the respondents near Tarangire National Park asserted that,

I am not aware of any TANAPA's assistance to individuals in Ngogongare village. We have one dispensary that was constructed by a donor called Geoffrey Assray but due to financial limitations, it reaches a time when the dispensary runs out of drugs. As a result, there are instances when patients die in the dispensary due to lack of medication and their inability to transfer to other medical facilities. In such cases, help can only come from relatives, friends, and well-wishers. TANAPA has never extended any assistance to the health sector in Ngogongare village. In our village, there is no hospital or dispensary that was built out of the money realised directly from tourist activities, except for some hospitals that receive assistance in terms of medicine from tourists who visit the village areas.

Another official from Endamariiek Village, near Manyara National Park openly confirmed that;

Nothing tangible had come to the because of tourism but later acknowledged the role of tourists in extending health assistance in form drugs, health equipment and short trainings to health practitioners in rural areas. Another concern in the study was the communities' ability to access safe drinking water. The study revealed that the villages and communities surrounding tourist sites had trouble in accessing clean water for domestic use.

One of the officials from Ngongongare Village near Arusha National Park stated that,

“There is no well that has been dug for us by TANAPA up to this moment. The water we drink is very unhealthy and it has a big amount of fluoride; it is not fit for drinking as well as for cooking purposes. The water is mainly used for washing clothes. Drinking and cooking water is obtainable at (1000/=) one thousand per 20 litre. There is water at Usa-River but it is also infested with typhoid; even this is obtainable at between Tshs 750 to 1,000 per 20 litre bucket.”

The statements above indicate a serious health problem in the community calling for immediate interventions. The respondents went ahead to describe the negative economic and health problems that have come with this challenge. The problem has increased patients with typhoid related problems. Women waste a lot of valuable time in search for clean water from Usa-River and a lot of other health related problems. Another health problem in the community was the poor nutrition in the community, which has contributed the increased mortality of mothers and children. A respondent confirmed this when he said, “many families are too poor to provide a balanced diet to their children as a result many children under five are sickly and live in difficult conditions.”

The findings revealed that the only positive thing from TANAPA was the friendly assistance provided to the sick in form of transport to health services. A senior community leader from a village adjacent to Tarangire National Park (TNP) confirmed that, “When someone is serious sick I often go to seek a help of a car (they have many vehicles) from TNP, in some cases I get a help.

**Table 4.10 Means and Standard Deviations showing the Contribution of Tourism to Local community Development in terms of Infrastructure development expenditures.**

<b>Items on infrastructure</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Standard Error Deviation</b>	<b>Interpretation</b>
In the last five years, tourism funds have built feeder roads	3.94	1.458	0.07	Satisfactory
In the last five years, tourism funds have repaired feeder roads	3.84	1.315	0.09	Satisfactory
Due to the tourism industry, a reasonable number of residential houses and markets have been developed.	3.24	1.404	0.05	Satisfactory
Due to tourism, schools, hospitals, clinics, water supply to mention a few are built.	3.98	2.284	0.09	Satisfactory
Due to the tourism industry, a reasonable number of residential houses have been constructed.	3.91	1.313	0.08	Satisfactory
Cultural tourism has contributed significantly to infrastructures.	2.91	1.287	0.12	Fair
In the last five years, tourism funds have repaired feeder bridges.	3.55	1.208	0.05	Satisfactory
In the last five years, a recreational facility has been constructed.	3.55	1.375	0.08	Satisfactory
In the last five years, communication services were improved due to tourism industry.	2.35	1.323	0.07	Fair
In the last five years, street lights have been installed	2.34	1.410	0.09	Fair
In the last five years, tarmac roads have been built in the community.	3.99	1.391	0.13	Satisfactory
In the last five years, internet infrastructure has been built.	1.52	1.358	0.15	Poor
In the last five years, at least a bank has been constructed through the tourism industry.	1.98	1.107	0.19	Poor
The tourism industry has facilitated the construction of rail lines in the community.	1.95	1.025	0.21	Poor

*Key: 1.0–2.0 = Poor: 2.1–3.0 = Fair: 3.1–4.0 = Satisfactory: 4.0–5.0 = Very Satisfactory*

**Source: Field Data (2016)**

Table 4.10 explains that, on average tourism has satisfactorily contributed towards infrastructural development in the areas within and adjacent to the tourism sites most especially on road construction (3.94), building residential houses (3.91), road repairing (3.84) development of local markets (3.24) to mention a few. However, factors such as



construction of rail lines, industries, communication services including internet, and security are still poor with means ranging from 1.52-2.91).

Considering the overall finding on the contribution of tourism to infrastructural development was revealed as average (3.12 Mean ratings). This indicates that the government through tourism sector in the last 5 years has improved infrastructure in terms of tarmac roads, bridges, feeder roads, recreational facilities etc. However, the respondents noted in interviews that infrastructures were mainly on key roads and not feeder roads.

This findings were supported by the findings from the face to face interviews where one official at Endamariek Village near Ngorongoro Conservation Area remarked that;

”Regarding the infrastructure, rough roads have been improved and communication networks have been enhanced. Tourist hotels have been built and the indigenous people have been able to improve their houses due to the tourist activities proceeding in our village”.

On similar note an official from Tloma near Tarangire observed that

, “In our village, there are rough roads and bridges were renovated and improved. About communication networks, there is improvement. Mobile phone services are available, and these developments are attributed to tourist activities to some extent.

One of the respondents in Manyara argued that, “

There are some portions of the road that were constructed or renovated out of the tourist income such as the construction of the bridges on the Tloma –Karatu gravelled road.”

In contrast to above observations, however a respondent argued that;

There is completely nothing like that in our village. Starting with roads in our village, our roads are pitifully bad. Even the TANAPA workers know how bad these roads are since they frequently use them. What we usually do is for us to organize ourselves to repair the roads by filling up potholes and clearing the bush along the road. An individual who evades the exercise is subjected to a penalty of Tshs 3,000.00 (Three Thousand). This way we manage to keep our roads in good repair. Furthermore, we congratulate certain group of white men who live in Ngongongare village who sometimes, at least, take the initiative to fill up the potholes and repair some more challenging parts of the road. The white donors accomplish this by sending their workers to inspect the road and with their picks they mend the broken parts of the road. To the contrary, honestly speaking, the National Park people have never donated anything to that end. Even TANAPA has no record regarding doing anything related to the village infrastructure.

The overall perception of 504 respondents is largely in harmony with the 35 Key informants who say that tourism contributes in infrastructural development, however,

more is to be done in improving feeder roads from villages within and adjacent to national parks.

**Table 4.11 Means and Standard Deviations, showing respondents' perceptions on the Contribution of Tourism to Local Community Development in Terms of Household Income.**

<b>Household Income</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Standard Error Deviation</b>	<b>Interpretation</b>
In the last five years, tourism has created so many jobs.	3.59	1.51823	0.08	Satisfactory
In the last five years, so many locally owned businesses have mushroomed.	3.34	1.33217	1.05	Satisfactory
In the last five years, over 50% of foodstuff used by tourists is locally produced.	3.27	1.43113	0.83	Satisfactory
In the last five years, over 50% of handcrafts are locally produced and marketable.	3.07	1.29853	0.17	Satisfactory
In the last five years, my per capita income has increased by 50%.	2.97	1.30790	0.97	Fair
In the last five years, I managed to sell my handcrafts outside the country.	2.89	1.34372	0.05	Fair
In the last five years, I have supported my family because of selling agricultural produce to tourists.	3.71	1.27813	0.95	Satisfactory
In the last five years, I have received at least five seminars on entrepreneurship as a result of tourism.	2.51	2.21427	0.25	Fair
In the last five years, I got enough income to build a decent house.	2.58	1.39509	0.53	Fair
In the last five years, I managed to open a bank account because of tourism.	2.55	1.39009	0.12	Fair
Historical sites tourism has significantly improved my per capita income.	2.47	1.20593	0.32	Fair

*Key: 1.1-2.0= Poor: 2.1-3.0 = Fair: 3.1-4.0 Satisfactory: 4.1-5.0= Very Satisfactory*

**Source: Field Data (2016)**

With regards to the contribution of tourism on house hold income it was observed that tourism satisfactorily contributed to the creation of small scale businesses and jobs, food stuff and other agricultural products (mean ranges 3.71-3.07). However, issues to do with individual per-capita income, savings, possession of bank accounts, and selling

commodities outside their environments were rated fair with means ranging from 2.5-2.9.

Respondents were satisfied with the issue of direct job creation; with a mean range of 3.59 (satisfactory) jobs are believed to have been created by tourism activities in most of the communities studied. Other factors such as developing small-scale private businesses, the production of food, the production and marketing of handcrafts and exporting of handcrafts were also found to be satisfactory

On the other hand, income-generating programmes supported by tourism, possession of a stable generating income for home support, possession of bank accounts and the general improvement of the per-capita income were reported to be fair, with means ranging from 2.4 to 2.9.

This implies that although the tourism industries have created jobs for the community members, their businesses are not profitable and the markets for their commodities were very small. In normal cases, if jobs were satisfactorily available, people's per-capita income would also be satisfactory. However, the situation is quite different.

The responses from the interviewees, acknowledged that tourism activities to a lesser extent contributed positively to the growth of per capita income of local community members, this was through the creation of employment opportunities and businesses to the youths and women in the communities surrounding the tourism sites. The findings revealed the few jobs created by TANAPA were on a temporary basis something that could not sustain one's income for a long time. One of the officials from Kakoi Village near Tarangire claimed that,

“Only some women occasionally are recruited temporarily to clear the bush along the road. The little they receive helps them to settle some of their bills. However, in the recent past, I have noticed a change; I do not see them clearing the bushes along park's road as they used to do.”

The findings further revealed that non-residents and mostly foreigners owned most of the businesses in the tourist areas. The little businesses that could be done by locals have been taken by middlemen who buy items from the locals cheaply and sell them expensively to the tourists. These are hotel and restaurant owners, transport services owners and other businesses that complement tourism. One of the officials from Ngongongare village near Arusha National Park revealed that,

To be honest, for now, the majority people who own and run big businesses are not the local people; too contrary, the majorities are the people who originate from other places of the country and outside the country. Due to the reality of development in the area, for example, the existence of the University of Arusha in the area, and other organizations maintaining offices in the locality has encouraged people in the locality to involve themselves in income-generating activities such as selling ripe banana as well as raw ones to University students, staff, and faculty.” Moreover, “The Arusha National Park has also, to a certain extent, contributed to the income of the indigenous people living close to the park by providing short-time employment such as clearing the bushes along the road, clearing the boundary, and assisting tourists who climb Mount Meru. Complaints were raised on the animals that usually escape from the parks and cause destruction of crops, kill animals and people hence affecting people’s lives and income. This scenario calls for adverse measures from TANAPA to compensate adequately and on time victims of this circumstance.

In the same vein an official from Ngongongare added;

Yes as for me because we are surrounded with a lot of tourists attractions here. Talk about the Mount Meru, you can see the people who are working there or are trying to go there example these guys who are going as tour guides they go as porters their living standard actually compared to other civilians who are here is quite different because what they earn if a person goes to the mountain may be for two or three days the income he/she obtains is quite different from the one that the person who is just working there sitting at safari njema doing what he is obtaining. So, the tourists in this sector has contributed much to the living standards. Because those people though they are few who are employed at Meru view or maybe those who have got chance to go to the mountain or whatever but only you their standard of living compared to others is quite different. I had a friend also who is into that doing it seasonally at the time going to the mountain and coming back his having a saloon. He established it just because of the source he obtained from there. He still having the saloon operated but when the deals come to go to the mountain he goes and obtains something so his living standard you cannot compare with another person.

The above perception of 504 respondents who answered the questionnaires and 35 who answered the interview items both agreed that tourism improves household income but not in stable realities as indicated by the 2.93 overall mean rating. Since people are self-employed in small businesses with no security, others are peasants, while others are pastoralists. It was also clear from the study only a very small number of jobs for formally trained people are offered by national parks. The respondents complained that such jobs are even not available to local community members.

*Objective three sought to establish the persistent inhibitors to the communities adjacent to the tourist sites. To obtain this, a closed ended questionnaire and face to face interviews with the people adjacent to the site was done and the results are as follows*

**Table 4.17a; Shows the level of inhibitors caused by tourism to Arusha National Park in Arusha region.**

<b>Arusha National Park</b>					
Challenges/Inhibitors	N	Mean	Standard Deviation	Standard Error	Percentage
(1) Displacement by Authorities (DA)	105	2.98	1.85	0.08	18.9
(2) Seasonality (SC)	105	3.55	1.04	0.04	75.5
(3) Dependency on tour operators (DTO)	105	2.85	1.09	0.98	23.0
(4) Finances (FS)	105	3.72	1.43	0.05	52.8
(5) Entrepreneurship Skills	105	2.03	1.53	0.04	13.5
(6) Advanced Formal Education	105	3.85	1.02	0.03	70.09
(7) Globalization access	105	3.95	1.01	0.09	74.87
(8) Sustainable Local Policies	105	3.78	1.05	0.07	78.45
(9) Customized banking services	105	3.79	1.09	0.04	79.07
(10) Others	105	3.89	1.08	0.08	12.57

**Source: Field Data (2016)**

Table 4.7a indicates that, people within and adjacent to Arusha national park strongly agreed that, they are greatly affected by issues of globalization, lack of banking services, lack of sustainable local policies and finances (mean ranges from 3.72-3.95). It was also observed that on average all factors tested seemed to negatively affect the people within and adjacent to the national parks.

This implies that the Government of Tanzania should consider these factors and look for ways and strategies through which such issue would be solved. For example, there is need for the government of Tanzania to improve on the tourism policies at national and

local levels. Fisco Decentralization should be improved and the local people should be involved in making decisions regarding to tourism issue affecting their area.

These findings are in agreement with the qualitative findings where one village leader from Ngurdoto near Arusha National Park claimed that;

Through globalization we look at thing like the internet. Through globalization Tanzanians have been able to advertise their products. For example, they have been able to advertise the products they sell in kurio shops even before arrival of tourists. So when they arrive they need African shirts, vitenge found somewhere in a kurio shop. A certain place if I need artefacts I can get them. Maybe there is a need for tour guides people just search online.

Another village leader from Ngarenanyuki has a positive observation about the role of TANAPA in promoting tourism with a globalization aspect. The respondent argued:

Unlike the past, TANAPA now promotes quite a lot on tourism, national parks as well national and international tourism. So there is a large response among communities, but there are places that no nothing about globalization. But through TANAPA a lot is likely to change.

**Table 4.17b; Shows the level of inhibitors caused by tourism to Tarangire National Park in Arusha region.**

<b>Tarangire National Park</b>					
Challenges/ Inhibitors	N	Mean	Standard Deviation	Standard Error	Percentage
(1) Displacement by Authorities (DA)	97	2.28	0.87	0.18	24.5
(2) Seasonality (SC)	97	3.74	0.94	0.08	77.9
(3) Dependency on tour operators (DTO)	97	3.85	0.09	0.28	43.0
(4) Finances (FS)	97	2.94	1.95	0.05	42.5
(5) Entrepreneurship Skills	97	2.43	1.82	0.09	40.7
(6) Advanced Formal Education	97	3.54	1.92	0.75	45.5
(7) Globalization Access	97	3.55	0.95	0.09	82.0
(8) Sustainable Local Policies	97	3.98	0.99	0.07	52.8
(9) Customized banking services	97	3.53	0.55	0.15	52.1
(10) Others	97	2.55	0.87	0.01	31.1

**Source: Field Data (2016)**

Considering Tarangire National Park, majority of the respondents believed that, globalization issues, lack of sustainable policies, seasonality and customized banking services have the highest effect on the people within and adjacent to the parks. It was observed further that on average all the factors tested had a significant effect on the people.

The above findings were supported by the qualitative finding and findings by other authors who believed that the source of conflict is rooted in community-based conservation itself. Although government regulations now allow communities to create Wildlife Management areas, villages like Ololosokwan resist doing so because the regulations would force them to cede authority for tourism management to an external body, thus possibly reducing their revenues. Ololosokwan provides an example, relatively rare in Tanzania, of a poor and marginalized rural community tapping into the economic opportunities created by new and growing forms of global commerce.

A village leader from Kakoi near Tarangire National Park noted:

For example there is WhatsApp, internet, back then until a tourist reaches here is then able to communicate with people face to face making bookings of where to stay. Contemporary, people communicate directly making online bookings for accommodations before even reaching here. So globalization has assisted to that extent. For example there if you have a tourist they send you a message assisting to be able to compete. Unlike in the past when tourist arrival they could not come to lodges located up here rather search for the closest one they could find, they could go to town. But these days even motels and small lodges they come due to that (globalization).

**Table 4.17c; Shows the level of inhibitors caused by tourism to Ngorongoro National Park in Arusha region.**

<b>Ngorongoro National Park</b>					
Challenges/Inhibitors	N	Mean	Standard Deviation	Standard Error Deviation	Percentage
(1) Displacement by Authorities (DA)	98	3.98	0.05	0.07	78.9
(2) Seasonality (SC)	98	3.55	1.04	0.04	45.5
(3) Dependency on tour operators (DTO)	98	2.85	1.09	0.98	23.0
(4) Finances (FS)	98	3.42	1.43	0.05	52.8

(5) Entrepreneurship Skills	98	2.73	1.53	0.04	23.4
(6) Advanced Formal Education	98	3.81	1.02	0.05	29.2
(7) Globalization Access	98	3.57	1.83	0.07	85.1
(8) Sustainable Local Policies	98	3.87	1.09	0.09	92.3
(9) Customized banking services	98	3.95	1.55	0.05	29.4
(10) Others	98	3.78	1.94	0.05	70.2

**Source: Field Data (2016)**

With regards to Ngorongoro National Park, it was observed that lack of sustainable policies that caters for the needs and involvement of local people in most of the tourist activities and decisions, globalization issues such as communication, technology, displacement by authorities, and lack of finances has the highest effect on the people in the area. However other issues such as seasonality, dependency, illiteracy and lack of customized banking services had a significant effect as well.

The above findings are in agreement with with (Michael Gardias 2006). Who observed that one of the major factors limiting the success of small firms is technological barrier. It is argued that the firms that adopt modern technological tools in their business are more likely to cause the business to grow faster than small business without modern technological tools. This is because modern tools enable efficiency and effectiveness in doing business, therefore, saving money, time and energy (Saving more for less). However, because of the poor economic conditions and low level of education, business people in Tanzania see it as a disadvantage to invest in technology since its benefits were not easily realized in the short run. If only education about the benefits of modern tools was provided, small firm growth would be materialized heavily across the country and the whole of east African region.

In agreement with the above respondent, a village leader from Oldeani near Ngorongoro Conservation area said:

On my side contemporary it is considered that a person must complete form four and be able to join a tourism institution. But, a while back when a person completes standard seven was able to join, because the only important thing that mattered was one knowing the medium of communication. People required mostly language, as it was highly considered there people who completed standard seven and had the capability of explaining. For example one time I met an old man at the falls and he had been explaining and guiding tourist around the area for a long time and he had only completed standard seven back in his time. so I think what is important is knowing, but education has become highly considered these days so that to be capable of improving services.

This study contends with the view of the majority that lack of advanced education is a critical inhibitor to maximizing the acquisition of opportunities in tourism sites. It is indeed fair to have basic education and some specialized language training; but if most of communities



have advanced education; it will become easier to compete with foreign investors when it comes to effective usage of tourism natural resources.

Lastly, when the key respondents were asked on if lack of entrepreneurship skills as an inhibitor towards local community developments in the tourism national parks, Arusha region. They agreed that it is an inhibitor to those who do not know the skills. This is in harmony to the quantitative findings. The further gave the following observations:

A village leader from Mbuga Nyekundu near Ngorongoro Conservation area emphasized:

We are able to survive in tourism industry in this area; there are a lot of lodges that depend on vegetables for their customers (tourist). So when you are an entrepreneur you engage in gardening activities. Because when tourists come they do not come with their food but depend on the foods available here. So to a person who farms vegetables can supply food to lodges and be able to benefit you in your business. Also it is a nice place for young people with talents in carving artefacts and painting that can sell in kurio shops. So this is one example of entrepreneurship opportunities for example there young people down there who make artefacts and paint African pictures and selling them to tourists.

