

**THE BENEFITS OF TOURISM HANDICRAFT
SALES AT MWENGE HANDICRAFTS CENTRE
IN DAR ES SALAAM, TANZANIA**

Walonzi Benson

Bachelor's thesis
November 2014
Degree Programme in Tourism

TAMPEREEN AMMATTIKORKEAKOULU
Tampere University of Applied Sciences

ABSTRACT

Tampereen ammattikorkeakoulu
Tampere University of Applied Sciences
Degree Programme in Tourism

BENSON, WALONZI:

The Benefits of Tourism Handicraft Sales at Mwenge Handicrafts Centre in Dar es Salaam, Tanzania

Bachelor's thesis 44 pages, appendices 15 pages

November 2014

In developing countries there is a need to promote and grow tourism industry parallel with informal handicraft industry as they both make a logical and powerful combination towards attaining some of the millennium development goals. Informal handicraft industry alone has been promoted to foster economic development, reduce unemployment and it has become a means of livelihood to many disadvantaged communities.

This study aimed to find out whether informal handicraft traders as evident at Mwenge handicraft centre generate sustainable profit or just income for their basic needs due to the fact that the realization of the real benefits generated to these traders is not reflected in their livelihood. Qualitative research design was used to analyse the handicraft value chain that leads to better understanding of the supporting services given to traders by the government and to assess the financial flows between stakeholders within the chain. Primary data was collected through open-ended questions in a questionnaire delivered to 40 informal handicraft traders.

The findings showed that handicraft traders do not earn enough to ensure sustainable growth of their business or an income that can be saved for future use. Traders earn an income that covers day to day needs only. In the thesis some recommendations were given for the future.

Key words: handicraft industry, informal traders, livelihood, value chain, tourism

CONTENTS

1	INTRODUCTION.....	5
2	THEORETICAL FRAMEWORK.....	7
2.1	Aims and objectives.....	7
2.1.1	Specific objectives.....	7
2.1.2	Rationale/Significance of study.....	8
2.2	Research methodology and design.....	8
3	REVIEW OF RELEVANT LITERATURE.....	11
3.1	The theory of sustainable livelihoods.....	12
3.1.1	Livelihoods assets.....	13
3.1.2	The role of tourism handicraft related business worldwide.....	15
3.1.3	Informal handicrafts as culture and socio-economic development tool in Tanzania.....	17
3.1.4	Challenges facing tourism handicrafts related industry in Tanzania and worldwide.....	18
3.1.5	Value chain analysis and its relevance to tourist handicrafts.....	22
3.2	Summary of the review.....	24
4	RESEARCH METHODOLOGY.....	25
4.1	The research strategy.....	25
4.2	Study setting.....	26
4.3	Study design.....	27
4.4	Sample and sampling techniques.....	30
4.5	Validity and reliability.....	30
4.6	Data analysis.....	31
4.7	Study limitations and strength.....	32
4.8	Summary.....	33
5	CONCLUSION.....	34
5.1	The main findings.....	34
5.1.1	Identification and elaboration of the origin of curios.....	34
5.1.2	A summary of the supportive services given by government and other agencies.....	35
5.1.3	Vertical and horizontal relationships of the key role actors within the chain.....	36
5.1.4	A summary of traders' lifestyles.....	36
5.2	Recommendations.....	37
5.3	Conclusion.....	38
	REFERENCES.....	40
	APPENDIX.....	44

1 INTRODUCTION

The world faces challenges in eradicating poverty to meet the millennium development goals, as the number of people living below the poverty line increases (Okech 2010). Therefore the world needs to set out critical measures to ensure that low income and marginalized groups such as artisans, petty business people and disabled people meet their basic needs on a sustainable basis (Ke & Liying 2010). One way to achieve this is through well planned, supported and managed tourism sectors and subsectors that lead to substantial poverty alleviation (Markwick 2001).

The informal handicraft industry is one of these sectors, a potential source of employment, leading to empowerment, economic development and rural development (Binns & Nel 2002; Follad 2006). To some extent the Tanzania government promotes the growth of the handicraft industry as a strategy for economic growth, empowerment of women, preservation of cultural heritage, and hence poverty alleviation (Athumani 2010). The industry does not require extensive capital investment to start up a business, and therefore it gives both women and other marginalized groups an opportunity to engage easily in the informal handicraft industry, and for them to gain an income that will sustain their livelihoods (Peach 2007).

According to George (2003) Dar es Salaam is the largest city of Tanzania; it has more than 15 informal handicraft markets, such as the Mwenge handicraft centre, Nyumba ya Sanaa (House of Art), The Village Museum, and the Kariakoo market on Tandamuti Street, amongst others. All are completely different from one another, and they offer different views of African lifestyles. Being one of the most visited tourist destinations in Tanzania, Dar es Salaam city attracts not only local entrepreneurs, but also a large number of immigrants from other parts of Africa to engage in the informal handicraft trade as an opportunity of expanding their business skills and gaining income to support their families back home, as well as contributing to the growth of the national economy.

While many researchers such as Binns & Nel 2002, Chhabra et al 2003 and Fillis 2009 discuss the benefits of tourism in general, some of them have also focused on the challenges that hinder the full potential of the informal handicraft industry (Rogerson 2004). However, few researchers have concentrated on the real benefits derived by informal handicraft traders.

The fundamental aim of this study was to analyze the value chain of the informal handicraft products sold on Mwenge handicraft centre, so as to gain more understanding of the market, financial flows between stakeholders within the chain, and to trace the constraints within the chain that hold back the growth and competitiveness of the industry in supporting the livelihoods of informal traders.

2 THEORETICAL FRAMEWORK

The tourism industry is increasingly becoming a provider of employment opportunities and a contributor to the growth of countries' revenue through various segments, including the sales of handicrafts to tourists (Binns & Nel 2002). Despite the contribution of the tourism handicraft industry to the economies of many countries particularly emerging country like Tanzania and to traders themselves, the question still remains as to what extent the sales of handicrafts is able to sustainably support the livelihoods of the informal traders who form the backbone of the market. The benefits derived by informal traders from handicraft sales are merely enough to support the traders' livelihoods.

It is believed that most of these informal traders are neglected by government and private sectors institutions, and they face many challenges which impede the realisation of the industry's potential, such as lack of entrepreneurial skills and capital to expand their businesses, strategies to develop new markets, marketing skills, and heavy competition (Beck et al 2000; Binns & Nel 2002).

2.1 Aims and objectives

A study was done on the state of informal handicraft traders at Mwenge handicraft centre as the most visited handicraft market in Tanzania with the intention of ascertaining whether sufficient profits are being generated to sustain the livelihoods of the traders. The general purpose of the study was to analyse the value chain of handicrafts sold by informal traders to tourists at Mwenge handicraft centre.

2.1.1 Specific objectives

To achieve the objectives systematically, the research was guided by three specific objectives:

- a) To identify the origin (place, designers and producers) of handicrafts sold at the Mwenge handicraft centre.
- b) To analyze the role of supporting services that enhance the flow chain of handicraft products, particularly in relation to female informal traders.
- c) To examine the lifestyles of the informal traders on these markets as a reflection of their income derived from the sales of handicrafts to tourists.

2.1.2 Rationale/Significance of study

In order to drastically reduce extreme poverty and hunger in Tanzania, the government and other development agencies need to develop different strategies. This study made the assumption that informal handicraft industry if it is fully realized, supported and managed, can become a poverty eradication tool and a means toward socio economic and cultural development. Against this notion, little research has been done on sustainable benefits derived by informal traders from the sales of handicrafts to tourists and very little has been focused on the handicraft value chain (Kaplinsky & Morris 2001). A study using the tourism handicraft value chain would enhance the understanding of the flow of products from their origin to consumers, as well as the financial flows between stakeholders within the chain, so as to determine whether sustainable profits are being generated to support traders' livelihoods, as well as to identify factors that inhibit the growth and competitiveness of the informal handicraft industry.

