



Addis Ababa University
College of Business and Economics
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The Role of Tourism Sector in Generating Employment Opportunity and
Augmenting Household Income in The Case of Bishoftu City of Oromia
Regional State of Ethiopia

By

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This is to certify that the thesis prepared by **Assefa Batu** entitled **The Role of Tourism Sector in Generating Employment Opportunity and Augmenting Household Income in The Case of Bishoftu City of Oromia Regional State of Ethiopia** which is submitted in partial fulfillment of the requirements for the degree of Masters in Public Management and Policy (MPMP), complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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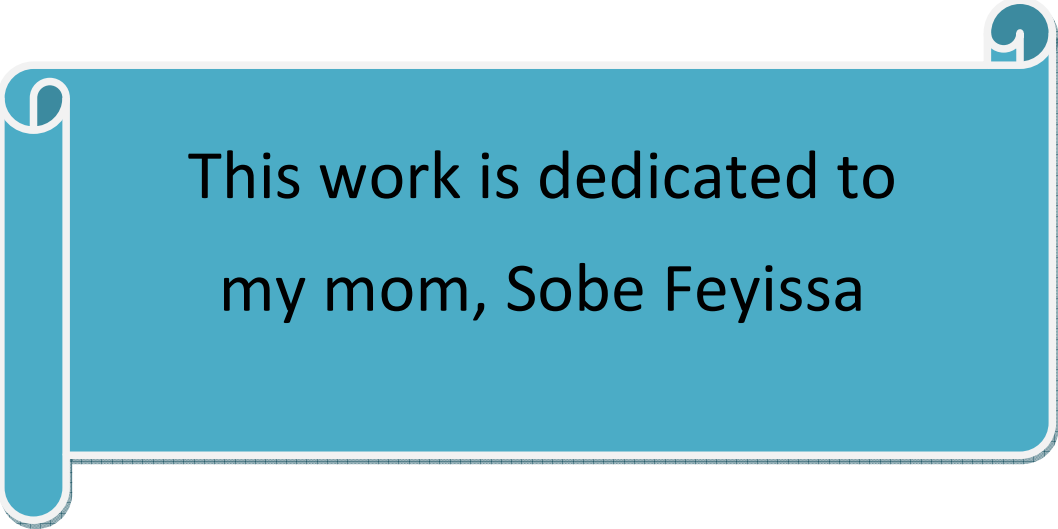
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Dedication



This work is dedicated to
my mom, Sobe Feyissa

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Abbreviations and Acronym

CSA- Central Statistical Agency

ECTT-European Council on Tourism and Trade

FDI- Foreign Direct Investment

GDP- Gross Domestic Product

GTP- Growth and Transformation Plan

HICES- House Hold Income, Consumption, and Expenditure Survey

ILO-International Labour Organization

LDC- Least Developed Countries

MDG- Millennium Development Goals

MICE- Meeting, Incentive, Convention and Events

MSEs- Micro and Small Scale Enterprises

NEPAD-New Partnership for Africa's Development

ODI- Overseas Development Institute

PASDEP- Program for Accelerated Sustainable Development for Eradication of Poverty

SDPRP- Sustainable Development for Poverty Reduction Program

SME- Small and Medium Enterprises

SNNP-Southern Nations, Nationalities and Peoples

TFR- Total Fertility Rates

TIM- Tourism Income Multiplier

UN- United Nations Organization

UNDP- United Nations Development Program

UNWTO- United Nations World Tourism Organization

VFR- Visiting Friends and Relative

WTTC- World Tourism and Travel Council

Abstract

Tourism industry is known for its potential in generating employment opportunity and income. Thus this study is conducted primarily to identify the social group that are benefiting from tourism activity in Bishoftu, and whether the net earnings from the employment in the tourism enterprises have anything to do with livelihood improvement of the local community. With this in mind the study addresses the contribution and the performance of tourist enterprises in generating employment and income in Bishoftu. Further, an effort is made to find out the major constraints for the development of tourism at national as well as Bishoftu level. Data were collected from both primary and secondary sources. Primary data was collected using key informant interview and questionnaire by approaching key actors in the tourism industry in Bishoftu city. Thus, 80 sample populations were selected to fill the questionnaire. An interview was also held with 25 key informants. The study employed descriptive research design with combinations of qualitative and quantitative approaches. The data were analyzed and the result of the analysis was presented in descriptive statistics formats including frequency, tables, chart, graphs, percentages and ratios. The study concludes that tourist flow, income and employment generated from tourism is growing steadily. Tourism is contributing a lot to the economic growth and unemployment reduction both at national and Bishoftu level. Also tourism is improving the socio-economical life of the local community of Bishoftu. In order to overcome the current challenges and hence exploit tourism's potential to the fullest limit the researcher forwarded recommendations.