In harmony to the above key respondent, another village leader from Ngongongare near Arusha National Park noted:

There is a certain student that I know whom studied at Tanzania Adventist Secondary School (TASS) has engaged in tourism by starting a camp site that attracts tourists. And it has been a good business that has raised income to him and the community. Not only him but also others have been able to start schools that provide tour guide education in tourism. So this is natural, but when a personal has skills through education, it is easy to excel in tourism sector.

**Table 4.17d; Shows the level of inhibitors caused by tourism to Manyara National Park in Arusha region.**

<b>Manyara National Park Challenges/Inhibitors</b>	<b>N</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Standard Error Deviation</b>	<b>Percentage</b>
(1) Displacement by Authorities (DA)	102	3.95	0.08	0.09	81.9
(2) Seasonality (SC)	102	3.97	1.14	0.08	45.5
(3) Dependency on tour operators (DTO)	102	2.78	1.19	0.58	25.0
(4) Finances (FS)	102	3.55	1.53	0.09	75.8
(5) Entrepreneurship Skills	102	2.82	1.43	0.05	40.5
(6) Advanced formal education	102	3.45	1.71	0.05	50.4
(7) Globalization Access	102	3.55	1.55	0.05	70.3
(8) Sustainable Local Policies	102	3.78	1.34	0.04	50.5
(9) Customized banking services	102	3.58	1.82	0.05	34.7
(10) Others	102	2.87	1.57	0.05	15.9

**Source: Field Data 2016**

With regard to Manyara National Park, factors such as displacement by authorities, lack of enough income and finances, globalization, the level of illiteracy in the community and the lack of sustainable policies to cater for the local needs were established as the major factors and persistent issues affecting people within and adjacent to Manyara National Park.

From the qualitative data, respondents had the following perceptions on the issues.

The issue with bank loans is that they do not trust individuals; rather in groups loans can be provided. The provision of loans has been very small from banks to various people when it comes to engaging in tourism investments. On the contrary, however, some banks have been able to grant loans to people establishing and improving loans. Yet still the contribution of banks in providing loans is at very small extent.

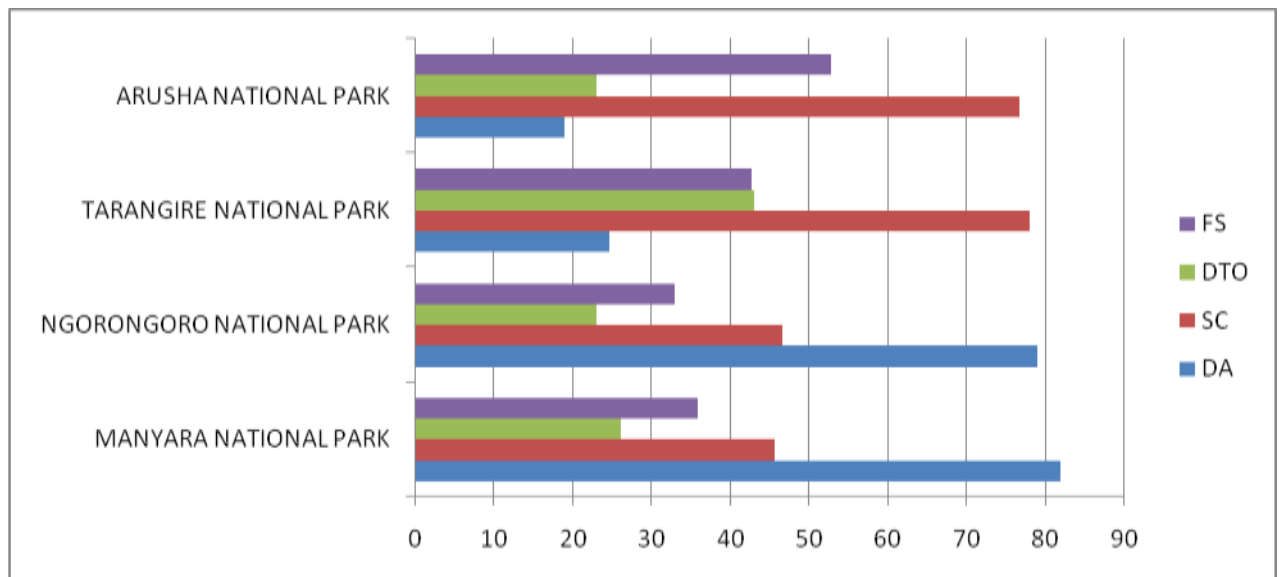
In harmony with that a village leader in Kibaoni near Manyara National Park further noted;

If you do not have security it is not simple to get a loan from a bank. Bank look a profits if you do not have any foundation you cannot be granted a loan. I can say that it is very hard for a normal citizen to obtain a loan. But people with a foundation with a business can acquire a loan. To a large extent the bank loans have not contributed anything to a local citizen.

So these selected direct quotes indicated lack of customized bank services which can give local communities loan at affordable rates remains a hindrance to effective utilization of opportunities in tourism sites.

When the village leaders were asked to explain how globalization has been giving them a competitive advantage to compete in the tourism industry; they gave a positive answer that globalization has been helping local communities to utilize the opportunities of tourism sector. This is in contrary to questionnaire results. It could be since the key informants are well informed they assumed that the general population has exposure as themselves. Below is the evidence of positive statements indicating that globalization is not one of the inhibitors, an aspect which the researcher disagrees.

**Figure 4.7 Statistical Comparisons of perceptions of Challenges in percentages of tourism activities to local community residents**



**Source: Computed from Stata Output, 2016**

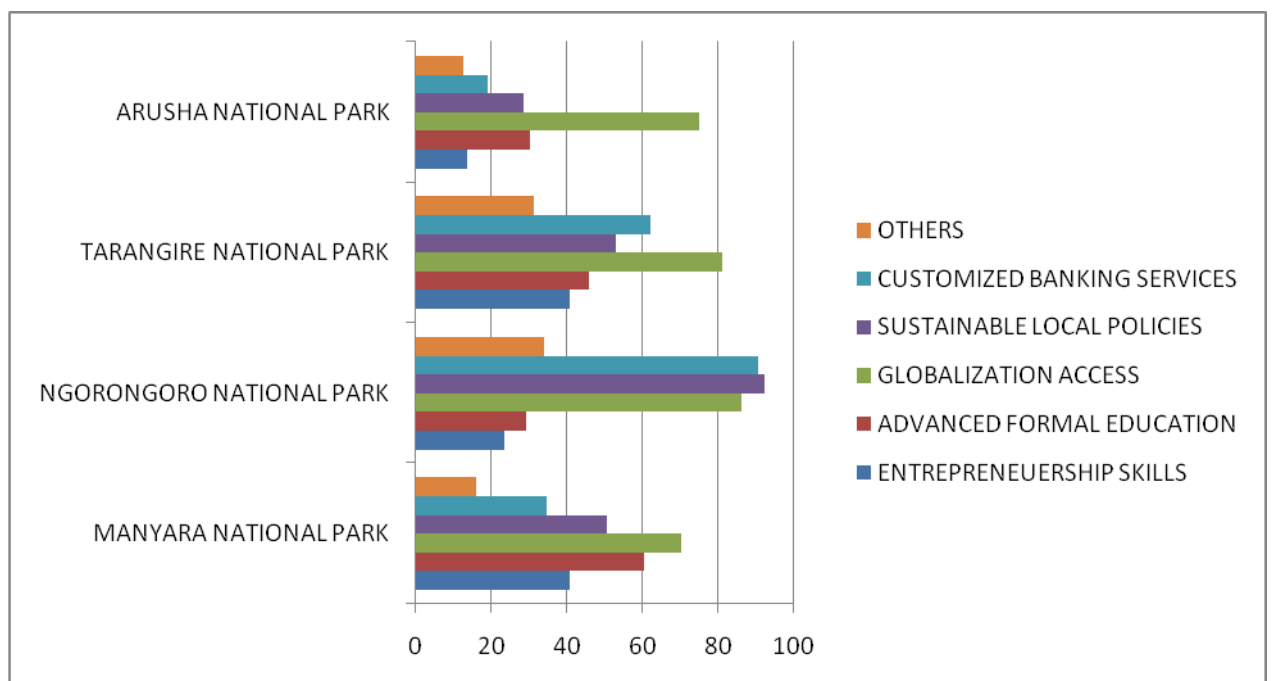
The tourism sector in the Arusha region faces a high seasonality challenge (Jenner and Smith, 1993; Lundorp et al., 1999; Kweka, 2004; Muganda et al, 2013). In Arusha and Tarangire National Parks, seasonality constitutes a major threat to sustainable community developments perceived by respondents in (3.55), and (3.74) mean values with (75.5%) and (77.9%) respectively, since during the summer/high seasons there is an increased capacity of resources utilization. The respondents to the research questionnaires mentioned seasonality as a reason for residents' dissatisfaction with the socio-economic returns from tourism activities; this is due to the fact that some significant activities close during the winter/low season and creates systemic problems for various projects, such as small return on investment and high operational costs.

The results indicated that lack of financial services (working capital) constituted another serious challenge to residents; in the Manyara National Park perceived by respondents with (3.55 mean value or 75.8%), in Ngorongoro National Park (3.42 mean value or 52.8%) and the lowest score in the top three was Arusha National Park perceived by (3.72 mean value or 52.8%). These results support the fact that the target population for this study was expected to have an understanding of the challenges of tourism.

Furthermore, the tourism sectors in Arusha region faces a serious challenge of displacement by the authorities. In Manyara and Ngorongoro National Parks, it

constitutes a major threat to local community developments perceived by respondents in the mean values of (3.95), and (3.85) with (81.9%) and (78.9%) respectively as in the above table and graph. People especially the Maasai has been some times displaced and made restless. The respondents to the research questionnaires mentioned displacement by authorities as a reason for residents' dissatisfaction with effect on retarding individuals' efforts on households' material progress; this is due to the fact that some significant activities close when people are moved.

**Figure 4.8 Statistical Comparisons of perceptions of inhibitors in percentages of tourism activities to local community residents.**



**Source: Computed from Stata Output, 2016**

The results from the above figure in this study indicates that the majority of respondents which constitute (85.1% to Ngorongoro); 82.0% to Tarangire; Arusha 74.87% and Manyara 70.3% say that globalization access is the main inhibitor to local community development in the tourism sites, as in the graph above. This is because even though foreign visitors come in large number the local people always get difficulties or take time to network with them. Television sets, Smart phones, internet access and other means of network communication are too limited to the extent that significant opportunities of development are not accessible to most residents.

The second type of inhibitor to local community development in the tourism sites contended by different tourism sites is the lack of customized banking services in Arusha

by (79.07%) and Tarangire by (52.1) where it was more strongly felt compared to other tourism sites. Their reason being that tourism in the area has not brought a significant contribution to financial resources in the area that can attract financial institutions. Only (8%) of respondents indicated that they use customized banking services in these tourism sites, and (11%) use banking services outside the tourism sites usually in urban areas.

When the respondents were asked if education level was another inhibitor in tourism sector, the overall responses were varied. Some respondents said it an inhibitor, an aspect which harmonizes with the quantitative findings. Nevertheless others said that one needs just basic education like ordinary certificate of secondary education, with specialized training foreign languages. Here below are village leaders' responses:

A village leader in Njeku near Arusha National Park noted:

In my experience, I know somebody's child whom I completed form four with after that he went to study tourism professions. After that I saw that one with a forum for education can receive employment in the tourism industry. They learn basic things for a person who knows are what things one should know concerning tourism in field is when they are capable of working in tourism. Those completing form four can join a tourism institution.

*To establish the effect and contribution of each element of tourism and community development, a multiple regression was adopted and the following descriptive statistics were obtained from each category.*

**Table 4.13 Descriptive Statistics on the quantitative variables**

Variable	Mean	Standard Deviation	Variance	Skewness	Kurtosis	Min	Max	N
logHBF <sub>1</sub>	17.529	0.727	0.529	-0.289	1.493	15.459	18.495	26
logEBF <sub>2</sub>	17.058	0.852	0.725	0.355	1.809	15.001	18.554	26
logINBF <sub>3</sub>	17.274	1.388	1.925	0.102	1.584	15.351	19.585	26
logHIBF <sub>4</sub>	13.212	0.581	0.453	-0.505	2.525	11.510	14.201	26
logT <sub>1t</sub>	19.278	0.914	0.835	-0.057	2.818	17.347	21.042	26
logT <sub>2t</sub>	5.881	0.555	0.429	-0.992	3.141	5.283	7.715	26
logT <sub>3t</sub>	12.008	0.318	0.101	-0.055	2.085	11.351	12.457	26

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logT <sub>4t</sub>	15.480	0.479	0.229	-0.235	1.952	14.579	15.270	26
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**Source: Field Data 2017**

According to STATA output, the data set consisted of 26 observations on 8 variables; health community development expenditures (logHBF<sub>1</sub>), education benefit expenditures (logEBF<sub>2</sub>), infrastructure development expenditures (logINBF<sub>3</sub>), household income benefits (logHIBF<sub>4</sub>), tourism revenue collections (logT<sub>1t</sub>), tourism number of visitors (logT<sub>2t</sub>), number of women entrepreneurs in the tourism sites (logT<sub>3t</sub>), and employees' per capita income in the tourism sites (logT<sub>4t</sub>). The first four variables are dependent variables and the last four are independent variables. Summary statistics of mean, standard deviation, variances, Skewness, Kurtosis were used and are shown in Stata output.

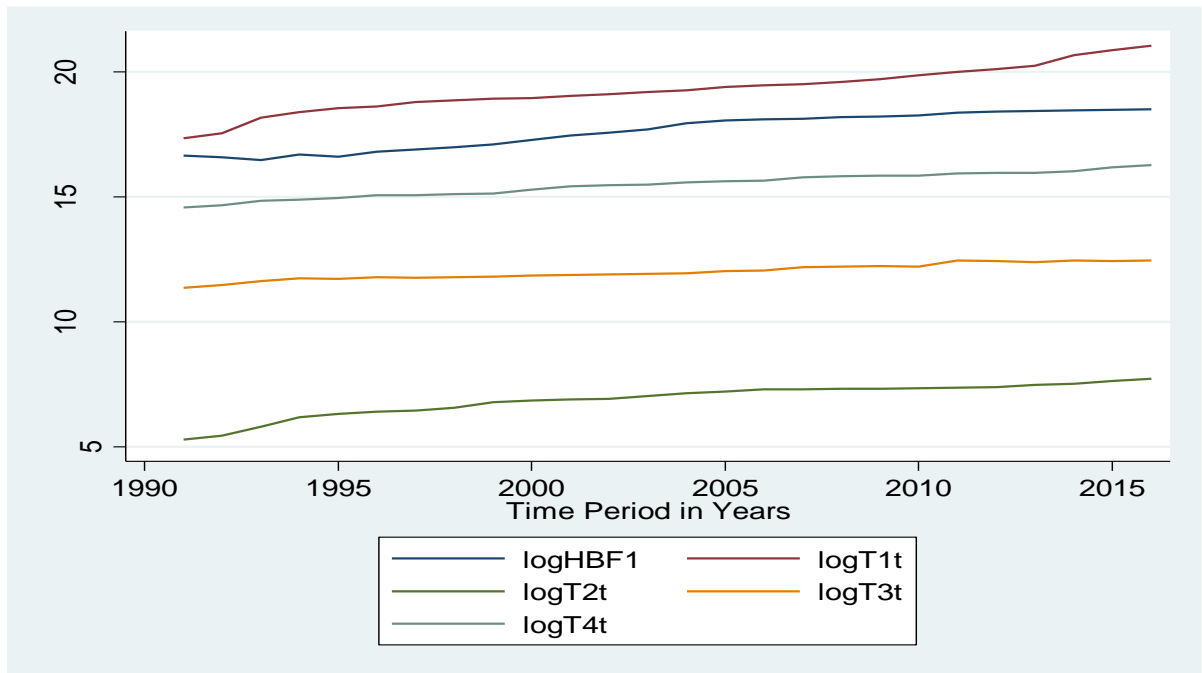
The mean is the sum of the observations divided by the total number of observations. Standard deviation is the square root of the variance. Indicates how close the data is to the mean. Assuming a normal distribution, 58% of the values are within 1 standard deviation from the mean, 95% within 2 standard deviations and 99% within 3 standard deviations. The variance refers to the dispersion of the data from the mean. It is the simple mean of the squared distance from the mean. Count (N in the table) refers to the number of observations per variable. Min is the lowest value in the variable and Max is the largest value in the variable. Additionally, according to the table all variables data are normally distributed as the sum of skewness and kurtosis in every variable is less than 3.0 value rule of thumb.

Graphing dependent variables and respective independent variables was made to explore trend relationships. As the below figure show that there is a certain trend pattern of the variables and in the stationarity test results only logT<sub>4t</sub> rejected the test and displayed that there is a unit root. Apart from unit root logT<sub>4t</sub> also was discovered to have the problem of multicollinearity.

In all the four figures below it is revealed that community development expenditures in all four components in relation to the independent variables (that is tourism) in its four components are specified by a long run behaviour that is a trend characteristic in a time series. These trends seem to have long-run tendencies to increase over time.

*In addition, to establish further the contribution of tourism on community development in Arusha region, a trend analysis for over two decades was analysed indicating the growth and development of the social sectors with regards to tourism activities*

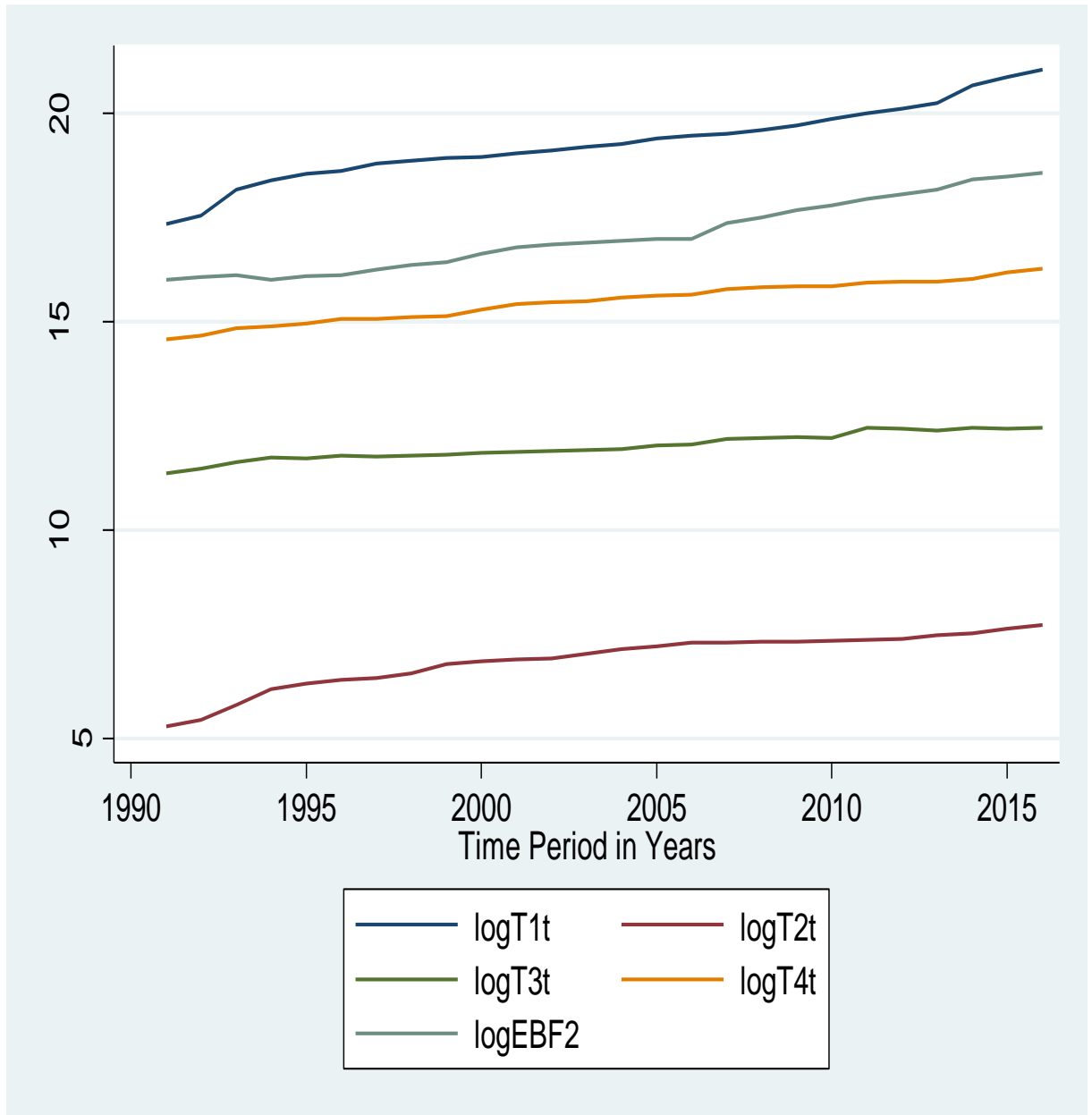
**Figure 4.1 Trend Analysis on the growth of Health services with respect to Tourism activities in Arusha Region.**



**Source: Arusha National Bureau of Statistics 2016**

The lines plots on the graph indicate that all the series relating the health development expenditures within and adjacent the tourism national parks and tourism resources (logHBF1; logT1t; logT2t; logT3t and logT4t) are generally trending upward over time and potential integration of order one I(1) processes. Additionally, health sector expenditures growth rate do not reflect a systematic high speed relative to tourism resource component.