2.2 Research methodology and design

The tourism informal handicraft industry is consisted as one of the potential sectors that can generate income with low barriers to entry for the marginalised population and it empowers large numbers of women in particular (Gaylard 2004). However, due to lack of innovation and creativity skills, the curio sector in Tanzania is underdeveloped and dominated by traders who have low educational background, who do not speak English, who have poor marketing strategies and who lack entrepreneurship skills. As a result, it gives little chance for these traders to compete in the informal handicraft market in East Africa, Africa and in the world at large (Beck et al. 2006).

Barber & Krivoshlykova (2006) report that in developing countries where the tourism informal handicraft industry is flourishing and is perceived to be a productive sector that generates employment opportunities and often forms part of the export economies, "people employed in this industry are among the poorest, despite working 10-12 hours a day, and the benefits derived from handicraft sales is not reflected in their livelihoods". Richard (2007) suggests that investing in training and in improving trading methods represents important opportunities to assist informal traders in improving their standards of living.

According to Barber et al. (2006), the benefits derived by informal traders from the sales of curios to tourists in many developing countries are insufficiently researched. In the same way, very little literature has revealed the contribution of this industry to people's livelihood. For this reason, there may have been an underestimation of the importance of the tourism informal handicraft sector in eradicating poverty and empowering the poor (Chhabra et al. 2003). This notion criticizes the discussion of many researchers who have shown these benefits at country level, but failed to show them specifically for people engaged in the selling of handicraft products. This study attempted to change this perception, and looked at the market level to gain an in-depth understanding of the real benefits derived by informal traders so as to conclude logically at small-scale level and avoid the fallacy of generalization.

Research methodology and design

Tourism is a relatively immature field of investigation compared to other social science fields, therefore, Phillimore and Goodson (2004) proposed that the state and the impact of qualitative research on the literature are rather significant. Traditionally, qualitative methodology has been criticized for the lack of scientific rigor, however, Riley and Love (2000) pointed in their review of the state of qualitative research, that it has become increasingly valued as a deep, analytical process of understanding of actions, problems and processes in their social context.

Primary data was collected through interviews with informal handicraft traders at the Mwenge handicraft centre. 40 handicraft traders, out of a total of approximately 170 who operate at Mwenge handicraft centre were selected to be interviewed.

The research consisted of an empirical survey of informal handicraft traders on Mwenge handicraft centre in Dar es Salaam. This study used questionnaires to get data from the informal traders. The questionnaires consisted of open and closed ended questions. These questions were designed to obtain demographic and lifestyle information about the traders, information on handicraft products (such as origin, designers, buying and selling price, producers), and information on their financial flow and challenges encountered in the industry.

The data gathered were used to:

- a) Identify and elaborate on the origin of curios sold by informal traders at these markets, and the entry point of these traders. Many traders have more than one entry point, for example a retailer may also enter as producer or designer of his/her own products.
- b) Describe the primary and secondary activities within the chain, which helps to determine the earnings of the traders.
- c) Analyse links within the chain by determining the horizontal (supporting service and competitors) and vertical (supply and customers) relationships of the key role actors within the chain, in order to identify weaknesses and constraints.

3 REVIEW OF RELEVANT LITERATURE

This is based on the discussion of four subjects areas, namely (i) an understanding of the theory of sustainable livelihoods and its relation to tourism handicraft-related business, (ii) the state of handicrafts worldwide and the role of tourism handicraft-related business in the socio-economic development of Tanzania, (iii) the analysis of handicrafts value chain, and (iv) the challenges/obstacles facing informal handicraft traders serving the tourism industry at large.

The first part (the theory of sustainable livelihoods and its relation to informal traders) will help in gaining an understanding of whether informal traders have access to all forms of capital/assets, including natural capital, human capital, physical capital, social capital and financial capital, since access to one or more livelihood forms of capital might be insufficient to create a genuinely sustainable livelihood for an individual.

The second part will illustrate the role of informal handicraft trading in the tourism industry. In this section, I will first illustrate the relationship between tourism handicrafts and development. Then I will look on the importance of informal handicrafts in relation to poverty eradication and empowerment worldwide, Tanzania in particular.

The third part will focus on analyzing the handicraft value chain to gain more understanding of the flow of the product from production to consumption, so as to determine whether sustainable profits are being generated. In this discussion, the origin of handicrafts is analysed first, followed by a discussion on the primary and secondary activities of the value chain. This discussion leads on an understanding of the key role players within the chain, the role of supporting services that enhance the flow of products and other services within the chain.

The last part looks at the challenges facing informal handicraft traders, not only in Tanzania but also in the world at large. This part tries to explain how these challenges hinder the growth of the sector and highlights some strategies to maximize the growth of the sector.

3.1 The theory of sustainable livelihoods

Chambers and Conway (1992) first introduced the theory of sustainable livelihoods in 1992 as an approach to generate a better understanding of the livelihoods of poor people, through an investigation of the factors that affect their livelihoods. This theory can be applied in “planning new development activities and assessing the contribution of existing activities in sustaining livelihoods” (Scoones 2000, 72). Drawing on Chambers & Conway (1992, 7) the definition of livelihood includes “resources and capability assets and activities required for a means of living”. They further added “a livelihood then becomes sustainable when people can cope and recover from shock and stress and maintain their capabilities and assets for the present and the future without deteriorating the natural resources”. Scoones (2000) pointed that the central focus of sustainable livelihoods is to place people at the centre when trying to enhance rural development, poverty reduction and environmental protection (figure 1).

Meanwhile, Chambers & Conway (1992) mention that in order to gain sustainable livelihoods, there must be access to and control of different types of livelihood capital or assets (such as economic, human, social, natural and physical), which must work in collaboration with livelihood strategies (such as agricultural intensification, livelihood diversification and migration) as displayed in figure 1. However, Scoones (2000) and Duy Can et al. (2002) pointed that sustainable livelihoods can be jeopardized or influenced by various factors; (including economic, political, social, environment and legal) which has a direct impact on attaining livelihood opportunities for informal traders.

For example the structure adjustment policy as imposed by the International Monetary Fund (IMF) and the World Bank (WB) has a negative impact on the livelihood opportunities of informal traders. It requires governments of developing countries to cut spending in some sectors, and therefore this policy affects informal traders harder who depend on government support to promote or expand their businesses. (Duy Can et al 2002.)

3.1.1 Livelihoods assets

Figure 1 displays different livelihoods assets that informal traders have access to and control of. These assets/capitals include human capital, natural capital, social capital, physical capital and financial capital. Informal traders have been placed at the centre, because for them to have access to and control of these assets, they need to be at the centre of the framework (Scoones, 2000) and these assets are explained further in the paragraph to come.

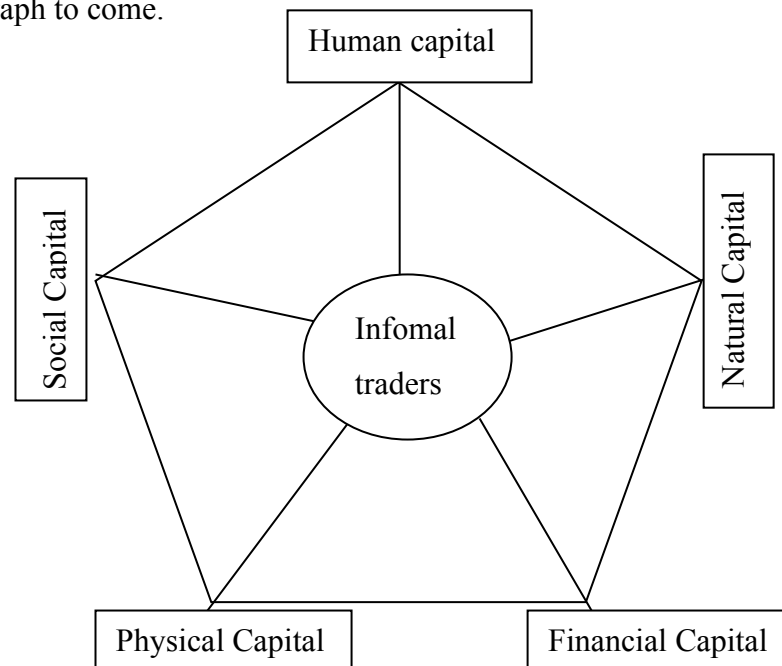


FIGURE 1. Livelihoods assets (DFID 2002)

Financial capital

In many developing countries, Tanzania in particular, when exploring the economic/financial capital of souvenir traders, researchers have highlighted that most traders do not have access to funding institutions who provide them with capital to promote, market and expand their businesses, and there are few investors in this industry (Morse et al. 2009). Due to the poor financing situation in most developing countries, curio traders are less likely to undertake research and development programmes that will help them to differentiate and diversify their products (DACTS 1998).