Chapter One: Introduction

1.1. Background of the Study

Ethiopia has one of the highest unemployment rate in the world. Unemployment is currently a major concern in Ethiopia. The prevailing high unemployment and underemployment rate in both urban and rural settings in Ethiopia continue to create serious socio-economic problems (Nayak, 2014). Although the urban unemployment rate has declined in recent years in Ethiopia, still it is significantly high. Urban unemployment, particularly youth unemployment become one of the major concerns for the Ethiopian Government. The Central Statistical Agency (CSA) survey of 2014 indicates that urban unemployment rate stands at 17.4 % at the national level (CSA, 2014).

Unemployment measures the extent of unutilized human resource in the economy. It indicates the quantity and quality of human labor a nation and a region would have, and should be used to promote its economic development but not actually used. The unutilized human resource as a result of unemployment and underemployment has negative social and economic implications (CSA, 2014). The Government of Ethiopia gives due emphasis to employment creation, both in the context of poverty reduction through creating employment opportunities and using labor resource for growth as one of the most important resources the country is endowed with (MoFED,2012).

Unemployment is closely linked with poverty. Because, one of the proven reasons leading to poverty is that, the poor generally lack marketable skills and have few employment opportunities. The poor have low incomes and lower levels of consumption than those who are not living in poverty. The poor are characterized by their lack of purchasing power in the market and by human underdevelopment, they suffer relative deprivation and are generally marginalized in the decision making processes. The poor lack access to savings and capital and generally experience high levels of vulnerability to changes in market conditions. The result is that their basic needs are not met and do not have a state of well-being. Their condition is sometimes referred to as “ill-being” (Jamieson, Goodwin and Edmunds, 2004).

The status under which the poor people have been living especially in the countries located in Sub-Saharan African region is critically severe. Different economic, social and demographic indicators express the manifestation of extreme poverty in the region. By looking at across all poverty indicators, one can easily understand that Sub-Saharan Africa (SSA) is one of the centers of global poverty. According to Ethiopian Ministry of Finance and Economic Development report, approximately 25% of the world's poor live in SSA (MoFED, 2012). The United Nations report also indicates more than 48 % of SSA population are living on less than \$ 1 per day (UN, 2014).

The case of Ethiopia is not exceptional to the general situation. Several studies show that large proportion of its population are living under severe poverty in both urban and rural settings. In 2014, Ethiopia ranked 173rd out of 187 countries on the United Nations Development Programme's Human Development Index (HDI), and average per capita incomes are less than half the current Sub-Saharan average (UNDP, 2014). The Household and Income Expenditure Survey (HICES) conducted by Ethiopian CSA in 2010/11 indicated that the proportion of poor people (poverty head count index) in the country were estimated to be 29.6% while the proportion of the population below the poverty line stood at 30.4% in rural areas, it was estimated to be 25.7% in urban areas (MoFED, 2012) .

Since the Millennium Declaration was introduced in the year 2000, the Government of Ethiopia (GoE) translated the Millennium Development Goals (MDGs) into local context and has been implementing the key goals and targets addressed in the declaration by harmonizing them with the existing government strategies, policies and programs (MoFED, 2008, 2012). The Millennium Declaration describes “Eradicating Extreme Poverty and Hunger” as Goal number ONE, among eight MDG goals (UN, 2014). Achieving Goal one of the MDGs is one of the major goals attached to the growth performance of the Ethiopian economy. Creating remunerative jobs in the tourism sector has been set as one of the key channels through which this goal would be realized. The importance of stimulating job creation in both the public and the private sectors has been well articulated as one of the priority areas in the first Five Years GTP I (Development Plan) adopted in 2010/11(MoFED,2012).

Tourism is among the economic and social sectors that are registering rapid growth in the world, and nowadays it has been found to be making its contribution in supporting and accelerating national developments of countries including Ethiopia (WB and MoCT, 2012). Cognizant of the role that tourism can play in alleviating poverty through job creation, the

United Nations World Tourism Organization (UNWTO) launched the Sustainable Tourism Poverty-Eliminating (ST-PE) initiative at the world summit held in Johannesburg in the year 2002. Sustainable Tourism Poverty-Eliminating organization was mandated to promote poverty alleviation mainly in generating job opportunities in emerging and developing countries to the achievement of MDGs by 2015 (UNWTO, 2005).

Tourism is one of the largest and fastest growing industries in the world. It is an increasingly important source of income, employment and wealth creation in many countries. Tourism makes tremendous contribution for local communities by creating employment opportunities, serving as a source of income, promoting micro and small-scale enterprises, and ensuring sustainable development (MoCT, 2009). Tourism is a powerful economic force which can provide huge employment opportunities. Countries facing high levels of unemployment could opt for tourism promotion as an effective means of absorbing the excess manpower (ILO, 2013). Income is also generated from tourism in different forms such as wages and salaries, rents, tax revenues and interests (UNWTO, 2010).