**Figure 4.2 Trend Analysis on the growth of Education services with respect to Tourism activities in the area of study.**

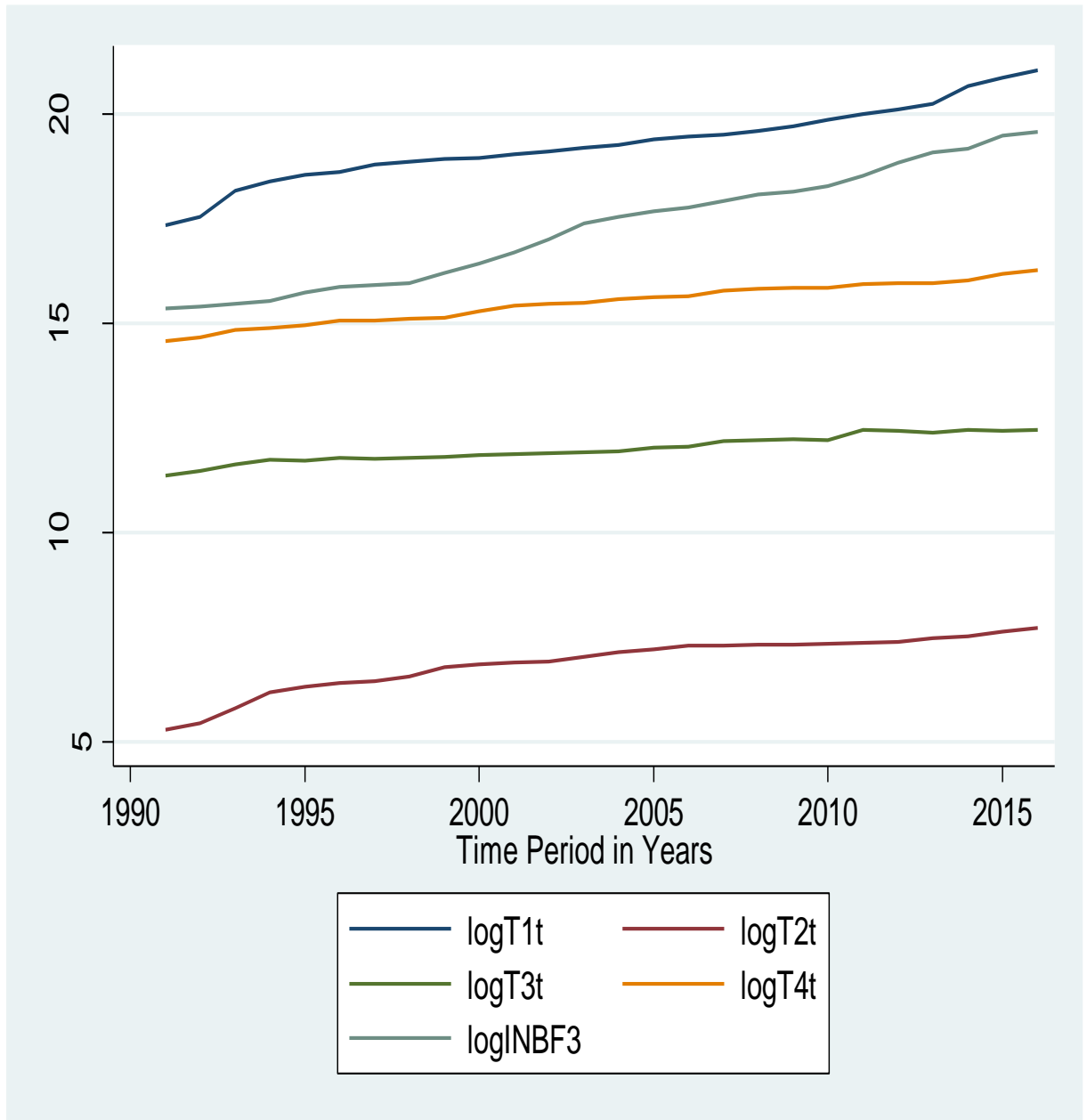


**Source: Arusha National Bureau of Statistics 2016**

The lines plots on the above graph show that all the series relating the education development expenditures in and adjacent the tourism national parks and tourism resources (logEBF2; logT1t; logT2t; logT3t and logT4t) are generally trending upward over time and potential I(1) processes.

**Figure 4.3 Trend Analysis of Infrastructure growth with respect to Tourism resources in Arusha Region.**

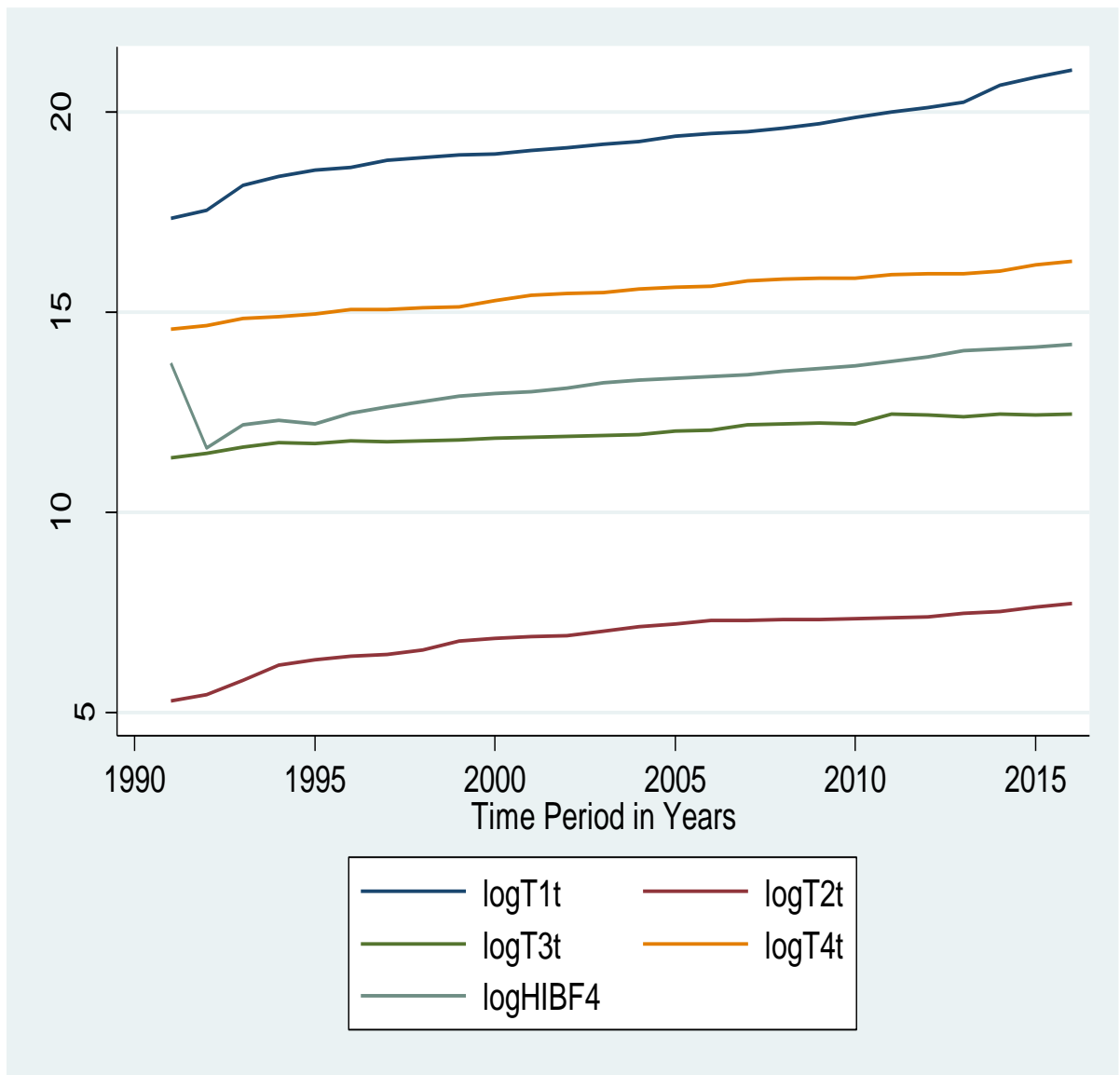




**Source: Arusha National Bureau of Statistics 2016**

The line plots on the graph above indicate that all the series relating the infrastructure development expenditures in and adjacent the tourism national parks and tourism resources ( $\log\text{INBF3}$ ;  $\log\text{T1t}$ ;  $\log\text{T2t}$ ;  $\log\text{T3t}$  and  $\log\text{T4t}$ ) are generally trending upward over time and potential  $I(1)$  processes. In addition the infrastructure expenditures portrays a faster speed of growth rate after 2003 indicating that tourism revenue growth rate, rate of increase of number of tourism visitors, women entrepreneurs and tourism employees' per capita income all were surpassed by the infrastructure growth rate.

**Figure 4.4 Trend Analysis of Household income growth with respect to Tourism resources components.**



**Source: Arusha National Bureau of Statistics 2016**

The lines plots on the graph indicate that all the series relating the per household income generation in and adjacent the tourism national parks and tourism resources (logHIBF4; logT1t; logT2t; logT3t and logT4t) are generally trending upward over time and potential I(1) processes. Furthermore, household income growth rate do not reflect a systematic high speed relative to tourism resource component.

#### 4.4 Basic Regression Results on the elements of the dependent variable

After performing descriptive statistics estimations and their tests, the study conducted regression estimations. From STATA output, it was clearly seen that  $R^2$ s and P-values of  $\log HBF_1$ ,  $\log EBF_2$ ,  $\log INBF_2$ ,  $\log INBF_3$ , and  $\log HIBF_4$ , except  $\log HIBF_1$ , the rest indicate good quality of fits. For equation (1), the four explanatory variables in their natural logarithms explain jointly only 24.82 percent of variations in health community development in these tourist sites. However, the variations in education community development expenditures are 94.4%, in infrastructural community development expenditures are 95.3%. And lastly, the variation in household income is 51.5%. It should be noted that all expressions are in natural logarithms.

Here below are model (1) regression equations estimated results

$$(1) \log HBF_1 = 15.57853 - 0.155 \log T_{1t} + 0.208 \log T_{2t} - 0.228 \log T_{3t} + 0.225 \log T_{4t}$$

t	(1.21)	(0.58)	(-0.15)	(0.19)	(-0.35)
p	(0.224)	(0.734)	(0.85)	(0.871)	(0.557)

$$(2) \log EBF_2 = 10.41824 + 0.331 \log T_{1t} + 0.383 \log T_{2t} + 0.015 T_{3t} - 0.1037 T_{4t}$$

t	(3.28)	(3.21)	(1.52)	(0.05)	(-1.15)
p	(0.004)	(0.002)	(0.142)	(0.953)	(0.251)

$$(3) \log INBF_3 = -39.409 + 0.153 \log T_{1t} + 0.0491 \log T_{2t} + 0.0075 \log T_{3t} + 0.920 \log T_{4t}$$

t	(-10.40)	(4.40)	(0.80)	(0.01)	(1.57)
p	(0.05)	(0.004)	(0.002)	(0.005)	(0.003)

$$(4) \log HIBF_4 = 25.079 + 0.231 \log T_{1t} + 0.7755 \log T_{2t} - 2.095 \log T_{3t} - 0.4055 \log T_{4t}$$

t	(2.0902)	(1.15)	(0.82)	(-1.73)	(-1.20)
p	(0.049)	(0.512)	(0.423)	(0.09)	(0.245)

#### 4.5 Interpretations of Results

From equation (1) in the study's model on local community development, the relationship to tourism resources such as health community development has no significant statistical relationship to tourism resources in the 25 years period covered by the study (1991-2015). All the t-values on partial slope coefficients have t-values are below 2.0 rule of the thumb.

According to equation (2), community development in terms of education in tourism sites is influenced by tourism revenue collections. The t-value statistical measure ( $t=3.21$ ) shows that tourism revenues are statistically significant to explain local community development in terms of education. More analytically we see that 1 percent increase in tourism revenues collection is associated with the increase of 0.331 percent in education expenditures for community development. It should be also noted that the t-value have exceeded the  $t = 2.0$  rule of the thumb.

Based on equation (3), community development in terms of infrastructure development appears to change directly with the number of visitors in tourism sites in Arusha region. The partial slope coefficient of 0.4051524 indicates that for every 1 percent increase in the number of tourists is associated by 0.4 percent increase in infrastructural development expenditures holding all other factors constant.

For regression question (4), local community development in terms of household income is influenced by tourism revenues and women entrepreneurs. The partial slope coefficient of tourism revenue collections 0.23095 and for women entrepreneurs is - 2.09549, indicating that every one percent increase in number of women entrepreneurs is associated with a reduction in household income in tourism community development by 2.095 percent, holding other factors remain constant. Furthermore, every one percent increase in tourism revenue collection is associated with a 0.231 percent increase in household income. Only the t-value of total revenue collection is below 2.0 the rule of the thumb, and it is summarized below:

**Table 4.14 Basic Regression Results.**

<b>Local Community Development</b>	<b>Tourism Sector Resource Utilization</b>				
	$\log T_{1t}$	$\log T_{2t}$	$\log T_{3t}$	$\log T_{4t}$	<i>Constant</i>
LogHBF <sub>1</sub>	$\beta_{1t}$	$\beta_{2t}$	$\beta_{3t}$	$\beta_{4t}$	$\beta_{0t}$
	-0.15-0.35	0.20830.19	-0.228-0.15	0.2250.58	15.581.21
LogEBF <sub>2</sub>	$\gamma_{1t}$	$\gamma_{2t}$	$\gamma_{3t}$	$\gamma_{4t}$	$\gamma_{0t}$
	0.3313.21	0.3831.52	0.0150.05	-0.104-1.15	10.413.28
logINBF <sub>3</sub>	$\theta_{1t}$	$\theta_{2t}$	$\theta_{3t}$	$\theta_{4t}$	$\theta_{0t}$
	0.10031.24	0.4052.05	0.2571.02	-0.0280.40	14.055.55
logHIBF <sub>4</sub>	$\delta_{1t}$	$\delta_{2t}$	$\delta_{3t}$	$\delta_{4t}$	$\delta_{0t}$
	0.2311.15	0.7770.82	-2.095-1.73	0.405-1.20	25.082.09

**Source: Source: Computed from Stata Output, 2017**

#### 4.6 Pre estimation Results Tests

Before continuing the researcher undertook various tests on the original model by selecting some individual tests on its coefficients. In this regression model two types of tests are employed; the overall fit of the model that is all coefficients different from zero the F-test and the test of individual coefficients different from zero that is the t-test. These tests are useful with regard to the prior situations, considering that our model is a multiple non-linear model. In the regression, only all the variables related to health expenditures were not statistically significant as shown in the F-test and t-test results, the coefficients are less than the absolute value of 2.0 that means the null hypothesis that tourism activities do not statistically influence health expenditures in the local communities cannot be rejected at 5% significance level.

The t-values test the hypothesis that the coefficient is different from 0. To reject this, you need a t-value greater than 1.96 (at 0.05 confidence level). You can get the t-values by dividing the coefficient by its standard error. The t-values also show the importance of a variable in the model. F-test statistic is called a global Test, testing about all the

independent variables coefficients if are different from zero. Larger  $R^2$  produce bigger values of F, that is, the stronger the relationship is between the dependent and the independent variables, the bigger F-test statistic will be. Larger sample sizes also tend to produce bigger values of F. The larger the sample, the less uncertainty there is whether population parameters actually differ from 0. Particularly with a large sample, it is necessary to determine whether statistically significant results are also substantively meaningful.

The p-value of the model indicates the reliability of independent variables to predict changes in the dependent variables. Usually we need a p-value lower than 0.05 to show a statistically significant relationship between independent and dependent variables. R-square shows the amount of variance of dependent variables explained by independent variables. The Adj  $R^2$  shows the same as  $R^2$  but adjusted by the number of sample elements and number of variables. When the number of variables is large and the number of elements is large as in this study then Adj  $R^2$  is closer to  $R^2$ . This provides a more honest association between the independent and dependent variables.

#### **4.7 Non-Stationarity Tests**

The casual observations of graphs of all variables series in the study includes a trend term. The study used the Augmented-Dickey Fuller test which is one of the most commonly used tests stationarity that is absence of a unit root. Having unit root in a series mean that there is more than one trend in the series. In these tests the null hypothesis is that the series has a unit root. All tests of unit roots (Augmented Dickey-Fuller and the pillips-perron tests) revealed that variables are stationary at levels except  $\log T_{4t}$ . The next step was to difference  $\log T_{4t}$ , checking to make sure that the differences are stationary (that is the levels are integrated).

#### **Unit Root test for logHBF1**

dfuller logHBF1, trend lags(0)

Dickey-Fuller test for unit root Number of obs=26

----- Interpolated Dickey-Fuller -----

Test	1% Critical	5% Critical	10% Critical
Statistic	Value	Value	Value

-----  
 Z(t) -1.035    -4.380                    -3.500                    -3.240  
 -----

MacKinnon approximate p-value for Z(t) = 0.9391

The test statistics shows that the dependent variable logHBF1 have a unit root, it lies within the acceptance region as indicated by a Z(t) = 0.9391. It is also confirmed by the presence of a stochastic trend (unit root) as evidenced in the figure 4.14 above. To deal with the stochastic trends the first difference of the variable made it be free of unit root as shown below where the Z(t) = 0.0002 which is far less than rule of thumb at 0.05 level of significance.

dfuller logHBF<sub>1</sub>D1, trend lags(0)

Dickey-Fuller test for unit root Number of obs=25

----- Interpolated Dickey-Fuller -----

Test	1% Critical	5% Critical	10% Critical
Statistic	Value	Value	Value

-----  
 Z(t) -4.958    -4.380                    -3.500                    -3.240  
 -----

MacKinnon approximate p-value for Z(t) = 0.0002

**Unit Root test for logEBF2**

dfuller logEBF<sub>2</sub>, trend lags(0)

Dickey-Fuller test for unit root Number of obs=26

----- Interpolated Dickey-Fuller -----

Test	1% Critical	5% Critical	10% Critical
------	-------------	-------------	--------------

Statistic	Value	Value	Value
Z(t)	-2.214	-4.380	-3.240

MacKinnon approximate p-value for Z(t) = 0.00002

The test statistics shows that the dependent variable logEBF2 have no unit root, it lies within the rejection region as indicated by a Z(t) = 0.00002 which is less than rule of thumb at 0.05 level of significance . It is also confirmed by the presence of an absence of stochastic trend (unit root) as evidenced in the figure 4.2 above.

### Unit Root test for logINBF3

dfuller logINBF3, trend lags(0)

Dickey-Fuller test for unit root Number of obs=26

----- Interpolated Dickey-Fuller -----

Test	1% Critical	5% Critical	10% Critical
Statistic	Value	Value	Value
Z(t)	-2.529	-4.380	-3.240

MacKinnon approximate p-value for Z(t) = 0.0004

The test statistics shows that the dependent variable logINBF3 have no unit root, it lies within the rejection region as indicated by a Z(t) = 0.0004 which is less than rule of thumb at 0.05 level of significance . It is also confirmed by the presence of an absence of stochastic trend

### Unit Root test for logHIBF4

dfuller logHIBF4, trend lags(0)



Dickey-Fuller test for unit root Number of obs=26

----- Interpolated Dickey-Fuller -----

Test	1% Critical	5% Critical	10% Critical
Statistic	Value	Value	Value
Z(t)-19.948	-4.380	-3.500	-3.240

MacKinnon approximate p-value for Z(t) = 0.02134

The test statistics shows that the dependent variable logHIBF4 have no unit root, it lies within the rejection region as indicated by a Z(t) = 0.0000 which is less than rule of thumb at 0.05 level of significance . It is also confirmed by the presence of a absence of stochastic trend (unit root) as evidenced in the figure4.4 above.