Human capital

Access and control of human capital to informal traders in Tanzania is perceived to be low. Most of these traders lack entrepreneurship skills, resulting into low creativity and poor communication channels with their customers (Scoones 2000). Due to the fact that

English is not the first language to most people engaging in the curio business, there is no customer satisfaction due to language barrier.

Social capital

Social capital is considered to be the most important livelihood approach used by the informal traders to manage and control their livelihoods despite all the challenges in the industry. Many souvenir traders draw their social capital by networking with each other to build trust and opportunities in the marketplace (Lynos & Sonxell 2005). For example, Indian curio traders form their social capital in the market place through networking and trust components, which enable traders to accommodate each other's needs and support one another (Chambers & Conway 1992). Social capital is also found in terms of reciprocity among traders in the form of informal collective saving schemes, and the collective purchase of products in bulk from suppliers to obtain a lower purchasing price and sharing of storage facilities.

In a country like Tanzania, curio traders have less access to and control of social capital, since most of them work in isolation, they rarely share business experiences or strategies and the industry is less connected to other sectors of the economy (Scoones 2000).

Natural capital

This form of capital is important for informal traders as they derive their livelihoods from the use of natural resources (such as forests). Therefore, access to good air and water quality will reflect good health to traders (Brown et al 2010). For example, curio traders in Tanzania are often bound together through exploitation of natural forest to make their products. The dependence on natural capital to make craft products fosters peace and security on their community (Brokaw 2006). However, livelihood shocks such as floods, earthquakes and fires expose traders to more vulnerability (OECD 2008).

Physical capital

These are tools and equipment owned by households, including transport, secured shelter and buildings, adequate water supply and sanitation, clean and affordable energy and access to information and communication (Aronson et al. 2007). Access and control of physical capital to traders is deemed to be low. For example in countries like Tanzania,

traders are faced with infrastructure challenges. Most of them are rurally based and therefore they fail to bring their products into the market (Brown et al. 2010).

3.1.2 The role of tourism handicraft related business worldwide

In the 21st century, tourism is becoming a flourishing industry and handicraft is one of the fastest growing activities, together they make a logical and powerful combination (WTO 2008). Tourism handicrafts related business was chosen among the three major sectors (agricultural, craft and textile and tourism) to improve livelihoods of the poor and eradicate poverty as well as empowering large number of women to attain some of the Millennium Development Goals by 2015 (UNCTAD & WTO 2009). Nevertheless, handicrafts have developed without specific political strategies, and depend in large part on the demand generated by the tourism industry and by the business activities of intermediaries (O'Brien & Feist 1995).

In destinations where tourism industry is a booming sector and unemployment rate is high, local people employ themselves in curios industry since it is cheap and easy to start a craft business (Croes & Vanegas 2008). For example study in Vietnam by Ngo Duc Anh (2005) showed that craftsmen generate 60% higher average income than the average income of the rural population. Likewise, in country like Ethiopia, \$12.7 million is generated each year from tourism related handicrafts sales. Croes & Vanegas (2008) highlight the fact that, tourism handicraft related business is a mechanism for poverty reduction and for improvement livelihoods of the poor with minimal barrier of entering into the business.

Tourism handicraft related business sector is characterized both by a relatively small scale of production as well as by an extensive informal sector. Because of their scale, smaller enterprises are especially vulnerable to the problems of bad governance, poor policies and weak institutions; and are also more adversely affected by high bureaucratic costs than are larger enterprises. Moreover, for smaller enterprises, remaining in the unregistered informal sector places significant constraints on enterprise's growth, by reducing access to financial and other inputs, limiting access to public services and narrowing the kind of contracts or investments that they can make (O'Brien & Feist 1995).

In some developing countries, such as Kenya, Tanzania, Malawi and Morocco, tourism handicraft related business has been given high level of importance as it contributes to the growth of these countries' economies and increase of foreign revenue (Wherry

2007). In Morocco for example, handicrafts industry generated more than US\$1.5 billion, which benefited one third of the country population, money spent on crafts spreads instantly and undiluted into the local community (O'Brien & Feist 1995). Moreover, in Costa Rica, the industry attracts not only former agricultural and factory workers but also some government employees who prefer to produce cultural commodities as a way of preserving their traditional cultural practices and to validate a favourable public identity narrative for them (Wherry 2007).

Handicrafts products do not only allow the preservation of traditional cultural heritage of a particular society, but also they are depicted with symbol that has different meaning of a given society, which fosters the continuity of local traditions as well as adding value to tourists' experience (Neal et al 2008). However, due to increased level of globalization and highly dependence on global market, the level of authenticity and preserving of cultural practice is becoming distorted. According to Wherry (2006), most craft traders are in search of survival; therefore, they produce and sell products based on their customer's preference and not based on cultural meaning. It is however worth noting that, Thailand curios informal traders are trying to resist the effect of globalization by maintaining the authenticity of their handicrafts products to represent Thailand's traditional cultural practice and not to suit consumers' preferences (Heidarabadi 2008).

Wherry (2006) also added that, in Malaysia, tourism related handicraft business is regarded to be an instrument that will balance economic growth and distribution, poverty reduction and minimize rural to urban migration. To make this reality, the government of Malaysia aims to formally support handicrafts sector by raising competent entrepreneurs and generate employment at the grassroots level and promoting the use of local materials and community involvement in craft industry. They also strive to engage young unemployed people by providing incentives that will motivate their engagement.

For many years, tourism handicraft related business has attracted and empowered large number of rural women who are always neglected in development planning activities (Sirik 2008; Mitchell & Reid 2001). Most governments in developing countries try to find different strategies that will be used to encourage full participation of women in handicraft related business to reduce number of women dependent on government subsidies (Sirik 2008).

In this republic, more women strive to empower themselves in curios sector, however, they still work home-based and are not recognized nationally by other handicraft traders (Sirik 2008).

In Europe, handicrafts industry is still regarded to be a small sector toward its contribution to the growth of European economy; the industry is small in nature, though it is characterized to involve strong ownership (Richard 2007). In Italy for example, the craft sector contributes to approximately 24% on the national enterprises, provides employment opportunity to almost 1/5 of Italian population and 17% of the country's GDP comes from handicraft industry (Croes & Vanegas 2008). The European Commission highlighted the importance of curio industry to contribute to the growth of tourism products and services of a particular destination and emphasized the importance of supporting the industry to ensure the interactions between locals and tourists to continue to exist and to increase the capacity growth of the industry in the international market (Schmid & Wie 2011).

3.1.3 Informal handicrafts as culture and socio-economic development tool in Tanzania

In countries like Tanzania, most recently the formal sector has low ability in providing jobs to the entire economic active group, for that reason, informal sectors are the entry point of the economies and they are considered to be the most important sector in absorbing large number of unemployed people (Russouw 2002). Most of the vulnerable population in Tanzania has low level of education and poor production skills as they cannot qualify to be part of the formal sector employment and there are limited job positions for this group. Therefore, the informal sector provides opportunity for this group rather than for them being dependent on government subsidies (Tovey 2009). However, there are no official figures showing the contribution of this sector to the country's GDP and the percentage of employment generated each year from the sales of curios to tourists (Elphick 1997).

Craft industry is a sector that does not require experience but rather innovative production and traditional skills, which simplify women involvement and integrating their household duties (Ruskin & Morris 2005). Therefore, large number of women from disadvantaged backgrounds engages in production and selling of curios to tourists to gain income and reduce dependence as well as to become economic active group in the

society. For example, Russouw (2002) highlighted, “it can be someone making something on the side of the road and selling her goods informally, but her contribution is vital because she is feeding her family and making a living from the industry”. Nevertheless, their production is home-based and in low scale and they are not earning enough income as well as their contribution in livelihoods growth is not yet depicted in official statistic data (Lewis 2001).