Tourism become the most viable and sustainable economic development option to overcome high unemployment rate especially in urban areas. If tourism is managed with a strong focus, it can directly benefit the poor groups through employment of local people in tourism enterprises, goods and services provided to tourists, or the running of small and community based enterprises, etc., having positive impacts on improving local livelihood of the community (UNWTO, 2010). In fact, many activities in tourism are particularly suited to women, the youth and disadvantaged social groups. Many tourism jobs are potentially quite accessible to the poor as they require relatively few skills and little investment (Shaaban, Ramzy and Sharabassy, 2013; ILO, 2013).

Ethiopia has immense tourism potential owing to its natural, historical and cultural endowments (Yabibal, 2010). By developing and properly marketing its vast tourism resources, Ethiopia can leverage its tourism resources into productive assets. There is evidence that growth in the tourism sector in Ethiopia affects the livelihood of the poor and that, if properly harnessed the positive impacts from the sector can contribute towards employment creation, income generation and enhancing community livelihood (WB and MoCT, 2012).

1.2. Statement of the Problem

Economic growth is an essential but not a sufficient condition to improve the socio-economic condition of the poor in the community. Improving the livelihood of the local community involves growth with a substantial reorientation in favour of the poor. It includes targeted interventions to enable poor people to better integrate into economic processes and take advantage of job creation and to get their own share from the local income, thereby improving their economic and social well-being (Buckley and Casale, 2006; cited in Bolwell and Weinz, 2008). To this effect any interventions made in the tourism development should ensure the lower social and economic needy people living in the targeted areas to get proportional share from the job and wealth creation processes.

Although tourism obviously contributes to job creation and hence income generation for the poor, the idea that it can be an efficient tool to improve local community livelihood does not always receive unanimous support. Employment opportunities and earnings from tourism look impressive, but one would like to know more about its economic implications before concluding that this is a positive development that should be promoted. Tourism is one of the major employment generator especially in urban areas for the women and the youth; nevertheless one would like to know the net benefits from tourism, and also who benefits from these net earnings, and whether such economic earnings have anything to do with livelihood improvement. At a time when Ethiopia is projecting to be among the top ten tourist destinations in Africa, it is worthwhile to examine and reflect on tourism's effects on the economy in generating job opportunity, in enhancing house hold income and improving the livelihood condition of the poor local community in general in Ethiopia, and in particular at Bishoftu city level. Further, the characteristics of the tourism sector, especially fundamental subjects such as the trend in international and domestic tourist flows, the potential and performance of tourism enterprises in generating employment and income, and the major barriers that are currently obstructing the development of tourism at Bishoftu and national levels have been discussed in this paper.

1.3. Objectives of the Study

1.3.1. General Objective

The main objective of the study is to analyse the employment opportunities created by the tourism enterprises, the income generated from the sector and the impact it has on improving the livelihood of the community.

1.3.2. Specific Objectives

The specific objectives of the study includes to:

- (i) describe the characteristics of the tourist flow and direct income realised in tourism;
- (ii) analyze the employment opportunities generated by tourism enterprises in Ethiopia by referring to the case study area;
- (iii) identify incomes generated at household level by the people involving in the tourism activity with special emphasis on the case study area;
- (iv) identify the impact of tourism towards improving community livelihood using income and employment multiplier variables and by referring to the case study area, and
- (v) address the major constraints hindering the tourism enterprises in generating employment and income.

1.4. Research Questions

The study analyzes the economic effects from tourism and their associated impact on generating employment opportunity in Ethiopia in reference to the case study area. Specific research questions to be answered include the following:

- (i) What are the characteristics of tourist flow and direct income from tourism?
- (ii) In what ways does tourism contribute to employment generation?
- (iii) In what ways does tourism contribute to household level income?
- (iv) In what ways does tourism contribute to the livelihood improvement of the community?

- (v) What are the challenges hindering the tourism enterprises in generating employment and income?