Dependent variables which are natural log of health expenditures and household income exhibit unit root. Thus the null hypothesis of a unit root is not rejected for lags 0 at 5% level of significance. While the dependent variables which are natural log of education development expenditure and infrastructure expenditures tested on whether they follow a unit root process do not exhibit a unit root. The null hypothesis of a unit root is rejected for lags 0 at 5% level of significance.

The critical values and the test statistic produced by dfuller with 0 lag for health expenditure and household income do not support rejecting the null hypothesis, although the Mackinnon approximate P – value is less than 0.1. For education and infrastructure development expenditure without lags the critical values and the test statistics reject the null hypothesis at the 5% level of significance and the Mackinnon approximate P- value is less than 0.01. Using different numbers of lag terms yield the same conclusion.

- The Ramsey regression specification-error test for omitted variables indicated that the F(3,19)=1.21 and P-value 0.3330 and observed that the model had no omitted variables.

- It is clear that the residuals in these variable series are not auto-correlated according to the Breusch-Godfrey LM test for serial auto-correlation
- The co-integrating relationship was estimated using the least squares of all variables excluding logT4t. The results observed that the residuals sum of squares were 4.25828 with the t-value -4.29 and  $R^2=0.5580$  and P-value 0.000.

The 5% critical value of the test for stationarity in the co-integrating the residuals is -3.540 both in the Augmented Dickey-Fuller and Phillip Perron tests. Since the unit root t-value of 5.542 is less than -3.500 it, therefore, indicates that the errors are stationary and hence the relationship between dependent variables (local community development) and independent (tourism sector resources), are co-integrated and have a long-run relationship.

The study's estimated regression equations for model (2) are:

$$(1) \log HBF_1 = 21.551 - 0.154 \log T_{1t} + 0.7595 \log T_{2t} - 0.559 \log T_{3t} + 1.357 \log T_{4t}$$

T	(2.08)	(-0.37)	(1.58)	(-0.45)	(1.745)
---	--------	---------	--------	---------	---------

P	(0.050)	(0.712)	(0.129)	(0.559)	(0.351)
---	---------	---------	---------	---------	---------

$$(2) \log EBF_2 = 8.085 + 0.3349 \log T_{1t} + 0.1245 \log T_{2t} + 0.157 \log T_{3t} + 0.057 \log T_{4t}$$

t	(3.27)	(3.22)	(1.08)	(0.57)	(2.745)
---	--------	--------	--------	--------	---------

P	(0.003)	(0.004)	(0.293)	(0.577)	(0.037)
---	---------	---------	---------	---------	---------

$$(3) \log INBF_3 = 13.42309 + 0.1011 \log T_{1t} + 0.3335 \log T_{2t} + 0.298 \log T_{3t} - 2.039 \log T_{4t}$$

t	(7.14)	(1.28)	(3.81)	(1.32)	(1.005)
---	--------	--------	--------	--------	---------

p	(0.000)	(0.213)	(0.001)	(0.199)	(0.372)
---	---------	---------	---------	---------	---------

$$(4) \log HIBF_4 = 15.955 + 0.2452 \log T_{1t} - 0.233 \log T_{2t} - 1.502 \log T_{3t} + 0.017 \log T_{4t}$$

t	(1.70)	(1.17)	(-0.53)	(-1.34)	(1.85)
---	--------	--------	---------	---------	--------

p	(0.102)	(0.421)	(0.501)	(0.193)	(0.052)
---	---------	---------	---------	---------	---------

#### 4.8 Selecting Lag lengths

**Table 4.15 On Lags Selection-order criteria**

Lag	LL	LR	df	P	FPE	AIC	HQIC	SBIC
0	12.52				5.4e-06	-.774806	-.728075	-
1	.576434							
2	118.356	211.67	16	0.000	1.6e-09	-8.94146	-8.70781	-
3	7.9496							
4	143.668	50.624	16	0.000	8.1e-10	-9.788	-9.36743	-
	8.00266							
	173.321	59.305	16	0.000	3.9e-10	-11.0291	-10.4217	-
	8.45032							
	212.637	78.633*	16	0.000	1.8e-10*	-13.1488*	-12.3544*	-
	9.7765*							

**Source: Computed from Stata Output, 2017**

The selection order criteria used a sample of 22 number of years observations (that is from 1995 to 2016) after including four years lag length, means four initial years were to be excluded in the sample period Lutkepohl, (2005). The endogenous variables are four dependent variables according to the study model; these are health development expenditures expressed as logHBF1, education development expenditures logEBF2, infrastructural development expenditures logINBF3 and household income benefits logHIBF4, where as the exogenous variables are the constant variables in each dependent variable mentioned above

The criteria used were the Akaike Information Criterion (AIC) that suggested 4 lag orders, Hannan Quinn Information Criterion (HQIC) suggested 4 lags orders and the Shwartz Bayesian Information Criterion (SBIC) suggested 3 lags orders be included in equation one. For equation two, 4 lag orders were suggested by all criteria HQIC, SBIC and AIC. For equation three, the AIC suggested that 2 lag orders be used, and HQIC suggested 4 lag orders. Finally, for equation four the AIC suggested 0 lag order, HQIC suggested 4 lag orders and the SBIC suggested 4 lag orders be used. I selected 4 lags in this analysis; the HQIC and SBIC since have theoretical advantages over AIC and FPE

(Nielsen, 2001; Lutkepohl, 2005). The 4 lags in the HQIC and SBIC have the lowest values and the study interest is to minimize the prediction error as displayed in the STATA output.

#### 4.9 Co-integration

Co-integration refers to the fact that two or more series share a stochastic trend (Engle and Granger, 1987; Stocks and Watson, 2007; Green, 2008) suggested two processes to test for co-integration (the ordinary least square regression and a unit root test), the Engle-Granger-ADF test. The first task was to run the OLS regression whereby two integrating equations were identified above (i.e. for equation 2 and equation 3). The second task is to get the residuals ( $e$ ) and finally testing for the unit root of the predicted residual, and the results as displayed in the Stata output revealed that there is no unit root in both second and third equations therefore are co-integrated as evidenced by the p-value of  $Z(t) = 0.015$  which is less than the rule of thumb 0.05.

dfuller e, trend lags(0)

Dickey-Fuller test for unit root Number of obs=26

----- Interpolated Dickey-Fuller -----

Test	1% Critical	5% Critical	10% Critical
Statistic	Value	Value	Value
Z(t)-3.833	-4.380	-3.500	-3.240

MacKinnon approximate p-value for  $Z(t) = 0.0150$

The next step was to determine the co-integrating rank so as to be able estimate the vector error correction model (VECM). At maximum number of 4 lags in the model, the Johansen Test suggested co-integrating equation One (1) as indicated in the STATA output.

Economically speaking, two variables will be co-integrated if they have a long-run, or equilibrium, relationship between them. In the present context, economic theory tells us that there is a strong relationship between education expenditures and tourism. In the language of co-integration theory, the equation (2) that is  $\log EBF_2 = \gamma_0 + \gamma_1 \log T_{1t} + \gamma_2 \log T_{2t} + \gamma_3 \log T_{3t} + \gamma_4 \log T_{4t}$  is known as a co-integrating regression and the slope parameters  $\gamma_0, \gamma_1, \gamma_2, \gamma_3,$  and  $\gamma_4$  are known as co-integrating parameters for the second equation. And the equation (3) that is  $\log INBF_3 = \theta_0 + \theta_1 \log T_{1t} + \theta_2 \log T_{2t} + \theta_3 \log T_{3t} + \theta_4 \log T_{4t}$  is known as a co-integrating regression and the slope parameters  $\theta_0, \theta_1, \theta_2, \theta_3,$  and  $\theta_4$  are known as co-integrating parameters for the third equation.

The results for co-integrating equations are indicated. The header contains information about the sample, the fit of each equation and the overall model of fit statistics. The first estimation table contains estimates of the short run parameters along with their standard errors, statistics and confidence intervals. For results, the co-integrating equations are two in the study model, which are equation number (2) and equation number (3). For equation number two  $\log EBF_2$  has coefficients of 0.31153 for tourism revenue, 0.105 for employees' income and z-statistics are 4.87, and 2.548 and the P-values of 0.000, 0.0035 respectively. For  $\log INBF_3$  the coefficients are 0.918987 for tourism revenue, 0.425 tourism numbers of visitors and z-statistics are 5.24 and 3.415, P-values are 0.000 and 0.003 respectively. Since all the terms in the VECM model are stationary therefore, the standard OLS estimations are valid.

The four coefficients on  $L\_ce1$  are the parameters in the adjustment matrix for this model. Since the VEC estimates the parameters of co-integrating VECMs, there are three types of parameters in the interest of the study.

1. The parameters in the co-integrating equations  $\rho_1$  and  $\rho_2$

$$\rho_1^{\wedge} = (0.31153, -1.905, -1.543, 0.105)$$

$$\rho_2^{\wedge} = (0.918987, 0.425, -3.204, -0.453)$$

2. The speed of adjustment of coefficients ( $\alpha_1, \alpha_2$ ) in cases of disequilibrium, respectively are given by

$$\alpha^{\wedge} = (-0.458, 0.877)$$

In the first value of speed of adjustment (-0.458), the negative sign implies that for the log education expenditure model the long run relationship is below equilibrium condition. The absolute value 0.458 or equivalently 45.8% implies that the adjustment to equilibrium for a period of time of one year (as our time series) it takes only 45.8% of disequilibrium that is corrected.

For the second value of speed of adjustment (0.877), the positive sign implies that for the log infrastructure expenditure model the long run relationship is above equilibrium condition. The value 0.877 or equivalently 87.7% implies that the adjustment to equilibrium for a period of time of one year (as our time series) it takes only 87.7% of disequilibrium that is corrected.

3. The short run coefficients  $v \ v^{\wedge} = (0.138, 0.07)$ .

The last table in our STATA output gives the estimated parameters of co-integrating vector for this model, along with their standard errors, z-statistics and confidence intervals. The overall STATA output indicates that the model fits well for equations two (2) and three (3) of our general model.

$$\Gamma^{\wedge} = \begin{pmatrix} -0.5959-5085 \\ -0.585-0.3194 \end{pmatrix}$$

The negative signs of the coefficients in the co-integrating equations indicate that variables in the equation are below the equilibrium value. If could be the positive signs that could indicate the variables in equation are above the equilibrium value, as long as the long run relationship among variables exists. Our estimated two equations in the model (3) are:

$$(1) \log EBF_2 = 8.085127 + 0.3349 \log T1t + 0.1237 \log T2t + 0.1571 T3t + 1.05 \log T4t$$

t	(3.27)	(3.22)	(1.08)	(0.57)	(2.43)
p	(0.003)	(0.004)	(0.293)	(0.577)	(0.025)

$R^2 = 94\%$

$$(2) \log INBF_3 = 13.42309 + 0.1013 \log T1t + 0.335 \log T2t + 0.298 \log T3t - 1.53 \log T4t$$

t	(7.14)	(2.28)	(3.81)	(0.32)	(1.532)
---	--------	--------	--------	--------	---------

p	(0.000)	(0.323)	(0.001)	(0.199)	(0.371)
$R^2 = 95\%$					

The study findings in the last model of local community development are in terms of education development expenditures, and infrastructural development expenditures associated with tourism resources in terms of revenue collections, number of visitors in the tourism sites, number of women entrepreneurs in the tourism sites and the employee's per capita income in tourism relevant activities Vaughan et al (2000).

The two estimated equations reveal that local community development changes can be largely explained by the changes in tourism resources. For equation one (1), the goodness of fit quality of 94 percent  $R^2$ , indicates that 94 percent of the variations in the education development expenditures are explained by changes in the explanatory variables ( $\log T_{1t}$ ,  $\log T_{2t}$ ,  $\log T_{3t}$  and  $\log T_{4t}$ ). For equation (2) the  $R^2$  is 95 percent as the variations in infrastructural development expenditures explained by changes in  $\log T_{1t}$ ,  $\log T_{2t}$  and  $\log T_{3t}$ .

According to the equation one (1), only  $\log T_{1t}$  and  $\log T_{4t}$  are statistically significant in explaining the changes in the education development expenditures with t-value (3.22) and (2.43) respectively for  $\log T_{1t}$  and  $\log T_{4t}$  which are above the 2.0 rule of the thumb. Their coefficients are 0.3349 indicating that for every 1.0 percent change in tourism revenues collection, there is a corresponding change in education expenditures of 0.335 percent if other things remain constant and 1.05 indicating that for every 1.0 percent change in employees' per capita income, there is a corresponding change in education expenditures of 1.05 percent if other things remain constant. Other variables like  $\log T_{2t}$  and  $\log T_{3t}$  are not statistically significant in our selected sample period (1991-2016).

According to equation two (2), only  $\log T_{1t}$  and  $\log T_{2t}$  are statistically significant in explaining the changes in infrastructural development expenditures in the tourism local community development, with t-values (3.81) and 2.28, exceeding the 2.0 rule of thumb. Their respective coefficients are 0.335 and 0.1013 indicating that for every 1.0 percent change in number of visitors, other things remaining the same; there is a corresponding 0.1013 percent change in local community development, in terms of infrastructural development expenditures and for every 1.0 percent change in number of visitors, other things remaining the same; there is corresponding 0.335 percent change in local community development, in terms of infrastructural development expenditures. Since all

the terms in the VECM model are stationary therefore, the standard OLS estimations are valid (i.e. efficient and consistent estimators of the true population parameters).

#### 4.10.1 Granger-Causality

**Table 4.15: Granger-Causality estimations of the co-integrated equations.**

mvreg logEBF2 logINBF3 = logEBF2L4 logINBF3L4logT1tL4 logT2tL4 logT3tL4					
Equation	Obs	Parms	RMSE"	R-sq"	FP
logEBF <sub>2</sub>	22	5.1157555	0.983919	5.7917	0.0000
logINBF <sub>3</sub>	22	5.1059271	0.994457	2.9913	0.0000
	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
logEBF2					
logEBF2L4	.191027 5.575722	8.2285395	2.84	0.005	-.293555
logINBF3L4	.391458 5.587783	3.139782	2.80	0.013	.095133
logT1tL4	.4543 1.133735	5.3157573	2.47	0.021	-.2050157
logT2tL4	-.29452 1.2741571	1.2582511	-1.10	0.289	-.853209
logT3tL4	.244805 1.349547	5.5211748	3.48	0.004	-.8500357
_cons	-2.348448 3.159235	2.59808	-0.90	0.379	-7.855132
logINBF3					
logEBF2L4	1.59921	5.2092253	7.54	0.000	1.155575



	2.042755				
logINBF3L4	-.085749 2.1854145	8.1279134	-0.57	0.512	-.355914
logT1tL4	.143255 9.4592848	5.288947	2.50	0.007	.755795
logT2tL4	.997399 1.517802	5.2454835	4.05	0.001	.4759975
logT3tL4	-.752742 4.2482891	3.4759229	-1.50	0.129	-1.77377
_cons	-2.745705 2.294333	2.377483	-1.15	0.255	-7.785743

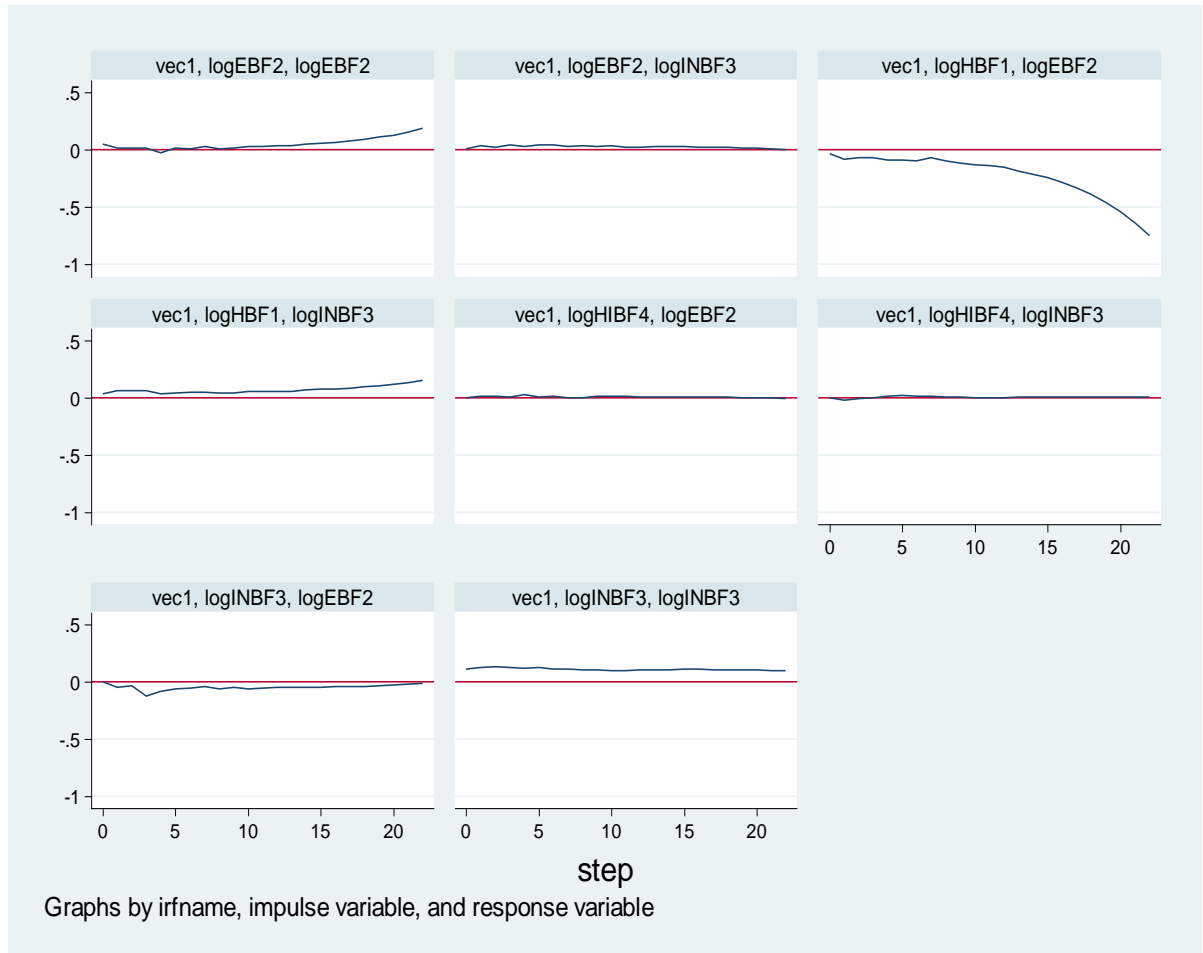
**Source: Computed from Stata Output, 2017**

The study sought to establish the relationship between dependent variables and independent variables in the co-integrating equations by looking on the causality behaviour using the OLS, and the estimated Stata output are given in table4.15. If a dependent variable is regressed on lagged values of itself and the independent variables and the coefficients of the lag of the independent variables are statistically significantly different from zero, then the argument can be that the independent variable Granger-cause the dependent variable, this means that the independent variables can be used to predict the value changes in the dependent variables.

In reference to table4.15 for education development expenditures, logEBF2 variable the  $P > F = 0.0000$  for its dependent variables which rejects the null hypothesis that all coefficients of lag of independent variables are equal to zero. Therefore, tourism as an independent variable Granger-Causes education development expenditures in local communities of Arusha region, National Game Parks. Furthermore, for infrastructure development expenditures the  $P > F = 0.0000$  for its dependent variables which rejects the null hypothesis that all coefficients of lag of independent variables are equal to zero. Therefore, tourism as an independent variable Granger-Causes infrastructure development expenditures in local communities of Arusha region, National Game Parks.