For the above skills to be achieved, the government has to strongly intervene as the sector still faces some obstacles such as absence of interaction between the traders and the market, owing that, most Tanzanian traders fail in adapting their work, mode of organization and to meet production with demand and opportunities, they only produce for sales but never keep stock of their products (Gaylard 2004). Therefore, Ruskin & Morris (2005) argue, traders fail to meet their demand in case there is influx flow of consumers. Poor performance and gradual fragmentation of the sector add to the threat that hinders the acquisition of the above-mentioned skills to those involved in producing and selling of souvenirs.

3.1.4 Challenges facing tourism handicrafts related industry in Tanzania and worldwide

Several challenges have been identified to hamper the growth of tourism handicrafts related business, which in turn impedes the growing of tourism industry at large, particularly in developing countries. With regard to Tanzania, these obstacles hinder the goal of transforming the country through the growth of tourism and its related sectors (Lewis 2005).

Among these challenges, Russouw (2002) and Bhorat (1999) articulated that lack of resources is one of the challenges facing craft traders in developing countries, Tanzania in particular. In this transforming industry, shortage of resources is a result of inadequate of international support organization, highly dependency on international aid, and poor support from government. For example, women from northern circuit of Tanzania encounter shortage of resources; they often have to trek up long distances in the mountain to fetch clay used to make clay pots (Russouw 2002). For this regard, craft producers in rural areas spend most of their production time in collection of raw materials.

Lack of financial support from both private and public agencies to those involved in the industry is regarded to be another main challenge hindering the growth of curios industry not only in Tanzania but also in the world at large (Russouw 2002). Curios traders find difficulties in acquiring capital to enlarge their business or in promoting their products nationwide as well as worldwide. Curios business is not capital-intensive business and the business is depending on seasons, therefore craft traders require a steady flow of capital to ensure efficient and effective management of their business.

Owing to lack of capital, curios traders fail to meet large demand during the pick seasons, they do not keep enough stock of their products and production is based on low quantity to meet minimal demand (De Beer 2005). Most of craft traders start curios business with their own small capital, therefore supplying to huge demand market at the introduction phase is still a challenge to these traders (Russouw 2002). Most banks and other financial institutions do not provide loans to small-scale traders like informal handicraft traders because these traders do not own any collateral and they do not have any existing banking history (Russouw 2002).

The industry is faced with shortage of skills, low entrepreneurship skills, low training and low knowledge to those involved in trading activities (Russouw 2002). In Tanzania, craft traders have little knowledge in running their business successfully, they lack practical skills in areas such as pricing, marketing, costing, funding, linking with suppliers and controlling their finance (Standing et al. 1996). Most of developing countries, Tanzania in particular, lack institutions that are dedicated to provide craft training to traders and to those interested. Those available institutions provide training in a short period, training is not well-conducted and offered with nonprofessional personnel (Binns and Nel 2002).

Traders find difficulties in marketing their products both locally and internationally due to lack of capital, poor advertising skills and low knowledge of information and communication systems (Lewis 2005). There are no proper marketing channels and most traders are not aware of the new marketing strategies such as social networks and websites. Tanzania tourism informal traders encounter some problems in their effort to adapt their work in this rapid changing information technology business environment because they have no background in dealing with technology like to manage online marketing campaigns and promotions (Tovey 2009).

The industry is characterized with high level of competition due to increase or change of the global tariffs and trade conditions. The industry has attracted large number of immigrants residing in foreign nations as well as increasing of cheap craft products from India and China (Rogerson 2000). In Tanzania, competition has been intensified due to increased number of immigrant workers from other African countries such as Democratic Republic of Congo, Kenya, Mozambique and Burundi (Morle 2007). The industry has also attracted large number of internal immigrant workers from rural into urban centres in Tanzania; it gives them an opportunity to engage in informal craft selling as a means of surviving in the country. By engaging in curios business, foreign workers generate enough income that they can send some of their profits to their origin countries through remittance flow. This in turn drives local economic development of their countries of origin.

However, Crush & Peberdy (1998) asserted that due to lack of innovation and creativity skills of indigenous Tanzanians, immigrant workers dominate the curios sector and they are more likely to be skilled, energetic and resourceful to produce and sell their own curios. Likewise, the DEAT (1998) pointed that “these entrepreneurs are often showing our crafters how to compete in this industry”, they are more advanced in many ways, especially when it comes to presentation and customer service. For that reason it gives little chance for Tanzanian traders to compete in the informal handicrafts market (Gaylard 2004).

Unfettered informal trading with low status products as well as unregulated business environment is another challenge facing the industry, which has resulted in diminishing the reputation of the curios industry (Rauner et al. 2010). Other tourists perceive informal trading as a lower value trading that sells products with lower quality and it does not add any value to customers. “This perception links into the overall undervaluation of crafts unless otherwise identified as crafters or period pieces” (DACST 1998,73). However, De Beer (2005) pointed that governments in most developing countries are currently regulating the industry to minimize negative passive value to customers and to ensure employment opportunities to their citizens.

Environmental challenges are also regarded to be barriers to the growth of curios sector due to increase of craft productions that damage the environment (Binns and Nel 2002). There is high harvesting of materials to produce craft products; due to unregulated business environment there are no proper regulations that bind traders in harvesting of these

production materials. Though, the sector minimizes unemployment rate on the one hand, but on the other its growth will cause more damage to environment and to ensure sustainability a balance between environment, community and economic growth needs to be established (De Beer 2005).

With increased level of globalization and liberalization, there has been increase in modern market system that destroys the traditional market system; souvenir traders depend on intermediaries for their products to be sold in the world market (Jena 2007). High illiteracy rate of traders make them more vulnerable regardless of their hard working. Traders encounter some challenges in handling modern market, therefore they require some assistance from intermediaries who gain more benefits than traders. Intermediaries has become the issue of concern in tourism handicrafts related business, they are more powerful in control over the marketing and occupy the top position of the production ladder (Jena 2007). For example, in India, artisans have become increasingly dependent on middle men like petty merchant capitalists who pay the artisans in wage, therefore, artisan do not gain the full potential from their hard working though their products are on demand in both local and international market (Jena 2007).

Globalization also hinders the growth of small firms to compete with large firms in the world market. For example, Chinese handicrafts products are produced with low cost while in other parts of the world such as Tanzania these products are produced in high costs compared to Chinese products. For this regard, to ensure full competition in world market, it is the government responsibility to invest in and regulate the craft sector for traders to compete fairly in this industry (Jena, 2007).

Innovation is another challenge facing this industry, in producing craft products emphasis is given to buyer's preference and not to products that preserve or symbolize a particular cultural group, no opportunity is given to advertise about their products not only locally but also internationally (Heidarabadi 2008). Craft traders are striving to meet customers' demand and they strive to preserve cultural heritage of a given society but continuing selling for local and international market, therefore, the challenge remaining is the lost of originality during the process of innovation (Jena 2007).

Failure of most governments to recognize the potential benefits derived from handicrafts sales has limited the ability of tourist handicrafts traders to enter into the global market. Most governments in developing countries provide support and promote indus-

trial growth of their countries to gain more competitive advantage in the global market, if fail to recognize the advantage of including cultural commodities in the global market will serve to distinguish the nation as modern, progressive and progressing. “The opportunity to perform in the marketplace does not depend on the individual character but on the cultural politics and public narratives of the nation- state engaged in symbolic contests for status in the global community” (Wherry 2007, 67).