#### 4.5.8 Impulse response functions (irfs) for Vector Error Correction Models (VECMS)

Figure 4.5 Graphs by impulse response function of all dependent variables.



Source: Arusha National Bureau of Statistics 2016

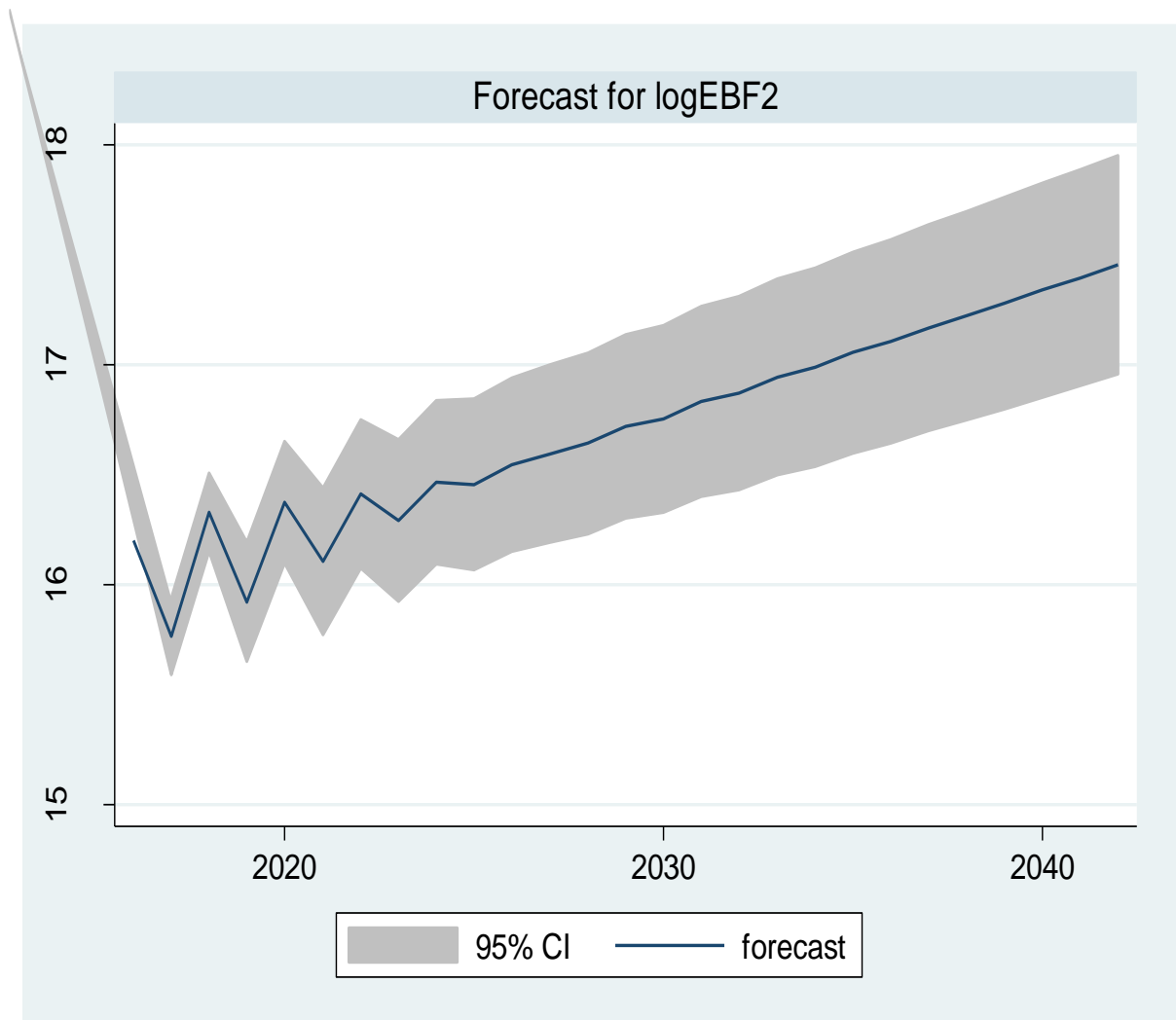
With the use of the two specified equations, we have estimated the impulse response functions for VECMs and the results are displayed in the STATA output as shown in figure 4.5. It can be explained as revealed that the variables modelled in the co-integrating VECM are mean reverting (i.e they have time invariant mean), IRFs of VECMs do die out overtime as shock triggers on the equilibrium relationships. Unexpected shocks that are local to the community development process have permanent effect on local community development. This implies that the shocks to the tourism resources results to a response in local community development expenditures for a long-term and could be that higher tourism resources increase community development

expenditures that have long term effects on education and infrastructure developments, lastly, the VECM is dynamically stable

The graphs indicate that an orthogonalized shock to the average tourism resources allocation on local communities has a permanent effect on the average educational, infrastructure development spending but that an orthogonalized shock to the average tourism resource allocation on local communities has a no permanent effect on health development spending and household income.

Lastly, the study computed the dynamic forecasting with the VECMs as displayed in the figures below. Theoretically, it is known that the variance of the forecast errors for the levels of a co-integrating VECM diverges to infinity with a forecast horizon. As revealed in the forecast graphs for log education development expenditure and log infrastructure development expenditure the width of the confidence intervals grow with the forecasting horizons.

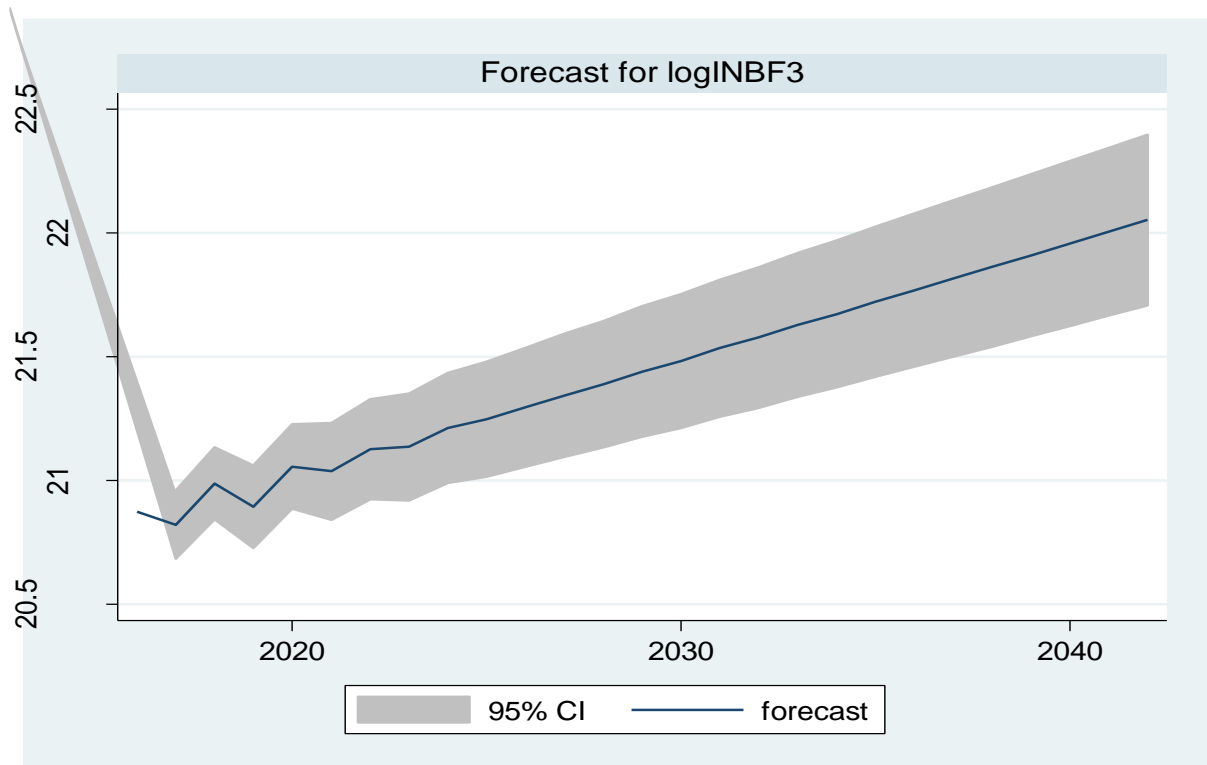
**Figure 4.6 Graphs of forecasting of log education expenditures as a dependent variable co-integrating equation.**



**Source: Arusha National Bureau of Statistics 2016**

The figure 4.6 shows exhibit an upward trend, because both series are driven by the same trend, the tourism revenues and other resources to education development expenditure ratio is fluctuating about a constant mean as indicate in figure 4.6. As a result, the difference between the log series in the above figure has no obvious trend anymore. It is mean reverting and appears stationary.

**Figure 4.7 Graphs of forecasting of log infrastructure expenditures as a dependent variable co-integrating equation.**



**Source: Arusha National Bureau of Statistics 2016**

In the next figure 4.7 indicates the relationship exhibit an upward trend, because both series are driven by the same trend, the tourism revenues and other resources to infrastructure development expenditure ratio is fluctuating about a constant mean as displayed by figure 4.7 below. As a result, the difference between the log series in the above figure 4.3 has no obvious trend anymore. It is mean reverting and appears stationary, Witt (1995) and Wiersma et al (2004).

#### 4.11 Post-estimations test results

The Lagrange-Multiplier test for residual autocorrelation was performed and revealed that no autocorrelation could be detected by LaGrange-multiplier test. White noise refers to the fact that a variable does not have autocorrelation. The null hypothesis is that there is no serial autocorrelation. In the Stata output below the Prob > chi2(11)=0.0000 means presence of serial autocorrelation as indicated below in the STATA output.

wntestq logEBF2

Portmanteau test for white noise

-----

Portmanteau (Q) statistic =79.4588

Prob >chi2(11)= 0.0000

We can however correct for the serial autocorrelation problem by running the Cochrane-Orcutt regression. The following STATA results were obtained with regard to correction of the serial autocorrelation problem, the results show that the original Durbin-Watson statistic value is 1.055 and the corrected Durbin-Watson statistic value is 1.1587 which indicates that there is no problem of serial autocorrelation in the education expenditures function.

Source	SS	df	MS	Number of obs	
-----+-----F (3,18)					
Model	5.575111453	2	.22503715	Prob > F=	
Residual	.2584725321	8	.014359591	R-squared=0.9527	
-----+-----Adj R-squared =					
Total	5.933584082		1.330170571	Root MSE=.11983	
-----+-----					
-					
logEBF <sub>2</sub>	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
-----+-----					
--					
logT <sub>1t</sub> L4	.422759	.2785804	4.52	0.0145	-.15251581
	.008035				

logT <sub>2t</sub> L4	.110720	.341819	3.32	0.0450	-.5074149
.8288553					
logT <sub>3t</sub> L4	.1595909	.3794912	2.42	0.579	-.5375905
.9558723					
_cons	5.753554	.354553	1.55	0.138	-2.38492515
.91223					

-----+-----  
 ---

rho |.9811518

-----  
 ----

*Durbin-Watson statistic (original) 1.055157*

*Durbin-Watson statistic (transformed) 1.158718*

Similar results of the lack of serial autocorrelation are obtained for the equation of infrastructure development expenditure as displayed in the STATA results below. Results show that the original Durbin-Watson statistic value is 0.721939 and the corrected Durbin-Watson statistic value is 0.530540 which indicates that there is no problem of serial autocorrelation in the infrastructure expenditures function.

Source	SS	df	MS	Number of obs
=22				
				-----F(3,18)
=55.05				
Model	5.71110075	3	1.90370025	Prob > F=
0.0000				
Residual	.51125854218		.033958813	R-squared=
0.9033				

-----+-----Adj R-squared =  
0.8872

Total | 5.322359412 1 .301054734 Root MSE=  
.18428

-----  
--

logINBF3	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
----------	-------	-----------	---	------	----------------------

-----+-----  
---

logT <sub>1t</sub> L4	.2054847	.4284129	2.48	0.0535	-.5935775
1.105547					

logT <sub>2t</sub> L4	.3935713	.5255514	3.75	0.0454	-.7107023
1.498045					

logT <sub>3t</sub> L4	.7055253	.5835015	1.21	0.242	-.5204752
1.931728					

_cons	2.8513535	.595059	0.43	0.575	-11.215541
5.91925					

-----+-----  
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rho| .9810924

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*Durbin-Watson statistic (original) 0.721939*

*Durbin-Watson statistic (transformed) 0.530540*

Furthermore, the test for normally distributed disturbances using the Jacque-Bera's test confirmed as well that disturbances are normally distributed. Focusing on the Jarque-



Bera test, the sum of the values of Skewness and Kurtosis (should be less than or equal to 3.0 for normal distribution of disturbance term) the results indicated that we cannot reject the null hypothesis that the disturbances are normally distributed.

Finally, the model stability test revealed that none of the Eigen values appears to be close to unit and so the last study model equations are not misspecified. Last but not least, the parameters jointly equals to zero test was performed using F test and revealed statistically different from zero of joint parameters as indicated in the output of  $F(5, 22)=103.99$ . The statistical significance of relationships among selected variables in this study was determined using the student t, Fishers and the Chisquare tests. The level of significance was set at 0.05.

Conclusively, according to the co-integrating equations parameters estimated the equation for  $\log EBF_1$  only the coefficients of  $\log T_{1t}$  and  $\log T_{4t}$  these are individually statistically significant at 5% or lower level. The tourism revenue collections coefficient of about 0.31 shows that a 1% increases in  $\log T_{1t}$  other factors remaining constant will lead on average to a 0.31% increase in  $\log EBF_1$ . The employees' per capita income coefficient of about 0.105 shows that a 1% increases in  $\log T_{4t}$  other factors being equal will lead on average to a 0.11% increase in  $\log EBF_1$ . These are the short-run education development expenditure elasticities with respect to tourism revenue collections and employees' per capita income. The long-run values are given by the co-integrating regression which is 0.31153, 0.105, -1.543, and 2.512 for  $\log EBF_1$ . The coefficients of the error-correction term of about -0.458 suggests that about 45.8% of the discrepancy between long-term and short-term Education development expenditures is corrected within a year (yearly data), suggesting an average rate of adjustment to equilibrium.

In the equation for  $\log INBF_3$  only the coefficients of  $\log T_{1t}$  and  $\log T_{2t}$  these are individually statistically significant at 5% or lower level. The tourism revenue collections coefficient of about 0.31 shows that a 1% increases in  $\log T_{1t}$  will lead on average to a 0.31% increase in  $\log INBF_3$ . The tourism number of visitors' coefficient of about 0.31 shows that a 1% increases in  $\log T_{2t}$  will lead on average to a 0.31% increase in  $\log INBF_3$ . These are the short-run infrastructure development expenditure elasticities with respect to tourism revenue collections and tourism number of visitors. The long-run values are given by the co-integrating regression which are 0.918987, 0.425, -3.204, -0.453 for  $\log INBF_3$ . The coefficients of the error-correction term of about 0.877 suggests

that about 87.7% of the discrepancy between long-term and short-term infrastructure development expenditures is corrected within a year (yearly data), suggesting a faster rate of adjustment to equilibrium.

#### **4.12 Chapter Summary**

The chapter focused on the presentation and analysis of research findings and results whereby data was collected through secondary sources, questionnaires and interviews in primary sources. On the qualitative approach the chapter analysed the biographical information of the respondents to get their background; the second part of the analysis was on analysing their views, opinions and experiences of the respondents in the tourism sites about the impact of tourism they are experiencing in relation to socio-economic activities. Furthermore, on the quantitative approach descriptive information of quantitative variables was analysed followed by estimations of the model, testing and getting the long run relationship of the model and finally the post-estimations tests were presented.

## **CHAPTER FIVE**

### **DISCUSSION OF THE MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter explores the discussions of the major findings where findings were discussed objective by objective and cross references was done on the theories, related studies and respondents' perceptions from the qualitative results. It also includes the conclusions where each objective/research question was considered and the recommendations were made with regards to the study findings.

#### **5.2 Discussion of the major findings**

With regard to the demographic characteristics of respondents, the study observed that, most of the respondents were female. This could have been the case because many girls and their mothers mainly sit at the roadside waiting for tourists to sell commodities such

as foodstuffs and crafts while boys and their fathers most of the time are in the forests making the crafts for the female to sale.

Considering the age, many respondents (40%) were between the ages of 36-45 followed by those between the ages of 26-35. Considering the age of 26-45, this is a youthful age where majority of the human beings begin planning for their future and realizing their potentials. For example, Owolabi 2005 asserted that the age between 25 and 40 is a goal realization and future making stage; he further claimed that people at this stage look for jobs and are ready to work due to the responsibilities they encounter. This idea might explain why majority of the respondents were in that category.

***Objective one sought to establish the contribution of tourism on social sector development, where variables such as development in education services, health services and infrastructural services were examined.***

Considering the contribution of tourism on social sector development among the communities where tourism activities take place, it was rated between poor and fair all factors concerning health, education, income and infrastructure were rated between poor and fair. In relation to the qualitative data and literature from other scholar, the results show that the situation in the local communities in Arusha where the tourism activities are done is not much different from other similar locations. The researcher strongly believes that these conditions are caused by the lack of local community involvement into the planning, development and implementation of the tourism industry. The local people look at tourism as a purely foreign activity, which benefits rich town and government officials but not their communities.

Reflecting on health services, elements such as building hospitals, clinics, and the provision of diet foods to kids with malnutrition, provision of piped clean water, maternity services, medicine and drugs were all rated poor with an overall mean rating value of 1.42, which indicates that tourism has not significantly contributed to the health conditions of people.

Correspondingly, factors such as family planning services, the provision of hospital equipment and training of medical practitioners, sensitization programmes and seminars on health issues, mobile health services and the availability of ambulance were found to be poor. This implies that, none of the above health aspects have been initiated because

of tourism. There is great need for the tourism industry to support the communities health services where the attraction sites are located. On a positive note, little has been contributed to the communities living around and within tourist sites and this is ascertained by the fair responses. The responses from respondents on the questions asked on this variable were poor and fair an indication that the respondents acknowledged that tourism plays an insignificant role towards their access of health services.

The quantitative findings corresponded with the qualitative findings from the face to face interviews, for example respondents had the following perceptions on local community development with regards to the tested variables;

I am not aware of any TANAPA's assistance to individuals in Ngongongare village. We have one dispensary that was constructed by a donor called Geoffrey Assray but due to financial limitations, it reaches a time when the dispensary runs out of medicines. As a result, there are instances when patients die in the dispensary due to lack of medicines and their inability to transfer to other medical facilities. In such cases, help can only come from relatives, friends, and well-wishers. TANAPA has never extended any assistance to the health sector in Ngongongare village. In our village, there is no hospital or dispensary that was built out of the money realised directly from tourist activities, except for some hospitals that receive assistance in terms of medicine from tourists who visit the village areas.

Another official from Endamariiek Village, near Manyara National Park openly confirmed that;

Nothing tangible had come to the because of tourism but later acknowledged the role of tourists in extending health assistance in form drugs, health equipment and short trainings to health practitioners in rural areas. Another concern in the study was the communities' ability to access safe drinking water. The study revealed that the villages and communities surrounding tourist sites had trouble in accessing clean water for domestic use.

One of the officials from Ngongongare Village near Arusha National Park stated that,

“There is no well that has been dug for us by TANAPA up to this moment. The water we drink is very unhealthy and it has a big amount of fluoride; it is not fit for drinking as well as for cooking purposes. The water is mainly used for washing clothes. Drinking and cooking water is obtainable at (1000/=) one thousand per 20 litre. There is water at Usa-River but it is also infested with typhoid; even this is obtainable at between Tshs 750 to 1,000 per 20 litre bucket.”

The statements above indicate a serious health problem in the community calling for immediate interventions. The respondents went ahead to describe the negative economic and health problems that have come with this challenge. The problem has increased patients with typhoid related problems. Women waste a lot of valuable time in search for clean water from Usa-River and a lot of other health related problems. Another health problem in the community was the poor nutrition in the community, which has contributed the increased mortality of mothers and children. A respondent confirmed this when he said, “many families are too poor to provide a balanced diet to their children as a result many children under five are sickly and live in difficult conditions.”

The findings revealed that the only positive thing from TANAPA was the friendly assistance provided to the sick in form of transport to health services. A senior community leader from a village adjacent to Tarangire National Park (TNP) confirmed that, “When someone is serious sick I often go to seek a help of a car (they have many vehicles) from TNP, in some cases I get a help.

The findings are generally confirmed by the Regression analysis models of the determinants of education development suggested that the amount of tourism revenue collection is positive and statistically significant. Its parameter value for the first model equation #1 is 0.331, with t-statistic of 3.21, for model #2 is 0.3349, with its t-statistic of 3.22. This relationship is much stronger and robust than between any other relationships in the study, therefore, the local community is more likely to increase its education development expenditures significantly from tourism revenue collection.

The Chi-square ( $\chi^2$ ) test for relationships between variables also has some insights in the null hypothesis ( $H_0$ ) which shows that there is no relationship between tourism sector and local communities’ development. To reject this we need a P-value < 0.05 (at 95% confidence). In the Stata outputs estimations both the Pearson and Likelihood-ratio Chi-square with 33.4175 p-values of 0.002 and 31.4825 with p-values of 0.003 respectively are statistically significant. Therefore, we conclude that there is some relationship between local communities’ development and tourism sector.

To be specific, the test statistic given in the t column is for a test that the coefficient is significantly different from zero. This is the test of significance as shown in the second estimated equation. Stata reported an accompanying p-value for a two-tail test. That is, in reference to our estimated model equation (2), for the slope coefficients on

educational development against tourism revenues collection ( $\gamma_1$ ), number of tourism visitors ( $\gamma_2$ ), number of women entrepreneurs ( $\gamma_3$ ) and level of employees income per capita ( $\gamma_4$ ) the t-statistic is for a test of:  $H_0: \gamma_1 = \gamma_2 = \gamma_3 = \gamma_4 = 0$ , against  $H_1: \gamma_1 = \gamma_2 = \gamma_3 = \gamma_4 \neq 0$

The Stata results report 3 decimal places of accuracy for the p-value. Therefore, a value of P-value 0.002 for tourism revenue collection on educational community development benefits means the p-value is less than 0.05. This leads to the decision that the null hypothesis of a zero coefficient can be rejected at any reasonable significance level (such as 0.10 or 0.05).

It must be noted however, what is true of tourism revenue collection in general may not necessarily be true of each component of tourism resources. Those resources which are associated with or potentially complementary to the number of visitors and women entrepreneurs are not likely on their own to be a source of additional educational development spending.

The close association of tourism revenue collection to communities' educational development expenditures is consistent to TANAPA statistical figure of community development fund called Support for Community Initiated Projects (SCIP), which has been mainly channelled to education institutions in the surrounding and adjacent communities. For example, the 25 primary schools and 15 secondary schools received an estimated amount of TZS 3.4 billion up to December 2015, which is equivalent 75.3% of all TANAPA SCIP fund (TANAPA, May 2017).

Regarding the number of visitors; the first hypothesis was fully rejected on the relationship between infrastructural development expenditures and the number of tourism visitors found in tourism sites. This link between number of visitors and community development in the broad infrastructural development context is evidenced by the coefficient of 0.405, with t-statistic 2.05 in model (1) and 0.3335 with t-statistic of 3.81 for model (2) and 0.335 with t-statistic of 3.81 for model (3).

The  $\chi^2$  test for relationships between variables also has some insights in the null hypothesis ( $H_0$ ) which shows that there is no relationship between tourism sector and local communities' development. To reject this we need a P-value < 0.05 (at 95% confidence). In the Stata outputs estimations both the Pearson and Likelihood-ratio Chi-square with 38.2238 p-values of 0.004 and 28.5825 with p-values of 0.005 respectively

are statistically significant. Therefore, we conclude that there is some relationship between local communities' development and tourism sector.

Specifically, the test statistic given in the t column is for a test that the coefficient is significantly different from zero. This is the test of significance as shown in our second estimated equation. Stata reported an accompanying p-value for a two-tail test. That is, in reference to our estimated model equation (3), for the slope coefficients on infrastructural development against tourism revenues collection ( $\Theta_1$ ), number of tourism visitors ( $\Theta_2$ ), number of women entrepreneurs ( $\Theta_3$ ) and level of employees income per capita ( $\Theta_4$ ) the t-statistic is for a test of:  $H_0: \Theta_1 = \Theta_2 = \Theta_3 = \Theta_4 = 0$ , against  $H_1: \Theta_1 = \Theta_2 = \Theta_3 = \Theta_4 \neq 0$

The Stata results report 3 decimal places of accuracy for the p-value. Therefore, a value of P-value 0.004 for tourism number of visitors on infrastructure community development benefits means the p-value is less than 0.05. This leads to the decision that the null hypothesis of a zero coefficient can be rejected at any reasonable significance level (such as 0.10 or 0.05).

Arguably, the direct way to look for of this expected relationship is the distribution of these infrastructural expenditures on the tourism sites as infrastructure development is taking place as evidenced by roads, communication, energy and water facilities. However, it should be noted that mainly these components of development expenditures are public sector not private sector.

Considering other researchers further, in the local community development literature, it is known clearly that the link between infrastructural development and tourism is associated to total revenues collection Panasiuk, (2007); Mohamed, (2009), and Mendlinger et al, (2009). Few researchers have examined the link between infrastructural development and number of tourism visitors. The few studies that have examined this relationship, other than this study, have found a consistent strong relationship, while other studies showed no link at all.

Therefore, the exact relationship remained unclear in previous studies for example Zaei et al, (2013); Wallis and Oates (1988); and Zax (1989) found that within the tourism sites where foreign visitors go, the increase of number of visitors was not related to infrastructural development as in the sub-Saharan countries like Kenya, Rwanda and Uganda previous studies revealed that the main reason was leakage of tourism revenues

collections. Although these findings are generally compatible with Kweka, (2004) there are several areas in which they differ from Hundt (1995).

The increase in the number of tourism visitors has the main implication as it affects infrastructural development. This further relates to increase in taxation as well as its direct use to development amplified by the number of increased visitors. Secondly is the fact that the increase of visitors implies expanding sector of tourism, so infrastructural development must consider of this fact, these findings are broadly in linewith Hundt (1995) and Kweka (2004).

Although from the 504 respondents, there was only 54% who recommended positive role of tourism on infrastructural development; the remaining 35% argued that many infrastructural facilities do not link to tourism resources or number of visitors. Nevertheless, 51% revealed that they enjoy relatively improved infrastructural facilities especially to those areas close to tourism sites. These findings are broadly in harmony with those of researchers such as Luvanga and Shitundu, (2003); Kalembo, (2011); Muganda et al, (2013) and Mohamed, (2015).

***Objective two assessed the contribution of tourism on local community household income in Arusha region.***

In view of the respondents' monthly income, majority of the respondents (75.4%) claimed to earn less than 250,000Tsh per months. This implies that majority of the respondents in the area of study are poor, earning almost \$100 and below per month. These findings are in agreement with the findings from the interviews where one of the respondents claimed that, The local people in Ngongongare community in Arusha national Park are still very poor. There is a big income gap between those people living around the tourist sites and those who live in Arusha town. The majority of the people living in the Ngongongare village are peasant farmers, self-employed selling food stuff and beverages in front of their houses and making products such as crafts. Majority of people who basically benefit much from tourism activities are living in the city, are self-employed, employees in the private sector especially the construction and hospitality industries, NGOs staff, and public servants. Many people who transport tourists come from the town, most of them work in private organizations with their cite wardens who guide the tourists, they established markets for almost everything needed by the tourists and the local people are left with limited chances of marketing to the tourists.



The responses from the interviewee, acknowledged that tourism activities on a lesser extent contributed positively to the growth of per capita income of local community members, this was through the creation of employment opportunities and businesses to the youths and women in the communities surrounding the tourism sites. The findings revealed the few jobs created by TANAPA were on a temporary basis something that could not sustain one's income for a long time. One of the officials from Kakoi Village near Tarangire claimed that,

“Only some women occasionally are recruited temporarily to clear the bush along the road. The little they receive helps them to settle some of their bills. However, in the recent past, I have noticed a change; I do not see them clearing the bushes along park's road as they used to do.”

The findings further revealed that non-residents and mostly foreigners owned most of the businesses in the tourist areas. The little businesses that could be done by locals have been taken by middlemen who buy items from the locals cheaply and sell them expensively to the tourists. These are hotel and restaurant owners, transport services owners and other businesses that complement tourism. One of the officials from Ngongongare village near Arusha National Park revealed that,

To be honest, for now, the majority people who own and run big businesses are not the local people; too contrary, the majorities are the people who originate from other places of the country and outside the country. Due to the reality of development in the area, for example, the existence of the University of Arusha in the area, and other organizations maintaining offices in the locality has encouraged people in the locality to involve themselves in income-generating activities such as selling ripe banana as well as raw ones to University students, staff, and faculty.” Moreover, “The Arusha National Park has also, to a certain extent, contributed to the income of the indigenous people living close to the park by providing short-time employment such as clearing the bushes along the road, clearing the boundary, and assisting tourists who climb Mount Meru. Complaints were raised on the animals that usually escape from the parks and cause destruction of crops, kill animals and people hence affecting people's lives and income. This scenario calls for adverse measures from TANAPA to compensate adequately and on time victims of this circumstance.

However, the local people's general perception of tourism's contribution to development of the region is positive. They think that tourism provides employment, investment, and business opportunities. In addition, tourism helps to improve local infrastructure and health. Employment opportunities are perceived to be higher for foreign investors than the local people. They think that investment opportunity is below average for local

residents, they do not see much chance of them investing in the tourism industry because of their lack of capital.

Tourism revenue is put into education and health facilities. However, in a survey conducted in 2007 (WEGS Consultants, 2007), remarkably few people seemed to understand what tourism enterprises are doing in the area or how much money they were turning over annually to the village. They did acknowledge not only that tourism has brought some employment to the area, but also that several of the young men who have taken up jobs as local guides to help tourists come from outside the community, particularly from Arusha Municipal where they have had greater and longer exposure to tourists and thus better skills.

The results are also supported by Mowfort & Munt, 1998, who established that, tourism has a significant contribution towards poverty alleviation among local communities, especially when sustainable tourism practices arising from the principles of sustainable development and responsible tourism are taken into account. Local employment creation- providing job opportunities specifically for local people capacity building for local people- empowering local people to access tourism benefits through the provision of work experience opportunities, training, advice, loans or aid to enable local people to work for tourism or invest in tourism as local entrepreneurs

With regards to the regression models on hypothesis two, the study findings revealed that tourism revenues collection is positively associated with household income generation. In the tourism sites its parameter value for model (1) was 0.231 with a t-statistic of 3.15 for model (2) is 0.2452 with a t-statistic of 3.17.

The  $\chi^2$  test for relationships between variables also has some insights in the null hypothesis ( $H_0$ ) which shows that there is no relationship between tourism sector and local communities' development. To reject this we need a P-value < 0.05 (at 95% confidence). In the Stata outputs estimations both the Pearson and Likelihood-ratio Chi-square with 33.4175 p-values of 0.05 and 31.4825 with p-values of 0.05 respectively are statistically insignificant. Therefore, we conclude that there is some but weak relationship between local communities' development in terms of household income and tourism sector.

The test statistic given in the t column is for a test that the coefficient is significantly different from zero. This is the test of significance as shown in our second estimated

equation. Stata reported an accompanying p-value for a two-tail test. That is, in reference to our estimated model equation (3), for the slope coefficients on household income benefits against tourism revenues collection ( $\delta_1$ ), number of tourism visitors ( $\delta_2$ ), number of women entrepreneurs ( $\delta_3$ ) and level of employees income per capita ( $\delta_4$ ) the t-statistic is for a test of:  $H_0: \delta_1 = \delta_2 = \delta_3 = \delta_4 = 0$ , against  $H_1: \delta_1 = \delta_2 = \delta_3 = \delta_4 \neq 0$

The Stata results report 3 decimal places of accuracy for the p-value. Therefore, a value of P-value 0.049 for tourism revenue collection on household income community development benefits means the p-value is slightly less than 0.05. This leads to the decision that the null hypothesis of a zero coefficient of tourism revenue collection of household income cannot be rejected at a reasonable significance level of (0.10).

According to the 504 individuals who filled the questionnaires and others interviewed indicated that 58% of the surveyed population had a strong impact on their household income level, it is incredible that the findings run counter to the conventional expressed view that tourism resources had not contributed to improving the incomes of residents in and adjacent to tourism sites. The statistic on secondary time series (1991-2015) suggests that tourism revenue collection is influencing communities' economic activities.

In the 504 questionnaires on 37% agreed that tourism sector increase income level of jobs by 25%, opportunity for shopping 28%, and rental houses 38%. The positive role of tourism revenue collection to household income is more different to the results of Akama, (2007) and Richardson, (2010) in Kenya; Claiborne, (2010) in Uganda; and Ashley, (2007) and Kamuzinzi, (2015) in Rwanda but closely related to the suggestions of the pro-poor and the collective responsibility tourism theories.

There appear inadequate studies on local community development and tourism activities that were clearly identified in the context of this study as related to the relationship of tourism revenue collection and household income and education. The strong and consistent link between tourism revenue collection and household income that was identified during the study suggests that future studies should consider of this economic variable.

Furthermore, it should be noted that the study examined the contribution of tourism revenue collection on the household income only in terms of per capita income of general household sector. It is possible that tourism revenue collections impact

household income differently between land owners, workers, capital owners, entrepreneurs and energy/raw materials suppliers. Thus, in addition to including household income as economic variable, it is important that future research considers the possible relationship between household income and the specific resources to tourism revenue collection.

***Objective three required identifying the inhibitors to the development of local communities adjacent and within tourism sites in Arusha region and he following were identified as the major inhibitors***

With regard to the qualitative data findings from the face-to-face interview, majority of Local residents (56%) complain that their livelihood were seriously affected by high prices caused by tourism activities yet they hardly earn from such activities. Domestic migration is another concern for the local people in the region. Many people from different districts and areas come to seek jobs and earnings in the community, which creates more problems for the local economy in terms of infrastructure-carrying capacity, environmental pollution, especially air pollution.

Tourism is increasing very fast in Arusha region, but there seem to be no many impacts on the local community development. Although local communities have a great potential of economic, educational, health and infrastructural development through tourism, much has not been done in communities such as, Ngorongoro, Mbulumbulu, Manyara Kibaoni and others. The Tourism industry is faced with corruption and mismanagement. If you go to the shops you will know who benefits from selling the handicrafts. Only the intermediaries could make money, not the makers. In addition, half of the products are imported from neighboring countries and regions. The people living around the tourism sites are still poor. They could not get much benefits from tourism, but on the other hand they are the victims of tourism, given they suffer from the rapid increase in living costs. In order to have a sustainable tourism, it requires a strong participation from the local people. The poor are becoming poorer while a small group of rich are becoming richer. The government should pays attention to improve the livelihood of the local people. I feel that some NGOs play a more important role than the local government in local community development.

Tourism planning is often done without host community involvement at the outset. Many tourism projects are prepared by professionals or managers without input from the host community. When these projects are made available for community input, usually not until the final stages of development, they often fail to get support as they do not meet community needs or values. In addition, many social groups within the host community often feel helpless and frustrated because they are unsure about how to get their concerns addressed at any point of the development process.

Already in 1985, Murphy stressed the importance local involvement in tourism development. He indicated that the success of tourism relies on the goodwill and cooperation of local people because they are part of the tourism product. He argues that if tourism development and planning does not match with the local aspirations and capabilities, this can destroy the industries' potential. However, there are various ways in which local communities can be involved in tourism activities. Thus, while there is little discussion as to whether or not locals should be involved in tourism development, there is discussion about how they should be involved (Mowfort & Munt, 1998). Because local participation is generally regarded as a contributing factor in the success of development projects, it is now incorporated in policies of many NGOs and governments (Pretty, 1995). Many organizations talk about having locals participate in their programmes, which makes their projects look good on paper. In reality however, there is not one form of participation, and therefore the term may sometimes be used inappropriately. Mowfort and Munt indicate that it is the uncritical manner in which participation is conceptualised and practiced that draws increasing attention (1998).

However, tourism researchers (Bachmann 1988; Debbage 1990; Agarwal 1997) contend that in most cases, local communities in Developing countries, particularly in Africa, are not appropriately represented in the planning, design, development and management of their respective indigenous cultural and nature based resources for tourism. As a consequence, members of respective indigenous communities are usually not appropriately represented in the commodification process in which local cultural or nature based resources are transformed into tourism products to be presented and sold to tourists. Thus, there are a number of critical issues as concerns the development of tourism in most developing countries, particularly in Africa, which call into question the efficacy of tourism as a tool for socio-economic development. These issues include foreign domination and dependency, inequitable distribution and development, cultural

and environmental degradation, and loss of control and cultural identity, as well as the over-arching role of the state in the control and management of tourism resources (Bachmann 1988; Sinclair 1990; Sindiga 2000; Akama 2004).

According to Akama (2000), the lack of representation of indigenous local communities in the commodification process raises fundamental questions, particularly, as pertains to the control of cultural tourism products and the ownership of natural resources. This inevitably leads to the question of equitable distribution of the revenues that accrue from the presentation of indigenous cultural attractions to (non-consumptive use) or the exploitation of natural resources (both consumptive and non-consumptive use) by tourists.

Furthermore, the development of unplanned mass tourism that mainly responds to short-term exogenous socio-economic and political factors that are not connected with the needs of local people usually leads to a high leakage of tourism revenues. This results in lower linkage and a minimal multiplier effect that may not lead to long-term sustainable socio-economic development and an overall stimulation of economic growth within local African communities (Britton 1982; Oglethorpe 1984; Sinclair 1990). In this regard it should, therefore, be stated that the initiation of alternative tourism strategies that put the interests of local communities at the centre of the tourism development process is highly likely to enhance an equitable distribution of tourism revenue. These forms of alternative tourism development may lead to the reduction of high leakage rates and increase the multiplier effects of tourism. This in particular will also stimulate the overall development and economic growth and will also lead to a reduction in levels of poverty amongst local people.

It should also be stated that, in most instances, the debate on the efficacy of tourists as a tool for sustainable local community development is mainly conducted in the international and/or national arena, whereas there is minimal analysis that is conducted on tourism development at local community grassroots level. Particularly, there is a paucity of information on socio-cultural and economic impacts of tourism development on local communities in Africa and on the existing forms of interaction between tourists and host communities. This scenario should be of major concern when realizing that tourism has become a major socio-economic and cultural phenomenon affecting local communities in Africa and other parts of the developing countries.

For instance, it has been observed in different parts of the world, particularly in many developing countries, that the rapid development of mass tourism can overwhelm local communities and the environment having far-reaching negative socio-ecological and economic impact. Moreover, tourism can contribute to the exacerbation of the already existing socio-economic division and inequity by widening the gap between the beneficiaries of tourism and those who are already marginalised by the current forms of development.

However, it should be stated that the job positions in the tourism and hospitality industry that are taken by the local people are mainly menial and low-level unskilled job positions. These menial job positions include labourers, gardeners, genitors, guides, porters, drivers and waiters. Whereas, in most instances, the skilled high-paying managerial job positions are mainly occupied by expatriates. It has been argued that most of the foreign and multinational investors in the tourism and hospitality industry tend to hire expatriate staff for high-level supervisory and managerial positions because of the preconceived belief that a large number of expatriates assures higher quality service (Dieke 1991). As Sindiga (2000) states, this view is fallacious; nonetheless, it is a misperception that denies well-paying managerial jobs to indigenous people.

It can, therefore, be argued that the local people have been disenfranchised in the commodification process and marketing of local tourism resources. The local people are usually not involved nor represented in the commodification process of transforming and packaging. This lack of involvement and representation of local communities in the commodification process and tourism product development raises serious and fundamental questions, particularly pertaining to the authenticity of cultural tourism products, and equitable distribution of the revenues that accrue from the tourism industry.

Despite the changes in the attitudes of tourism planners and developers, which are gearing towards community participation, there is still a great deal of neo-liberal oriented policies that are not necessarily akin to community involvement in decision-making process (Desbiolles, 2006). However, this is about to change and changing. This is because 'Experiences of community-based tourism (CBT) seek to achieve sustainable development, so that communities can improve their living conditions without disappearing and without irreversibly damaging the environment.