3.1.5 Value chain analysis and its relevance to tourist handicrafts

Kaplinsky & Morris (2001, 2) define a value chain as a “model that describes a series of value-adding activities concerning a company’s supply side (raw materials, inbound logistics and production process) with its demand side (outbound logistics, marketing and sales)”. Value chain analysis was first introduced by Michael Porter (1984) in his book titled “*Competitive Advantage: Creating and Sustaining Superior Performance*”, and since then the model has been used by researchers to analyze industries’ business environments (external and internal) and used by managers as a tool to ensure strategic planning, competitive advantage and maximizing value creation, while minimizing costs (Kaplinsky 2004). In subsequent years, further industry-specific theories were developed to compliment Porter’s theory. Of interest to this study is the tourism handicrafts value chain pioneered by Ashley et al. (2004) and Charles & Gareth (2009). Mitchell and Phuc (2007) define a tourism handicrafts value chain as a value chain that includes all the factors of production (such as labour, capital, supply, transport and marketing) to consumption.

Tourism value chain is always different from the manufacture value chain; in tourism industry the tourists are the marketers who follow the product in a destination (Donovan 2008). The chain is used to analysis and provides a concrete base for launching tourism destination development approaches that will promote knowledge among stakeholders and for using tourism as a tool in eradicating poverty (Schoen 2008).

The tourism handicrafts value chain includes the activity that brings product/service from different phases of production starting with the processes of transporting input of various producers up to the final stage of being delivered to end customers (Federico & Quirin 2010). For this regard, there is no doubt of the worth of using the tourism handicrafts value chain to explore the informal handicrafts business-operating environment. Authors like Federico & Quirin (2010) and Vignati (2010) have indicated the im-

portance of using the tourism handicrafts value chain to understand the marketing process of the products and all other activities involved to bring a product from its conception through production to consumption.

By analysing the tourism handicraft value chain, scholars gain more understanding of the value added during the production and selling process (Schoen 2008). For example, in case of ensuring growth of handicraft industry and memorable experience to tourists as well as profit to traders, value added within the chain is seen by the combination of different services (such as good selling skills, discounts and packaging) that are involved in the process of providing and delivering of souvenir products (Mitchell & Phuc 2007). In the study done by Ashley et al. (2004) and Charles & Gareth (2009), they have shown that handicrafts value chain analysis helps scholars and other business actors to analyse the business operating environments (such as market opportunities, which increase earnings, competition scope, social and technology factors) of informal traders and developing strategies to upgrade the industry. This can only be realized if the chain is used as an effective and efficient tool and when conducted in an open and participatory way by involving all the stakeholders.

The analysis of handicraft value chain helps governments and donors to generate information on the socio-economic impacts of the industry at both macro and micro level, and provide recommendations to ensure the growth of the sector and all the actors involved (Charles & Gareth 2009). However, Vignati (2010) argued that there are few researches done on the field that government agencies can rely on to gain more socio-economic information of the industry, therefore, government agencies and the stakeholders encounter some difficulties in providing recommendations to handicraft informal traders on which strategies they could deploy to improve the sector.

Value chain can be divided into different activities, which are interrelated, and complement to one another to ensure competitive scope to informal traders (Federico & Quirin 2010). Ashley et al. (2004) categorized these activities into primary and business enabling environments (supporting activities) to complete the marketing process of the curios products and to reflect the web of relationships within the chain. These categories are generic to any tourism handicrafts industry and they ensure the successful flow of handicrafts products from production to consumption (Vignati 2010). According to Richard (2007), the primary and supporting activities involve different stakeholders,

and their beneficiaries not only to accomplish the process but also to protect their social, economic and cultural life.

Therefore, handicraft value chain is used as a mechanism that provides current information and general contribution of the sector to the economies as well as the linkage of community participation in tourism related activities of their own destination (Vignati 2010). Local government uses value chain as a tool to evaluate the contribution of tourism related activities in the growth of local economies and eradication of poverty (Mitchell & Phuc 2007). This may only be applicable if and when stakeholders cooperate in a harmonized way. Nevertheless, Mitchell & Ashley (2009) argued that this might not be applicable in most destinations, since most of the stakeholders in tourism industry work in isolation to fulfill their company goals with less consideration of harmonizing together with other stakeholders within the industry.

3.2 Summary of the review

In this section different related literature about tourism handicrafts value chain was reviewed. From this literature I have seen the importance and contribution of handicrafts trading at local, national and international level. Despite of the contribution of the sectors, some challenges and problems have been highlighted that hinder further contribution and growth of the sectors. To this matter I pointed out some of the strategies that can be deployed to strengthen the sectors. In this discussion, I also explored in details value importance of using the value chain techniques in analyzing handicrafts trading so that governments and donors can easily generate information on the socio-economic impacts of the industry at both macro and micro level, and provide recommendations to ensure the growth of the sector and all the actors involved.

4 RESEARCH METHODOLOGY

This study used primary data and existing value chain techniques to ascertain the profitability of the informal handicraft traders at Mwenge handicraft market. Therefore in this section, details of this method and procedures are presented. The section starts by presenting detailed information on the literature reviewed to gain more understanding of the research strategy and the reasons for that choice.

The design of the study included sources of data used in the study, the validity and reliability of data used, a detailed description of the variables used in the study, the sample and sampling procedure used to select the respondents of the study as well as the ethical statement. The section then gives comprehensive information on using two approaches in the data collection process. The analytical framework for the data analysis is presented in detail and the last part presents the study limitations and strength.

4.1 The research strategy

Tourism is becoming a provider of employment opportunity and contributor to the growth of countries' revenue through various segments. Traders involved in selling of crafts to tourists are still living below the poverty line and faced with some constraints (such as lack of training, lack of support from both public and private organizations and poor marketing strategies of their products), which hinder the realization of the benefit derived from handicraft sales. This research topic "*Tourist handicraft sales at Mwenge, Tanzania*" was indeed derived from these aspects.

This study was more complex as it brought and asserted empirically whether sufficient profits are being generated to sustain the livelihoods of the traders along with the analysis of the value chain of handicrafts sold by informal traders to tourists. With this complexity the research project was inevitably designed to use a mixed technique of data collection in order to find the precise answer to the research problem.

Quantitative data were obtained through questionnaires to the informal handicraft traders who were identified through the use of systematic random sampling. The whole process of recruitment and selection of survey respondents is discussed in more detail in section 4.4.

This study was therefore strengthened through the perspective of bringing together data from traders themselves on the value chain of their products. Two months of collecting data in the field has strengthened the study, and I gained more experience by interacting with traders and their clients, which created an opportunity to explore insights into the whole process of data collection and the research context. This helped to integrate other issues, which were not initially included in the profile analysis. For example, it was through this interaction when it became apparent that some traders do not speak English during their interaction with tourists, they use their native language Kiswahili that makes it difficult to negotiate prices with tourists who do not speak local language.

4.2 Study setting

As I explained in section one, the setting for this study was Mwenge handicraft market, which is located just north of downtown Dar es Salaam, Tanzania on the road to Bagamoyo. Mwenge handicraft market is the oldest market in Tanzania that incorporates both formal and informal traders (flea market) and is surrounded with different tourist streets. Mwenge is especially known for the large Makonde community market where ebony sculptures and other crafts are sold. The market is a major tourist attraction of Dar es Salaam. Several shops have adjacent workshops where visitors are invited to watch Makonde sculptors at work. Mwenge is one of the main daladala (share taxi) stations of Dar es Salaam; uncountable daladalas go back and forth from Mwenge to "Posta" (i.e., to downtown Dar), as well as other destinations, throughout the day.

With regard to the spatial arrangement of the market, the area is not well arranged; it is congested and traders work in a small cubic space. This space is given to traders by the City of Dar es Salaam and in order to get a place traders most comply with different rules. For example, the bigger the place the higher the payment of the space, to avoid high payment of the space, four traders are congested in a four cubic square space. Additionally, due to large number of traders who are flourishing into the city from other parts of the country in search for better livelihoods, this area is today saturated due to the fact that it accommodates a large number of traders. Therefore, the area is regarded as unsafe, poorly arranged and tourists fail to distinguish products from one trader to the other as they mostly sale similar products (figure 2).



FIGURE 2: Space of handicraft products at Mwenge handicraft market (photo: Mark Wiens)

4.3 Study design

A qualitative research design was considered to be the appropriate research design as it enables the researcher to look at the variables in their natural context and produce more in-depth and comprehensive information (Alvesson & Sköldbberg 2009). The choice of using a qualitative design was due to the fact that it allowed the exploration of the supporting services as part of the value chain of the handicraft products. However to explore the demographic characteristics and financial information of the traders, qualitative technique became less ideal and instead quantitative methods were used to deal with such matters of numerical variables. The techniques allowed me to explore whether sustainable profits are being generated to support the livelihoods of those who form the backbone of the market, as well as to trace the constraints that hold back the growth and competitiveness of informal handicraft traders.

Source and techniques of collecting data

The study was enriched through the use of both secondary and primary data. Secondary data is where the researcher is not the first user. These are data that exist in the form of already completed research. Of the primary data the researcher is the first user and these are data collected in the proposed research. Various techniques of data collection were employed to gather both primary data and secondary data.

Secondary data

By addressing the research problems (*The benefits derived by informal traders from handicraft sales are not reflected in their livelihoods*) in a precise and successful way, secondary data collection was certainly to be deployed to gain more understanding of what research has been previously conducted on this topic, it also lead to refined, insightful question about the research problems as well as determining the methods of analysis for this study (Atkinso & Brandolini 2001).

Secondary data collected for this study included both qualitative and quantitative literature and was obtained from various sources such as tourism journal articles and Tanzania reports on tourism industry, economic survey and management. Other sources of secondary data were local newspapers, Tanzania tourism websites, brochures, books and financial reports from Tanzania statistics. These data are presented in this section as review of related literatures.

Primary data

Primary data were collected through questionnaires with informal handicraft traders. Traders were chosen for this study because of their extensive knowledge, experience and expertise in curios trading; this allowed to easily integrate information from traders and explore the value chain of this sector. In other words, they were selected based on their ability to contribute to the overall research objectives of analyzing the value chain of handicrafts sold by informal traders to tourists at Mwenge handicraft market.

The questionnaire contained both closed and open-ended questions. These questions were designed to obtain demographic and lifestyle information about the traders and information on handicraft products (such as origin, designers, buying and selling price, producers).

These questions were designed while avoiding long questions, leading, ambiguous and hypothetical questions. The questionnaire consisted of introductory questions set purposely to gauge the background and lifestyle information of the traders. These were followed by education background question with the main intention of finding the highest education level of these traders. Questions on product information were asked to find out the main source of their products in order to draw the general picture of the value chain. The last section included a series of questions aimed to collect information about the supportive services and the challenges facing their business and their recommendations of what should be done to ensure the growth of their business.

I administered the process of collecting data in order to reduce non-response rates. There were 40 questionnaires and each one encompassed more than 20 questions. The writer of the thesis administered the process, which took about 15 to 20 minutes for a trader to finish answering all the questions. Some traders were more comfortable with the questionnaires because they were answered anonymously; as such it was possible for people to give sensitive information easily without fear. Others were not comfortable to give information on their income and demographic information.

The data gathered was used to

- a) Identify and elaborate on the origin of curios sold by informal traders at Mwenge handicraft market and the entry point of these traders. Many traders have more than one entry point, for example a retailer may also enter as producer or designer of his/her own products.
 - c) Analyze links within the chain by determining the horizontal (supporting service and competitors) and vertical (supply and customers) relationships of the key role actors within the chain, in order to identify weaknesses and constraints.
 - d) Analyze the extent of support services given by government and other agencies.
- Overall, the above steps of analysis enabled a detailed analysis of the lifestyle of these traders, which will reflect their earnings and determine whether and to what extent sustainable income is generated from the sales of curios.

4.4 Sample and sampling techniques

There were 170 traders at Mwenge handicraft market but in the study a sample size of 40 informal handicraft traders was used. A systematic sampling technique was used to select traders for the interview. In this method I first calculated the pace or selection interval named it K. K.

A selection interval was used. Since the traders are arranged in rows and columns, the first unit was therefore not selected using simple random technique and instead I started with the first trader at the first row and continued selecting traders until the sample was complete.

4.5 Validity and reliability

The issue of validity automatically arises as whether the instruments for data collection collected were appropriate for what was intended to be collected. The structure of the instruments used to collect data followed theoretical validity (construct, face and content) because I constructed questions for the interview based on the already existing theory of the value chain analysis. Apart from this, also questions were put in a standardized manner to suit all the respondents, and were comprehensive enough to collect all the intended information to achieve the goals and objectives. In addition, a pilot survey was conducted to test the questionnaires and correct them according to the pilot results obtained experiences in order to get valid and reliable final data. Lastly, in the process of data collection, the validity of the study was achieved by using systematic probability sampling so as to overcome the issue of selection bias of the respondents.

To assess the reliability, the instruments and processes of data collection are associated with that of the variable errors contained in it. Constrain of resources in most small-scale surveys make assessment of internal reliability like using of test-retest or split-half techniques very difficult and cumbersome. However, external reliability can be established after the study was completed by comparing the findings of this study and findings of other studies that use most of the variables of the interest like those used in here. If the findings are in line compared to the other studies, external reliability will then be achieved.

4.6 Data analysis

Quantitative analysis

To do any quantitative analysis, a management of data is first required to prepare the data for the analysis. The completed questionnaires from the informal traders were first coded and then entered into SPSS ver. 19. The raw data were created into variables with their respective codes of categories within it. Some questions had more than one responses so the multiple response menu of the SPSS was used to enter them as different variables but under one main variable (for example the question “*how the money generated is spent*” had the possibility of the respondent to select either to sustain their livelihood, send back home or expand business or doing all of them at the same time, so each answer was the variable and coded as Yes = 1 and No = 2 to show how money was spent).

Data were analyzed and different themes of the study were examined across the respondent group. For this regards, different perceptual between respondent categories were explored, the relationship between variables were also established which allowed the change from descriptive one to explanatory analysis. These themes were based on the following categories:

Demographic characteristics: this theme included variables like gender and age distribution, country of origin, language spoken and marital status.

Educational characteristics: under this theme variables like the level of education attained, whether the trader received training before starting a business and type of institution where training received before starting up a business, were included.

Work information: these themes included variables of hours and days spent in working at the market and the year they started to engage into the business.

Product and market information: this was one of the very important themes that included variables like characteristics of the market, source of the products, marketing and promotion strategies, and strengths and weaknesses of the business.

Role of supporting services: this theme looked at the role of the supporting services in the perspective of the informal trader's views; it included variables like government and financial institutions, tourism sectors and infrastructures.

Lifestyle: in normal sense it is hard and difficult to measure the lifestyle of a person or household; however the spending pattern was used to measure the lifestyle in issues like education, food and grocery, transport and others of alike.

The analysis of such responses (quantitative data) from the survey by using SPSS produced frequency table distribution, bar graphs and pie charts.

4.7 Study limitations and strength

After looking at each technique and some few limitations used to collect primary data, this research was not conducted without limitations. Some of these limitations were caused by the researcher as he tried to give more details on some questions to respondents who wanted more clarification, it is believed that the elaboration and understanding of these questions differed from one trader to another.

Time undertaken for data collection was another constraint to this research in the first week of data collection. I administered the questionnaires during lunchtime where most tourists visited the market. Respondents were occupied with customers and therefore they were not willing to participate in the study, some came up with excuse that they were so busy while others did not respond anything instead they kept quiet. To resolve the problem and to minimize bias to the study, I changed my time and decided to visit the market during the morning where most traders were not occupied with clients, rather they were chatting with each other. They participated without any excuse from the second week.

The strength of this study lies on the quality of data used, which were collected through applying different approaches that tried to bring together informal traders. The results are strengthened by experience the writer has in the field of tourism and its related sectors in their effort to combat poverty as well as by the two-month duration of data gathering process when the writer was able to interact fully with both traders and their clients. This study provides more opportunity for future studies and it is a useful source of information regarding the assessment of the value chain of informal traders to assert

whether sufficient profits are being generated to sustainably sustain the livelihood of these traders.

4.8 Summary

This section tried to indicate the major reasons of why the study was conducted at Mwenge handicraft market. The historical background of the place, location, its function, the presence of people from different backgrounds with similar vision were some of the reasons why the location was preferred.