There are several constraints to community participation in tourism activities (Koch, 1997; Tosun, 2000; Scheyvens, 2002; Timothy, 1999). Scheyvens (2002) provides two arguments as to why the involvement of local communities in tourism development is often difficult. The first is that communities are heterogeneous (Blackstock, 2005). A community consists of many different kinds of people, often with unequal positions and different aspirations. This leads to an unequal opportunity of community members to participate in tourism activities. Community members with a higher status are more likely to participate in tourism development, and will not always act in the best interest of other community members. The question that remains is who and how many people in the local community should participate (Tosun, 2006). The second difficulty identified by Scheyvens is that communities frequently lack information, resources and power. This makes it especially difficult to reach the market. The community is thus dependent on other stakeholders, and therefore vulnerable. Based on a research of tourism ventures in South Africa, Koch (1997) identifies the same and two other constraints to participation, which are applicable to multiple settings. Communities often do not have ownership over the natural resources and land. Thus, when land is owned by outsiders, locals are limited by the owners. Another constraint is that most poor communities have difficulties with attracting capital or resources to build the facilities and infrastructure that is necessary for tourism development.

In CBT projects, community participation ought to be high. As Scheyvens (2002) states, *'CBT ventures are those in which members of local communities have a high degree of control over the activities taking place, and a significant proportion of the economic benefits accrue to them'*. One would expect that most CBT projects would thus match the self-mobilization type of participation as defined by Pretty (1995) or France (1998). However, as Goodwin (2011) indicates, CBT projects have rarely been critically reviewed, and the idea that communities have full participation is not a given. Rather he indicates that many of these projects might still be dependent, for instance, on donor agencies. Research by Mitchell and Muckosy (2008) on CBT ventures in Latin America also shows that many projects are failing to achieve their goals because the costs do not outweigh the revenues. Local communities therefore become vulnerable.

Most residents of rural communities still have little knowledge or understanding of national policies and those who do often take advantage of their position to reap a greater share of the gains. Rural communities, just like nation states, are characterized by



complex political and economic differentiation tied often to cultural and gender norms. Devolution on its own will not immediately produce a more democratic system of natural resources governance. Greater awareness raising and communication of new policies can help community members defend their rights, but there will always be complex webs of power that continue to threaten some members' access to resources.

In communities where many members are not literate, it is easy for the few who can read and operate more easily in the wider political and economic context to take advantage of community members who cannot read contracts or revenue reports. In addition, the gendered impacts of tourism should also be considered. How, for example, are women faring on in this sector in which their participation is largely relegated to selling crafts, or in some instances, to prostitution? In addition to gender differences, the benefits of tourism are also experienced differently according to age. However, until individual homesteads feel or recognizes an economic or social benefit from tourist activities, tourism cannot be seen as a significant contributor to livelihoods.

One lack of entrepreneurship skills (38%); secondly, lack of advanced formal education (50%), because most of the respondents were either primary or secondary school leavers. Thirdly, lack of access to globalization facilities like smartphones, laptops, internet connection and other related accessories (90%); Fourthly, lack of customized mobile banking and services (70%); the respondents must travel long distances to reach either Usa-River, Arusha, or Karatu townships.

## **5.2 CONCLUSIONS**

In conclusion, therefore, tourism plays an important role in the development of local communities. The local community thinks that tourism brings jobs and incomes as well as cultural development. However, the real benefits generated from the tourism industry are largely distributed among big foreign and local companies such as the tour and travel companies, hotels, and restaurants are owned by rich immigrants. Local people can obtain only a small share through small businesses such as selling handicrafts, food stuff, providing services and employment at hotels and restaurants. Construction work should also be another source of income for the local residents, since hotels are multiplying by are done majorly by private contractors who migrated from outside communities. It is, therefore, imperative that the government should promote pro-poor tourism and the

innovation of local products and services is necessary for local participation in the sector.

Although many studies have suggested the importance of community participation, the practical actions required to promote it have seldom been articulated. One reason for this may be the common failure to identify the existing level of community participation. When that level is not identified, it is impossible to evaluate whether or not the existing programme is successful, and forecasting project feasibility is difficult; therefore, varying degrees of involvement must be assigned to different evaluations and forecasts. The outcome of this intensive research unveiled a number of bottlenecks which have continuously inhibited the tourism sector to play a meaningful role towards the improvement of the economic and living standards of the local communities within and adjacent to the National Game Parks in Arusha region. Meanwhile, the outcome of the review of the various national policies currently being used in the country including the National Tourism theory does not have a specific clause dealing with the directional point on resources generated from tourism sector to trickle down to benefit local communities. The government of Tanzania TRA which conducts the major role of collecting government taxes from tourism all of which goes to the government budget.

However, the LGA who are given the mandate by the Regional commissioner's office and TANAPA do not have in place sustainable socio-economic development program intended to raise the economic standard of these local communities within and adjacent to the national game parks. The local and international tour operators and hotels major undertaking are on the maximization of profits from the tourism industry. All these factors give a clear indicator that despite some minimal efforts aimed at making publicity by the above stakeholders, there is a need for the government to come up with a concrete serious programme to address the challenges facing the local communities within and around the National Game Parks and tourist attraction areas.

The analysis of the tourism sector on local community development has contributed to a better understanding of the tourism development and planning in Arusha region and the position of Tanzanian tourism sector. It is evident that the growth of tourism has been a blessing for the Arusha region and its communities surrounding and within tourism sites. Benefits attributed to tourism resources include educational developments, infrastructural developments and income generation. Additionally, tourist demand has

often resulted in the preservation of historical and cultural monuments and the conservation of natural resources.

As far as local community development is concerned tourism sector in Arusha region is directed to capacity building approach that raises the people's knowledge, awareness and skills to use their own capacity. Moreover, related to the issue of how many children in the tourist sites benefit from the education development expenditures and household incomes is the question whose information is provided deeply in the pro-poor policies so contributing to poverty alleviation (Mwakalobo et al, 2015) and the community-based tourism theory (CBT).

The role of the tourism sector in local community development helps to explain why the distribution of infrastructure facilities is unequal and follows the patterns of tourism attractions, investments, education and other social services. This brings to mind that tourism has implications on benefitting both current and future generations and is the driving economic growth with a component of technological change and therefore a viable alternative to local community development process.

Regarding the existence of local community development inhibitors in the tourism sites despite the presence of the state, NGO's and the private sector, there is less effort being made for these three development stakeholders to work together as a partnership. The state's main role usually is to provide resources for research and development (R&D) in marketing, efforts and making institutional arrangements for skill generation and finance. The private sector provides technological changes through innovations and inventions for diffusion of technology as happened in Mauritius according to Saufi (2014) and Kimbu (2012).

The results of hypotheses analyzed also indicate that there is no statistically significant difference in the mean ratings of local community leaders and TANAPA tourism staff on the extent to which tourism has contributed to the education, infrastructure and household income development. These findings are in line with Kweka (2014) who made it clear that tourism is one of the fastest growing socio-economic and cultural developments of local communities in Tanzania. In support of this, Kimbu (2012) and Okechwuku (2015) admit that the contribution of tourism now is great and cannot be underestimated. The tourism sector provides job and investment opportunities thereby enhancing the socio-economic sustainability of people.

### **5.3 RECOMMENDATIONS**

Based on this research findings and analysis, which will be presented to the government of Tanzania, there exists a number of areas which need to be worked on so as to ensure that revenues generated from the tourism sector trickle down to economically empower the local communities within the national game parks where these resources are generated. The following are the key recommendations:

#### **5.3.1 Ministry of Tourism**

The ministry of tourism should conduct a research on the current economic development fate facing the local communities within and adjacent to national game parks. And after conducting the research, take the initiative to update the current National Tourism Policy: Tanzania National Park Policy and the National Wildlife Policy to be inclusive by highlighting various approaches to ensure that the local communities within and adjacent the national game parks also benefit from the revenues generated from the tourism sector.

#### **5.3.2 The Arusha Regional Commission Office**

The Arusha Regional Commission Office through its regional LGA's meetings should take a special initiative of monitoring and controlling on how fiscal decentralization issues are being implemented within LGA's controlling the national game parks. This should include getting accurate and timely accounts of the revenue generated from local taxes specifically from tourism and how the expenditure is being utilized in building schools, healthcare centres, the improvement of roads as well as encouragement of entrepreneurship business among these communities to sell their products to the tourists.

#### **5.3.3 TANAPA**

The Ministry of Tourism should direct TANAPA to prepare and submit a long-term strategic economic development programme (period of 10 years) focusing on the local communities within and adjacent to the national game parks. The situation of these local communities in particular as they are not allowed to farm and, in some areas, not to graze so the nature of their income generation strategies are quite different to the rest. The current TANAPA five fighting programmes do really render effective outcome to bring about a meaningful economic development to this target group.

#### **5.3.4 Local and International Tour Operators and Agencies and Hotel Management**

The local and international tour operators and hotel management need to annually exercise Corporate Social Responsibility (CSR). They may have CSR plans to construct schools, healthcare facilities and possibly provide them with ambulances to the marginalized local communities. They can also provide scholarships to the youth from those local communities to pursue studies on tourism and wildlife with the possibility of becoming future employees.

#### **5.3.5 The NGOs**

There are various NGOs within the study area some of which are trying to bring awareness to the population on environmental preservation, while others assist on education, health and administrative issues to improve the culture and traditions of the local Maasai communities.

There is a need for the NGOs to have a cooperative and concentrated approach in the introduction of viable economic activities, credit schemes and education so as to ensure that these create a positive impact on the economic empowerment of the targeted local communities.

#### **5.3.6 The Local Communities**

The Government of Tanzania through the LGA's leaders should take concerted efforts to study the patterns of the life and culture of the local communities, especially the Maasai, so as to determine their major pattern of economic sustenance. There will be a need to educate them to become aware that they must change their current way of life and participate in community-based entrepreneurial activities. They may be enlightened that women are not to be the main breadwinners while men concentrate on dancing and unproductive activities. They should introduce community-based performance meetings to discuss how they are progressing economically and motivate one another to reach their goals.

Based on the findings of this study, the following recommendations are given for considerations:

The government should focus more on improving the socio-economic policies for tourism development. This will ensure that the health sector in the local communities plays its part in the wellbeing of the residents from tourism benefits. The community

development fund from TANAPA, encouraging NGO's to establish health centres and the private sector investment attractions through incentives from the government is important. Among these key incentives are peace and security, special credits from the government, subsidies and so on.

The government should consider the inhibitors of tourism which negatively affects local community development.

It is recommended that the state, the NGOs and the private sector, should work together in sustainable partnership for local community development. The state's main role is expected to provide resources for research and development (R&D) in marketing efforts and making institutional arrangements for skill generation and finance. While the private sector is expected to provide technological changes through innovations and inventions for diffusion of technology, it will enhance the environment for development in these local communities.

There about seven policy frameworks that directly touch on local community development as per Tanzania's National Development Vision 2015/2015 to 2020/2021 and the National Five Years Development Plan Phase II. These are the National Tourism Policy (1999), The Community Development Policy (1995), Education Training Policy (2015), the National Environment Policy (1997), the Wildlife Policy (2007) and the Tanzania National Parks Policy (1994). These policies are fragmented, uncoordinated and not participatory to local community members. The study recommends to the government to refine and re-orient them by addressing the mentioned weaknesses.

#### **5.4 The Study Contribution**

The study has clearly contributed to show the current situation of the fact that the tourism sector generated revenue goes to the national budget for national regular and economic development activities excluding the consideration of the conditions of the local communities within and adjacent to the national game parks the original of the tourism sector revenue.

Furthermore, the study has shown some little-uncoordinated efforts at Arusha regional level through LGA's use of fiscal decentralization, TANAPA, local and international tours and hotels operators, NGOs and private individuals to address the economic situation of the marginalized local communities. These efforts have not yielded the

required positive outcomes. Although publicity initiatives have been undertaken, not much has been realized due to an unclear clear sense of direction.

In addition to the provision of some directions for future research, this study has made three major contributions to the research literature on tourism resources and local community development. Research in these two areas is relatively new and the related literature is still limited. First, the variables on tourism resources are quantitative and classified into tourism revenues collection, a number of tourism visitors, women entrepreneurs and employees' income that measures socio-economic and socio-cultural development. Among the studies of tourism resources, it has been considered that tourism is the most difficult sector to analyse quantitatively especially on the socio-cultural aspects. The study has therefore contributed to the understanding of the local community development process from tourism using quantitative measures.

Second, the target period of the study spanned within twenty-six years. The research in this field was limited to qualitative primary and secondary data of respondents who were available at the time when studies were conducted. The previous researchers' assumption was that those respondents available during the study period could give correct information for a whole span of the period when the socio-economic activities were taking place (e.g. Kweka, 2004; Ashley, 2007; and Goedler and Ritcher, 2012). As a result, the current findings has enhanced the knowledge of the local community development process from tourism resources by making empirical investigation considering a substantial period of time rather than some few existing years alone.

Finally, because the investigations could focus on local community development as a function of the tourism resources that underlie the theoretical approaches of pro-poor and social collective action theory in line with other development theories, this increased the originality of the study. Although these theories have been applied to other studies like Cooper (2002), Rubin (2002), Leys (2005), Ekpo (2008), and Mookherjee (2014), the focus on the components and their impact on local community development remain unfamiliar to many researchers and policymakers who include them in their policy.

### **5.5 Suggestions for Future Studies**

The researcher suggests that future research on this subject matter should start researching on where this study ends. It is a fact that after reading the research recommendations the leading organizations including the Ministry of Tourism and TANAPA will actively try to work on the implementation of the research recommendations. Now it is up to the newly proposed research to conduct a study on how the government of Tanzania through its various public institutions is trying to address the economic plight of the marginalized communities from the national game parks where the tourism sector revenues are generated.

This study focused mainly on tourism resources and local community development performance, in terms of health, education, infrastructure, household income and inhibitors. Due to data inadequacy, an effective consideration on household income in terms of factors contributing to wellbeing like land, labour, capital, entrepreneurship and energy resources, foreign exchanges and leakages of tourism revenue was not possible. However, it would be feasible to conduct further research on tourism resources on local community development by including these variables. But also, a cross-sectional regional and country analysis of such studies would further enhance the conclusions made in this paper not only in Arusha region but countrywide.



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## **APPENDICES**

### **Appendix I: Data Collection Instruments (QUESTIONNAIRE)**

#### **Section A: Demographic Data**

1. What is your gender?
  - a) Male
  - b) Female
2. What is your age?
  - a) 18–25
  - b) 25–35
  - c) 35–45
  - d) 45–55
  - e) 55 and above.
3. Size of Household
  - a) 2
  - b) 3-5
  - c) 5-10
  - d) 11 and above
4. What is your average income per month?
  - a) Below 250,000/–
  - b) 251,000–500, 000/–
  - c) 501,000–1000,000/–
  - d) 1001, 000–2,000,000/–
  - e) 2,001,000/– and above.
5. Out of your monthly income, how much is coming directly from tourist related activities?
  - a) 10%
  - b) 20%
  - c) 30%
  - d) 40%
  - e) 50% and above.

**Section B1: Likert Scale Items**

**Research Question One:** *What is the role of tourism in local communities?*

**i. Economic Development Impact**

Use the following scale to rate your responses by checking/ticking the relevant number: 4.1-5.00 = Very Satisfactory (VS); 3.1-4.0 = Satisfactory (S); 2.1-3.0 = Fair (F); 2.0-1.1 = Poor (P)

S/N	Item	VS (5)	S (4)	F (3)	P (2)
1	Increase of income of residents				
2	Opportunity for shopping				
3	Opportunity for jobs				
4	Demand for female labour				
5	Increased cost of land and housing				
5	Increase in general prices of goods and services				
7	Rental houses as a source of income				
8	Scarcity of essential goods during the season				
9	Degradation of cultural and commercial goods				
10	Increased number of hotels				
11	Commercial view point of local people				

**ii. Social Cultural Impact**

Use the following scale to rate your responses by checking/ticking the relevant number: 4.1-5.00 = Very Satisfactory (VS); 3.1-4.0 = Satisfactory (S); 2.1-3.0 = Fair (F); 2.0-1.1 = Poor (P)

S/N	Item	VS (5)	S (4)	F (3)	P (2)
1	Change in values, norms and customs				
2	Increase in crime rate				
3	Improved standard of living				
4	Spreading of epidemics				
5	Increase of prostitution				
5	Increase of drug abuse and alcohol drinking				
7	Comercialization of customs				

**iii. Infrastructural Impact**

Use the following scale to rate your responses by checking/ticking the relevant number: 4.1-5.00 = Very Satisfactory (VS); 3.1-4.0 = Satisfactory (S); 2.1-3.0 = Fair (F); 2.0-1.1 = Poor (P)

<b>S/N</b>	<b>Item</b>	<b>VS (5)</b>	<b>S (4)</b>	<b>F (3)</b>	<b>P (2)</b>
1	Overcrowding and congestion				
2	Improvement of major roads				
3	Improvement of feeder roads				
4	Availability of adequate pure drinking water				
5	Increase of recreational facilities				
5	Noise and air pollution				
7	Quality sewage and garbage disposal				

**B2 Research Question Two:**

*What is the contribution of tourism on social sector development in health, education, and infrastructure?*

**i. Health**

Use the following scale to rate your responses by checking/ticking the relevant number: 4.1-5.00 = Very Satisfactory (VS); 3.1-4.0 = Satisfactory (S); 2.1-3.0 = Fair (F); 2.0-1.1 = Poor (P)

S/N	Item	VS (5)	S (4)	F (3)	P (2)
1	In the last five years a hospital has been built through tourism activities				
2	In the last five a clinic has been built through tourism activities				
3	In the last five years tourism funds have been spent on medicine				
4	In the last five years tourism funds have been spent to facilitate training of medical practitioners				
5	In the last five years hospital/clinicequipmentwas boughtthrough tourism activities/ earnings				
5	In the last five years, clean water was supplied to the community through tourism				
7	In the last five years more than 10 public health seminars were sponsored by tourism organisations				
8	In the last five years at least one ambulance was bought through tourism earnings				
9	In the last five years a mobile clinic was put in place				
10	In the last five years food programme for malnutrition kids was sponsored by tourism				
11	Due to tourism the community receives good maternity services				
12	Due to tourism family planning sensitisation programmes are given to the community				
13	Qualified medical personnel have been sponsored and obtained through tourism activities				
14	Physical featurestourism has contributed significantly to health sector				

ii. **Education**

Use the following scale to rate your responses by checking/ticking the relevant number: 4.1-5.00 = Very Satisfactory (VS); 3.1-4.0 = Satisfactory (S); 2.1-3.0 = Fair (F); 2.0-1.1 = Poor (P)

S/N	Item	VS (5)	S (4)	F (3)	P (2)
1	In the last five years schools have been built in your community due to tourism activities				
2	In the last five years more than five classes have been built in the above schools or any other				
3	In the last five years more than five laboratories have been built in the above schools or any other				
4	In the last five years several batches of apparatus and chemicals have been delivered				
5	In the last five years a good number of computers have been given to schools through tourism activities				
5	In the last five years more than 50 primary school pupils received bursaries				
7	In the last five years more than 50 secondary school students have received bursaries				
8	In the last five years more than five teachers have received bursaries for professional development				
9	In the last five years more than five head teachers have received bursaries for leadership seminars				
10	In the last five years school sports and games have been sponsored				
11	Due to tourism access to both primary and secondary schools has improved				
12	Due to the tourism activity, schools have been well equipped with physical, human and financial resources				
13	Due to tourism parents are able to pay their children's school fees				
14	Wildlife tourism has contributed significantly to education				

**iii. Infrastructure**

Use the following scale to rate your responses checking/ticking the relevant number: 4.1-5.00 = Very Satisfactory (VS); 3.1-4.0 = Satisfactory (S); 2.1-3.0 = Fair (F); 2.0-1.1 = Poor (P)

S/N	Item	VS (5)	S (4)	F (3)	P (2)
1	In the last five years tourism funds have built feeder roads				
2	In the last five years tourism funds have repaired feeder roads				
3	In the last five years street lights have been installed				
4	In the last five years tourism funds have repaired bridges				
5	The tourism industry has facilitated the construction of rail lines in the community				
5	In the last five years at least, a bank has been constructed through the tourism industry				
7	In the last five years a recreational facility has been constructed				
8	In the last five years internet infrastructure has been built				
9	In the last five years communication services were improved due to the tourism industry				
10	In the last five years tarmac roads have been built in the community				
11	Due to the tourism industry a reasonable number of residential houses have been constructed.				
12	Due to tourism industry a reasonable number of commercial houses and markets have been developed				
13	Due to tourism, schools, hospitals, clinics, water supply, to mention a few, are built				
14	Cultural tourism has contributed significantly to infrastructure				