The section has also taken into consideration the different techniques used to gather data. I believe that these techniques have their own effort on the collected data, however limitations for the techniques were also presented in this section. To ensure the validity and reliability of the study, it was inevitable to come up with different solutions to these technique limitations. It is important to know that the use of different methods in this study was important in order to make sure that the results and information given are accurate and address the research problems from different angles and each of these methods was used to achieve the research objectives. The findings of this study will be presented in the following section.

5 CONCLUSION

The general purpose of this research was to analyse the value chain of handicrafts sold by informal traders to tourists at Mwenge market with the intention of asserting whether sufficient profits are being generated to sustain the livelihoods of these traders. To achieve this systematically, the research was guided by three specific objectives: (1) to identify the origin (place, designers and producers) of handicrafts sold at the Mwenge handicraft centre; (2) to analyze the role of supporting services that enhance the flow chain of handicraft products, particularly in relation to female informal traders and (c) to examine the lifestyles of the informal traders on these markets as a reflection of their income derived from the sales of handicrafts to tourists.

The research methodology has been discussed and presented in detail in the previous section. It is important to keep in mind that the findings of this study were strengthened through its triangulation research strategy, which enabled the investigation of the value chain of the handicraft products, which brought together the perspective from the informal traders themselves. The involvement of informal traders and their supportive services and the use of questionnaires in data gathering improved the validity of the findings and provided solutions to the central research problem. The detailed findings can be found in the appendix.

5.1 The main findings

5.1.1 Identification and elaboration of the origin of curios

The study examined variety of ways in an attempt to analyse the value chain of handicraft sold by informal traders at Mwenge handicraft market in Dar es Salaam, Tanzania with an effort of asserting whether sufficient profit are being generated to sustain livelihood of the traders. The literature recognizes that informal handicrafts related business was chosen among the three major sectors (agricultural, craft & textile and tourism) to improve livelihoods of the poor people in order to meet their basic needs on a sustainable basis. There must be a debate about the profit generated from handicraft selling ranging from sustainable profit to an income that cover day to day needs. The findings of this study revealed that informal traders overwhelmingly stated that there are several barriers attached to importing of their products, while the most identified ones were

high custom duties, transportation problems, demand and breakage. These were the mostly mentioned challenges associated with importation of their products. Furthermore, the findings showed that outsourcing curios products internationally was inevitable because of acquiring high quality and differentiated products, which could be the main source of winning competition in the market. Finally, in the design category, the findings showed that most traders did not have specific designers of the products, rather their producers are the ones that design these products, which pave the way for them continuing with international outsourcing. These challenges associated on importation of curios products could be one of the reasons hindering sustainable profit generation from handicraft sales.

5.1.2 A summary of the supportive services given by government and other agencies

As Ashley et al. (2004) argue, supportive services (supporting activities) have relevance to complete the marketing process of curios products and to reflect the web of relationships of key role players within the chain. The findings revealed that informal traders never approached any institution for any kind of support (such as finance) that would help them in expanding their business. The main motive not approaching any of the financial institutions was nationality, as the traders believed that being a foreigner in Tanzania you are excluded of any support either rendered by government or private institutions.

Many writers (such as Federico & Quirin 2010, Ashley et al. 2004 and Richard 2007) argued differently of the supportive services (such as training, finance, marketing, innovations) needed to improve the informal handicraft business performance and to grow the sector. Compliantly, the findings from traders identified training, advertising, ongoing workshop, communications skills and infrastructures (such as stable shops) to be the major supportive services needed to operate in a sustainable business environment in order to gain the fruitfulness from this business.

5.1.3 Vertical and horizontal relationships of the key role actors within the chain

Informal traders in the study considered both vertical and horizontal relationship within the industry to be an important way of growing their business and enhancing of strong inter-firm relationship. The analysis of the quantitative data from the survey questionnaires showed that there is a strong horizontal relationship between traders themselves. It is important to note that the direct horizontal relationship with competitors in the market was mentioned to be very important for the success of their business, it eliminates unnecessary competition in the market, it increases sharing of resources, marketing information and technology, it helps in purchasing and shipping of their products as well as acts as barrier for new entrants into the market. With regard to indirect horizontal relationship with the supportive services, the findings revealed that the infrastructure in Tanzania had positive influences on the growth and profitability of the businesses.

Additionally with regard to upstream vertical relationship between traders and their suppliers, the findings revealed that informal traders have good relationship with their suppliers. This relationship allows them to get quality products at reliable time as well as to receive credit on certain agreeable terms.

5.1.4 A summary of traders' lifestyles

Tourism handicrafts related business improves livelihoods of the poor, eradicates poverty and empowers large number of women to attain some of the Millennium Development Goals by 2015 (UNCTAD & WTO 2009). Connecting with the lifestyle and financial flow of handicraft traders, the finding revealed that the profit generated from curios selling is used to sustain traders' livelihoods at their usual place of residence.

My conclusion here is that informal handicraft selling to tourists does not give sustainable income to those who form the backbone of the industry, the profit generated by these traders covers daily needs and nothing is left in their savings, at the same time this profit is not stable, it fluctuates based on seasons of the country.

5.2 Recommendations

Using the findings, different policy should be addressed by the Ministry of Natural Resources and Tourism in Tanzania to ensure sustainable growth of handicraft sectors and achieving the millennium development goal. The concern of this thesis is that the benefits derived from informal handicrafts sales are not reflected in traders' livelihoods. I think it is important to address the challenges or constraints identified by the main finding of this study to ensure that the benefits derived from those employing themselves in tourism related businesses are highly reflected in their livelihoods.

Lack of entrepreneurship skills among traders was identified to hinder the reflection of the benefits from handicraft sales in traders' livelihoods. As revealed in the findings, most of traders did not attend any entrepreneurial college and high school is the highest education background. Traders encounter difficulties in keeping record of their sales, profits and they have poor communication skills. This suggests the need for institute entrepreneurial training programmes and on-going workshops not only to traders.

An informal trader plays an important role in preserving our culture through the sales of curios to tourists. To better promote and preserve the African cultural heritage, traders need to be given marketing support and different marketing and advertising strategies. Promotion of African cultural heritage should not only be the responsibility for the ones who sell these products but also the ministry of tourism has to intervene. This is crucial important because the more handicrafts are promoted, the higher is the chance of raising awareness for the destination worldwide.

The findings identified lack of financial resources to be among the constraints hindering the benefits derived from handicraft sales to be reflected in traders' livelihoods. I can only conclude that this particular issue suggests having policy in place, which would ensure that financial support is given to traders. Support will not only be used to expand their business or to buy more stock but it will help traders to pay for different promotion strategies of their products (such as paying to Google for Mwenge handicraft centre to be the first three landing pages for anyone searching for handicraft in Africa) which in turn will increase their revenue through even attracting investors.

Poor relationship with other sectors was also identified by the major findings to be one of the barriers hindering traders to derive profit that will be reflected into their livelihoods. This suggests the need to have a policy in place which ensures both private and government organizations to insist a web-relationship of those working in tourism sectors and its subsectors. For example, Tanzanian tour operators, accommodation sectors, travel agencies and the ministry of tourism should ensure that there is a network or relationship between them and other tourism subsectors such as informal handicraft industry. The agencies should be including information of handicraft flea markets found in Tanzania in the packages sold to tourists worldwide.

There are concerns that competition is one of the major challenges facing these traders, which pose failure in reflecting of their benefits in their livelihood. This suggests the need to reduce competition among traders within the market, knowledge on how to differentiate products is required and traders need skills that will help them to design and innovate their own products. This in tune will reduce competition and reduce the costs attached to importation of curios from other parts of Africa.

5.3 Conclusion

The study has highlighted the importance of understanding that the benefits derived by informal traders from handicraft sales are not reflected in their livelihoods. The value chain analysis of handicrafts was used to analyse of the benefit by focusing on the following: origin, supporting services and the lifestyle of traders.

When it comes to tourism industry, literature has stated that it is a major contributor of employment and contributes to poverty alleviation in most destinations instead of trying to find out if those people working in tourism sector and its subsectors earn a sustainable income or just an income to cover day to day needs. This study has highlighted the benefits derived by informal traders from handicraft sales to tourists. The main findings of this study revealed that informal traders are faced with many challenges: there are no supportive services; seasonality; traders work in isolation with other tourism sectors in the country; lack of finance and entrepreneur skills.

Of these challenges, the findings show that traders do not earn enough income that will ensure sustainable growth of their business or an income that will be saved for future

use. Traders earn an income that covers day today needs, like buying of groceries and paying for transportation everyday.

Traders still live in poor conditions and what they earn is not enough to be invested in other businesses. Therefore, it is important for traders of Mwenge handicraft market to seek for support from both private and government organizations and they should network their business with other tourism sectors. The Ministry of Natural Resources and Tourism should work hand in hand with informal traders and come up with different strategies that can be used to ensure sustainable earning to those who form the backbone of the market.

REFERENCES

- Acharya, J. 2003. *Gendered Spaces: Craftswomen's Stories of Self-Employment in Orissa, India*. Trondheim: Norwegian University of Science and Technology.
- Akhal, R., Shabaneh, A., & Tyroler, C. 2008. *Handicraft Sector in Aqaba-Diagnostic Strategy and Action Plan*. Aqaba: ACED.
- Alvesson, M., & Sköldbberg, K. 2009. *Reflexive methodology: new vistas for qualitative research*. London: SAGE.
- Ashley, C., Goodwin, H., & Roe, D. 2004. *Tourism and Poverty Reduction – Making the Links*. London: Pro-Poor Tourism Partnership .
- Aronson, J., Suzanne, J., & Blignaut, J. 2007. *Restoring Natural Capital Science, Business and Practices*. Society For Ecological Restoration International. London. Oisland Press.
- Barber, T., Dalziel, E., Derks, E., & Kula, O. 2006. *Haitian Handicraft Value Chain Analysis*. Haiti: United States Agency for International Development(USAID).
- Barber, T. & Krivoshlykova, M. 2006. *Global Market for Assessment for handicrafts*. Hiti: USAID.
- Beck, R., Binns, & Nel. 2000. *The history of South Africa*. The history of South Africa: Greenwood press.
- Binns, T. & Nel, E. 2002. Tourism as a local development strategy in South Africa. *The Geographical Journal*. 168:235-247.
- Brokaw, J. 2006. *Issues In poverty reduction and natural resource management*. Washington, DC. USAID.
- Brown, A., Lyons, M., & Dankoco, I. 2010. Street Trading and the Emerging Spaces for Urban Voice and Citizenship in Africa Cities. *Urban Studies Journal Limited*. 47:666-683
- Caroline, S., Likani, L., & Richard, D. 2006. Low-waged and Informal Employment in South Africa. *Transformation: Critical Perspectives on Southern Africa* . 60:90-126.

- Chambers, R., & Conway, G. 1992. *Sustainable rural livelihoods: Practical concepts for the 21st century*. IDS Discussion Paper No. 296. Brighton: IDS.
- Charles, H., & Gareth, J. 2009. *Strategic Management Theory: An Integrated Approach*. South Western: Cengage Learning.
- Chhabra, D., Healy, R., & Sills, E. 2003. Stage Authenticity and Heritage Tourism. *Annals of Tourism Research*. 30 :702-719.
- Crush, J., & Peberdy, S. 1998. *Trading Places: Cross-Border Traders and the South African Informal Sector*. Cape Town: Idasa.
- DACST. 1998. *The South Africa Craft Industry Report*. Department of Arts, Culture, Science and Technology. South Africa: Cultural Industries Growth Strategy (CIGS).
- DFID. 1999. *Sustainable Livelihoods Guidance Sheets*. Online Available <http://www.eldis.org/vfile/upload/1/document/0901/section2.pdf>. Accessed 12 Dec 2011.
- Donovan, T. 2008. *Applying the Value Chain Approach to Tourism Development on Road NO 9 in Lao PDR and Viet Nam*. Lao PDR and Viet Nam: UNWTO.
- Duy Can, N., Duong, L. T., & Van Sanh, N. 2002. *Livelihoods and Resource Use Strategies of Farmers in the Mekong Delta and the External Environment*. Vietnam: Mekong Delta Development Research Institute.
- Federico, V., & Quirin, L. 2010. Value Chain Analysis as a Kick Off for Tourism Destination Development in Maputo City. *International Conference on Sustainable Tourism in Developing Countries*. SNV Mozambique and Regional Network Leader East and Southern Africa.
- Follad, A. H. 2006. The role of arts and crafts in tourism and Bahrain economic development. Riyadh: International conference on Tourism and Handicrafts.
- Gaylard, J. 2004. The Craft Industry in South Africa: A Review of Ten Years of Democracy. *African Arts*. 37:26-94.
- George, R. 2003. Tourist's perceptions of safety and security while visiting Cape Town. *Tourism Management*. 24:575-585.

- Joffe, A., & Newton, M. 2008. *The Creative Industry in South Africa*. Pretoria: CAJ: Culture, arts and jobs.
- Kaiser, A. 2004. The Scope of the Craft Industry in the Western Cape. Cape Town, Western Cape, South Africa.
- Kaplinsky, R. 2004. Spreading the Gains from Globalization : What Can Be Learned from Value-Chain Analysis? *Problems of Economic Transition*. 47:74 - 115.
- Kaplinsky, R., & Morris, M. 2001. *A Handbook for Value Chain*. Sussex: University of Sussex Institute of Development Studies.
- Ke, L., & Liying, W. 2010. *Study on Pro-Poor Tourism Based on Supply Chain Management Theory*. Washington, DC, USA: IEEE Computer Society .
- Keswell, M. 2008. *Education and Racial Inequality in Post Apartheid South Africa*. New Mexico, USA: Santa Fe Institute.
- Lynos, M., & Sonxell, S. 2005. Creating Urban Social Capital: Some Evidence from Informal Traders in Nairobi. *Urban Studies Journal Limited*. 42:1077-1097.
- Markwick, M. C. 2001. Tourism and the development of handicraft production in the Maltese islands. *Tourism Geographies*. 3:29-51.
- Mitchell, J., & Phuc, L. C. 2007. *Tourism Value Chain Analysis in Da Nang*. Vietnam: Overseas Development Institute.
- Morse, S., McNamara, N., & Acholo, M. 2009. *Sustainable Livelihood Approach: A critical analysis of theory and practice*. United Kingdom: University of Reading.
- Okech, R. N. 2010. Tourism Development in Africa: Focus on Poverty Alleviation. *The Journal of Tourism and Peace Research* .1:10-27.
- OECD. 2008. *Natural Resources and Pro-Poor Growth: Economics and Politics*. DAC Guidelines and Reference Series.
- Peach, A. 2007. Craft, Souvenirs and the Commodification of National Identity in 1970's Scotland. *Journal of Design History*. 20:243-257.

Richard, N. 2007. *Handicrafts and Employment Generation for the Poorest Youth and Women*. France: UNESCO.

Roe, D., Ashley, C., Page, S., & Meyer, D. 2004. *Tourism and the Poor: Analysing and Interpreting Tourism Statistics from a Poverty Perspective*. London: Pro-Poor Tourism (PPT) Partnership London.

Rogerson, C. M. 2000. Rural handicraft production in the Developing World: Policy issues for South Africa. *Agrekon: Agricultural Economics Research, Policy and Practice in Southern Africa*. 39: 193-217.

Rogerson, C. M. 2004. Transforming the South African tourism industry: The emerging black-owned bed and breakfast economy. *GeoJournal*. 60:273-281.

Scoones, I. 2000. *Sustainable Rural Livelihoods: A Framework for Analysis*. Mozambique: Institute for Development Studies in Mozambique.

Vignati, F. 2010. *Value Chain Analysis as a Kick Off for Tourism Destination Development in Maputo City*. Mozambique: SNV Mozambique and Regional Network Leader East and Southern Africa.

Wijnberg, C. 2003. *Export Market Opportunity Analysis for the Western Cape Craft Sector Interim Report*. Cape Town: Kaiser Associates.

APPENDIX