**B3 Research Question Three:** *To what extent do tourism activities contribute on household income, in Arusha region, Tanzania.*

1. Tourism has increased my standard of living

<b>Yes</b>	<b>No</b>

2. I own a house because which I constructed/bought using income from tourism related activities

<b>Yes</b>	<b>No</b>

3. I own a car because of tourism

<b>Yes</b>	<b>No</b>

4. I own a motorbike because of tourism

<b>Yes</b>	<b>No</b>

5. I pay school fees because of tourism

<b>Yes</b>	<b>No</b>

6. My food supply to tourists is assured because of tourism

<b>Yes</b>	<b>No</b>

7. Tourism has enhanced my business significantly

<b>Yes</b>	<b>No</b>

8. I save money because of tourism

<b>Yes</b>	<b>No</b>

9. Tourism has improved my farming skills

<b>Yes</b>	<b>No</b>

10. I own a television because of tourism

<b>Yes</b>	<b>No</b>

11. Tourists do visit my boma and earn some money

<b>Yes</b>	<b>No</b>

12. I own land because of tourism

<b>Yes</b>	<b>No</b>

13. I own livestock because of tourism

<b>Yes</b>	<b>No</b>

14. I own a tourism related business (hotel, restaurant, curio shop, tour Company, taxi etc)

<b>Yes</b>	<b>No</b>
------------	-----------

**B4 Research Question Four:** *What are the Inhibitors of community development adjacent to and within tourism sites in Arusha region, Tanzania.*

**Inhibitors for Individuals**

Use the following scale to rate your responses by checking/ticking the relevant number: 4.1-5.00 = Very Satisfactory (VS); 3.1-4.0 = Satisfactory (S); 2.1-3.0 = Fair (F); 2.0-1.1 = Poor (P)

S/N	ITEM	VS (5)	S (4)	F (3)	P (2)
1	I have adequate entrepreneurial skills to survive the tourism industry				
2	I have adequate education to enable me to have formal employment in the tourism industry				
3	Globalization gives a competitive advantage to compete in the tourism industry				
4	Presence of local policies gives a competitive advantage over foreign investors				
5	The ability to get loans has been simplified				

**Inhibitors for Communities in Relation to Community Development**

Use the following scale to rate your responses by checking/ticking the relevant number: 4.1-5.00 = Very Satisfactory (VS); 3.1-4.0 = Satisfactory (S); 2.1-3.0 = Fair (F); 2.0-1.1 = Poor (P)

S/N	ITEM	VS (5)	S (4)	F (3)	P (2)
1	Community based tourism has helped health sector in our village				
2	Community based tourism has helped education sector in our village				
3	Community based tourism has helped infrastructure in our village				
4	Community based tourism has helped boosting household income in our village				

## **Appendix II: FACE-TO-FACE INTERVIEW GUIDE**

### **Key informant guide for local government officials and TANAPA personel**

#### **SECTION A: DEMOGRAPHIC DATA**

1. Age: .....
2. Sex: .....
3. Marital Status: .....
4. Education level: .....
5. Size of your household: .....

#### **RESEARCH 1: TO EXAMINE THE CONTRIBUTION OF TOURISM ON SOCIAL SECTOR DEVELOPMENT IN HEALTH, EDUCATION, AND INFRASTRUCTURE**

1. Using practical examples, kindly explain the contribution of tourism in health aspects (*probe on building clinics/ health centers; provision of medical equipment etc*).
2. Using practical examples, kindly explain the contribution of tourism in education aspects (*probe on building classes, renovating schools, building laboratories, supplies of lab materials and chemicals*).
3. Using real examples, kindly explain the contribution of tourism in infrastructural aspects (*Probe on construction of rounds within villages, construction of playgrounds etc*).
4. What is your overall assessment on the role of tourism in improving local community development

#### **RESEARCH QUESTION 2: ASSESSMENT OF HOUSEHOLD INCOME**

5. Give your views on how tourism has increased your living standard  
(*Probe on house, car, motorbike, payment school fees; food supply, enhanced of business, saving money, improvement of farming skills owning a television because of tourism, earning money from cultural tourism, owning land, owning livestock; owning tourism related business such as hotel, restaurant, curio shop, tour company, taxi etc*)
6. What is your overall opinion on how tourism has enhanced your living standard?

#### **RESEARCH QUESTION 3: ASSESSMENT OF INHIBITORS TO COMMUNITY DEVELOPMENT**

##### **Section A**

7. How do you assess your entrepreneurial skills to survive the tourism industry?  
(*Probe: has your assessment worked to your advantage*)

8. What is your opinion in regard to the level education in the context of acquiring formal employment in the tourism industry?
9. In your own words explain how globalization has been giving you a competitive advantage to compete in the tourism industry (*Probe on specifics such as use of Internet, use of ICT equipment etc*).
10. How do you assess local and government policies in giving you a competitive advantage in tourism sector (if indeed known to you).
11. In your own perception, explain how banks have been friendly in giving loans to your tourism-related business.

**Section B.**

1. What are the roles played by community based tourism (*Probe on health, Education, Infrastructure and Household income*).
2. What are the challenges facing community based tourism (*probe on education and training, infrastructures, marketing, community involvement, government support, security management*).

### **Appendix III: Selected Pictures**

#### **Olduvai George, Archaeological Sites in Tanzania:**



**Source; Encycloepadia Britanica Inc. 2010**

Engaruka is located to the north of Mto wa Mbu, at about 53 kilometers, towards the road to Oldoinyo Lengai and Lake Natron. These ruins are lying at the foot of the rift valley escapment.

## **Ancient Historical Ruins**

Visitors can see abandoned remnants of the developed irrigation system, Old graves, Old irrigation canals, and terraces and house walls towards the ruin site.

### **Engaruka Ruins in Arusha Tanzania;**



Source; Encyclopaedia Britannica Inc. 2010

**Olduvai historical ruin feature and Olduvai Primitive Homo habilis:World Heritage Site**



Source; Encyclopedias Britannica Inc. 2010



Source; Encyclopedias Britannica Inc. 2010

### Olduvai George old historical feature



Source; Encycloepadia Britanica Inc. 2010

### The location of Olduvai Gorge in Tanzania





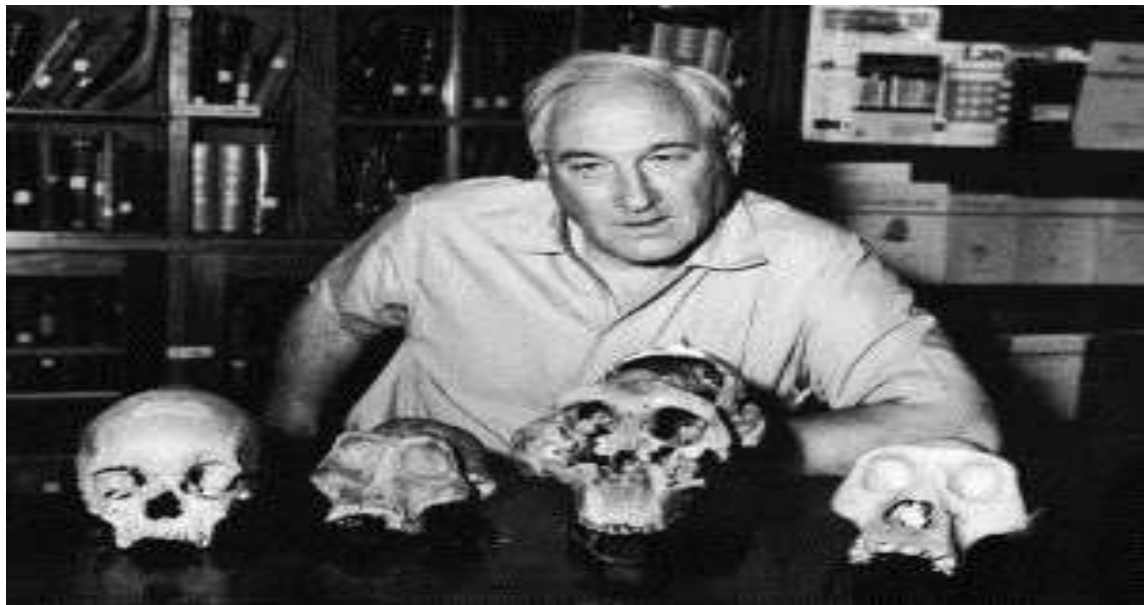
A map showing the location of Olduvai Gorge in Tanzania



Different roads heading to Olduvai Gorge in Tanzania:

Source: Encyclopaedia Britannica Inc. 2010

The ancient historical remains



Dr Leakey and the ancient historical remains



Some of the ancient historical remains discovered from the site by Dr Leakey



Samples of ancient historical remains preserved in the site:  
Source; Encyclopaedia Britannica Inc. 2010

**Pictures of location of shifting sand near to Olduvai Gorge**



**Source; Encycloepadia Britanica Inc. 2010**

## Appendix IV: Map of Arusha region with its National Parks



Source: Mashoka Tours, 2015

## Appendix V: Population of Arusha region with its Districts

**Table 2.0: Population of Arusha region by Sex, Average Household Size and Sex Ratio**

Serial No.	District/Council	Population (Number)	Average Household Size	Sex Ratio
<b>Total</b>		<b>Male</b>	<b>Female</b>	
<b>Total</b>	<b>2,980,243.5</b>	<b>1,477,892.7</b>	<b>1502350.9</b>	<b>4.5</b>
				<b>94</b>

S/n	District	Male	Female	Average Household Size	Sex Ratio
1	Monduli District Council	158,929	75,515	83,314	4.7
2	Meru District Council	258,144	131,254	135,880	4.3
3	Arusha City Council	415,442	199,524	215,918	4.0
4	Karatu District Council	230,155	117,759	112,397	5.1
5	Ngorongoro District Council	174,278	82,510	91,558	4.8
5	Arusha District Council	323,198	154,301	158,897	4.5

**Source: Population and Housing Census (2015)**

## Appendix IV: Forest Reserves by District

**Table 1: Forest Reserves by District, Arusha region**

District	No. of Reserved Forests	Total Area (Ha)	Encroached Area (HA)
Longido	3	11,594	-
Arusha	2	100	20
Arumeru	13	15,538.4	141
Karatu	1	35,399	0
Monduli	5	18,538	0
Ngorongoro	3	10,055.8	500
<b>Total</b>	<b>28</b>	<b>92,335</b>	<b>551</b>

**(Source, URT: 2015)**

District	Type(Km)					
	Trunk	Regional	District	Feeder	Total	% Share
Arusha	15.5	7	152.0	145.0	330.5	5.9
Longido	78.0	110	201.0	540.0	1,029.0	21.5
Karatu	52.0	55	272.0	75.0	455.0	9.5
Arumeru	75.0	239	420.0	252.5	987.4	20.8
Ngorongoro	104.0	110	480.0	140.1	834.0	17.5
Monduli	173.0	80	309.5	554.3	1115.8	23.5
<b>Total</b>	<b>497.5</b>	<b>502</b>	<b>1,845.5</b>	<b>1,808.9</b>	<b>4,753.8</b>	<b>99.9</b>
% Share	10.5	12.7	38.8	38	100	

**(Source URT, 2015)**

## **Appendix VI: Statement of Consent**

I have reviewed the information outlined above. I understand that my participation is voluntary and that I may withdraw from the research study at anytime without any penalty or prejudice.

By signing below, I am indicating that this research study has been explained to me, that I understand it, and that any questions I have about the research study have been answered. I am indicating that I understand how the findings of the research study may be used and how my privacy will be protected, by signing this form, I am accepting to participate in the research study.

I acknowledge that I have read the above explanation of this research study and that all of questions have been satisfactorily answered. I therefore agree willingly to participate in this study.

---

Signature of research study participant

---

Date

## Appendix VII: Selected Tourism Policy

**Table 2.2: National Tourism Policy Objectives**

<b>National Tourism Policy Objectives</b>	
Economic Objectives	<p>Increase revenues and contribution of tourism to foreign currency earnings and the GDP</p> <p>Create employment, promote human resource development and investment opportunities through the development of private entrepreneurship in the tourism sector</p> <p>To stimulate the development of the infrastructure, support institutions, and linkages among the institutions related to tourism</p> <p>To stimulate the transfer of technology and the development of local industries that produce goods and services for the tourism industries</p> <p>To enhance regional and international linkages in order to boost the Tanzanian economy</p>
Social Objectives	<p>To encourage cross cultural exchange and to enhance local and international understanding</p> <p>Create public awareness within the public, of the importance and role of tourism</p> <p>Provide recreational opportunities for locals and international tourists</p> <p>To establish and maintain a competitive, transparent and effective legal and regulatory framework for the tourism sector</p>
Environment Objectives	<p>To promote and develop tourism that is ecologically friendly and environmentally sustainable</p> <p>To promote and develop land for tourism in a coordinated manner so as to attract private investment and ensure sustainable tourism development</p>
Cultural Objectives	<p>Develop cultural values, create cultural awareness, and promote community participation as a form of product diversification in the tourism industry</p> <p>To develop and strengthen industries engaged in the manufacture of products that portray country's rich and diverse cultural and artistic heritage in order to increase the benefits accruing from the tourist sector</p> <p>To preserve and better manage the country's rich cultural and natural heritage as tourist attractions and for the benefit of present and future generations</p> <p>To develop and maintain museums, theatres and cultural exhibition centres</p> <p>To encourage the further development of a national identity and the maintenance of pride in our culture</p>

**Source: Adopted from the National Tourism Policy, TMNRT (1999, P. 5-7).**

## Appendix VIII: Transmittal Letter 1

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Gongo La Mboto, Pugu Road  
P.O Box 9790, Dar es Salaam-Tanzania  
Tel: +255-769114645, +255222843251  
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### DIRECTORATE OF POSTGRADUATE STUDIES AND RESEARCH (DPSR)

15<sup>th</sup> December, 2015

Dear Sir/Madam,

RE: Mr. Musa Gideon Mitekaro. REG No: PhD 2949/301/DT to Conduct Research in your Institution.

The above mentioned is a bonafide student of Kampala International University Constituent College pursuing a PhD in Public Management. He is currently conducting field research the title of which is "Tourism and Community Development in Arusha Region, Tanzania". As part of his research work, he has to collect relevant information through questionnaires, interviews and other relevant reading materials.

Your institution has been identified as a valuable source of information pertaining to his research. The purpose of this letter is to request you to avail him with the information he may need.

Any information shared with him will be used for academic purposes only and the data you provide shall be kept with utmost confidentiality.

Any assistance rendered to him will be highly appreciated.

Yours truly,



**Dr Mary Poche**  
Deputy Director Postgraduate Studies & Research

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"Exploring the Heights"

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## Transmittal Letter 2



**TANZANIA NATIONAL PARKS**  
**OFFICE OF THE DIRECTOR GENERAL**  
P.O. BOX 3134, ARUSHA - TANZANIA

TNP/HQ/E.20/07

12/02/2016

Ref. No: \_\_\_\_\_  
Kampala International University,  
Dar es Salaam College,  
P.O. Box 9790  
**DAR ES SALAAM**

Date: \_\_\_\_\_

**RE: MR. MUSA GIDEON MITEKARO REG. NO. PhD 2949/301/DT TO  
CONDUCT RESEARCH IN SELECTED NATIONAL PARKS UNDER TANAPA**

This is in response to your letter dated 10<sup>th</sup> February 2016 regarding the subject above. I am pleased to inform you that permission is hereby granted to **Mr. Musa Gideon Mitekaro** to collect field based data from TANAPA Headquarters, Lake Manyara and Arusha National Park for his PhD research project titled "Tourism and Community Development in Arusha Region, Tanzania from **12<sup>th</sup> February to May 30<sup>th</sup> 2016**. The student is also granted free permit to enter and stay in those parks during the course of the study.

The student is required introduce himself and the project to the Chief park Wardens of the respective parks and Director of Tourism and Marketing at TANAPA Headquarters before engaging in data collection. He should also provide them with copies of the research proposal.

The student is required to ensure all park rules and regulations are observed.

Yours sincerely,  
**TANZANIA NATIONAL PARKS**

  
L. A. Lejora  
For: **DIRECTOR GENERAL**

Copy: 1. Chief Park Wardens, Arusha and Lake Manyara National Parks  
2. Director of Tourism and Marketing, TANAPA HQ

**Appendix IX: Organized Statistical Data of Local Communities within and Adjacent Arusha National Game Parks Used for Quantitative Analysis.**

Year	<i>HBF1</i>	<i>EBF2</i>	<i>INBF3</i>	<i>HIBF4</i>
1991	17,112,345	8,991,100	4,588,500	907547
1992	15,795,258	9,545,890	4,912,553	110185
1993	14,205,725	9,878,950	5,254,800	195570
1994	17,892,440	8,893,780	5,590,000	220147
1995	15,233,170	9,582,290	5,782,450	198825
1995	19,842,710	9,982,749	7,812,940	254273
1997	21,554,891	11,455,890	8,125,500	309415
1998	23,574,352	12,893,790	8,487,900	347890
1999	25,945,151	13,753,583	10,854,200	398845
2000	31,812,254	15,753,589	13,542,800	432571
2001	37,758,105	19,382,845	17,700,300	451348
2002	42,754,893	20,754,890	24,521,700	490523
2003	48,794,515	21,785,850	35,522,473	555241
2004	52,789,458	22,574,750	41,812,891	598750
2005	59,854,891	23,748,490	47,902,700	523224
2005	72,842,598	23,854,580	51,852,700	552749
2007	74,918,155	34,549,700	51,527,500	584152
2008	79,315,539	39,854,742	70,382,857	744935
2009	81,918,810	47,842,750	75,554,521	794874
2010	84,394,582	53,527,510	87,920,795	855492
2011	95,110,588	52,572,740	112,053,500	954892
2012	98,958,805	59,925,500	153,520,500	1052851
2013	102,347,210	78,412,480	194,524,900	1243449
2014	104,742,520	98,527,807	210,583,300	1308570
2015	105,528,407	105,823,228	289,735,200	1379150
2016	107,749,120	115,372,300	320,500,300	1459892

Year	T1t	T2t	T3t	T4t
1991	34,178,928	197	85,910	2,147,135
1992	41,589,407	234	95,871	2,318,971
1993	77,988,890	335	112,554	2,797,890
1994	97,142,809	480	125,555	2,942,508
1995	113,548,920	553	122,352	3,142,509
1995	121,191,490	512	131,852	3,491,940
1997	144,554,410	532	129,831	3,514,955
1998	155,894,230	710	130,899	3,548,410
1999	155,752,289	882	135,589	3,752,428
2000	171,844,254	940	141,833	4,388,203
2001	183,978,475	985	145,189	4,978,550
2002	195,987,950	1020	148,275	5,195,732
2003	218,128,789	1130	151,393	5,285,950
2004	233,585,720	1270	154,839	5,895,720

2005	254,575,575	1340	159,215	5,085,575
2005	285,134,573	1454	171,895	5,295,573
2007	297,580,380	1485	198,182	7,134,931
2008	323,521,931	1495	200,115	7,457,801
2009	355,739,200	1508	207,155	7,581,931
2010	420,530,700	1532	200,257	7,531,833
2011	480,532,800	1575	259,703	8,291,571
2012	537,421,105	1523	248,975	8,517,403
2013	515,739,300	1784	241,892	8,534,571
2014	952,953,002	1850	258,357	9,050,123
2015	1,152,749,590	2052	249,152	10,585,532
2016	1,374,954,700	2241	255,578	11,541,478

**NOTE:**

HBF1: HEALTH DEVELOPMENT EXPENDITURES

EBF2: EDUCATION DEVELOPMENT EXPENDITURES

INBF3: INFRASTRUCTURE DEVELOPMENT EXPENDITURES

HIBF4: PER HOUSEHOLD INCOME

T1t: TOURISM REVENUES COLLECTION

T2t: TOURISM NUMBER OF VISITORS

T3t: NUMBER OF WOMEN ENTREPRENEURS IN TOURISM COMMUNITIES

T4t: EMPLOYEES' PER CAPITA INCOME IN TOURISM ACTIVITIES

SOURCES: Arusha Socio-Economic Profile 2015, National Bureau of Statistics (Arusha regional Office, TANAPA, Natural Resources and Tourism Offices (Arusha region).