1.5. Case Study Selection and Area Setting

The study covers Bishoftu city, geographically situated in Oromia Regional State at about 47 km East of Addis Ababa. In recent years, significant tourism development activities are taking place in Bishoftu area (Bishoftu City Profile, 2013). This warrant analysis of the impact of tourism in generating employment opportunity and boosting the livelihood of the community. Bishoftu attracts large number of domestic and foreign tourists mainly as being endowed by several crater lakes, abundant bird life, and favorable climate, and further due to the *irrecha* festivity (thanks giving ceremony of the Oromo people) taking place in the city. Bishoftu has growingly become one of the major tourist destinations in Ethiopia (Bishoftu City Profile, 2013). Tourism is one of the major economic activity that is generating employment and income, and hence impact the livelihood of the local community in Bishoftu. Thus it is safe to say that tourism has been mainly an urban economic activity in Bishoftu area. On the other hand there is an entrenched unemployment problem in urban areas in Ethiopia (Nayak, 2014). As both tourism and unemployment are urban occurrences, the researcher is convinced to choose Bishoftu as a proper case study area pertaining to the title under consideration

1.6. Scope and Limitations of the Study

The fact that the discourse on employment and income issue is broad and multi-dimensional. This study focuses on identifying mainly the impact of tourism on the livelihood of people directly engaging in tourism activity through creating jobs and generating income in Bishoftu city.

The research design employed, namely, cross sectional design, collects data at one time, and hence, one cannot fully generalize the findings from such one-shot studies to the population only at the time of the survey. Due to data and time constraints, the study focuses mainly on hotels and tour operators, and to some extent on handicraft and souvenir shops who are engaged in the tourism value chain business activities in and around Bishoftu city. Nevertheless, this research is limited in depth and scope as it has neither dealt exhaustively with other socio-economic variables of livelihood nor with the non-income and

non-job impact dimensions of tourism on the local community livelihood. The research does not address the issue of public income levied through tax on tourism enterprises and employees. Also the study does not deal with the more general indirect links that tourism industry has with other economic sectors.

1.7. Significance of the study

The significance of the study arises from the intended goal of trying to assess the economic effects of tourism in Ethiopia and its contribution towards generating employment and income. In doing so, the study does shed light on what decision makers in the public and private sector should do to maximize economic benefits at local level from the tourism sector. This is in line with the government's objective of trying to ensure that the tourism industry is elevated to a giant contributor in both local and national economy by not just realizing high income and job figures but also making sure that the host community benefits.

The study is also believed to be significant to both policy makers and academia due to its endeavour of identifying and suggesting ways in which tourism can be used to contribute towards employment creation and improving local livelihood. Reaching at least the targets set by the MDGs has been adopted by the government of Ethiopia as a central objective of the national development strategy (MoFED, 2008; 2012). In line with MDGs, since early 2000s the Government of Ethiopia introduced series of National Development Programs namely; Sustainable Development and Poverty Reduction Program (SDPRP), the Programme for Accelerated and Sustained Development to End Poverty (PASDEP) and the first and very recently the second phases of Growth and Transformation Plan (GTP I and II). By implementing these programs, Ethiopia has had made tremendous progress towards achieving the MDGs. The study tries to assess the progress made in achieving the MDGs pertaining to curbing unemployment and more explicitly in the areas of improving community livelihood through creating productive and remunerative employment opportunity and generating income for the needy poor social group. This study is also an attempt to analyze how a growing sector like tourism can be utilized at local level by creating employment opportunity, mainly for the majority of unemployed youth, women and other disadvantaged social groups; and boosting their income and improving their livelihood. In doing so the result of the study can be used as an input for public sector policy makers and

implementers at local government level to articulate the right policy to gear the tourism sector for development and to improve the livelihood of the local community.

1.8. Organization of the Paper

This thesis is organized into five chapters. Chapter one constitute the introduction, which focuses mainly on the background of the study, statement of the problem, objectives, research questions, the scope and significance, and organization of the thesis. Review of different literatures; theories focused mainly on what tourism is all about, the tourism sector in Ethiopia, its economic contribution and constraining factors, the concepts of unemployment, the link between unemployment and tourism, and UNWTO recommendations and approaches on how to optimize the benefits of tourism appears on Chapter Two. Chapter Three deals with methodological approach and the research design. Chapter Four contains result and discussion. Finally, Chapter Five constitutes findings, conclusion and recommendation of the study.

Chapter Two: Literature Review

2.1. The Concept and Definition of Tourism

Tourism is a rapidly growing phenomenon and tourism activities, taken as a whole, are accounting for a growing share of economic activity in most countries. The tourism industry is among the leading in terms of employment creation and income generation around the world (Stancy, 2015). International tourism has made a huge stride over the past couple of decades attributing to multifarious factors. Globalization, increasing financial and information flows, and growth of personal disposable income among nations of the world are the major factors that caused tourism to grow dramatically (WTO and ILO, 2014). Countries have been aware of this trend and struggled to develop and promote their tourism resources with a view to reap the socioeconomic, cultural and environmental benefits that can be derived from tourism development (Assegid,2015).

Tourism industries are not readily identifiable. That is why there is lack of unanimity concerning the definition of tourism (UN, 2010). Apparently, the definition of ‘tourism’ varies from source to source, from person to person. But when it comes to explaining it with the basic terms we can sum it up as follows;

Tourism is a collection of activities, services and industries which deliver a travel experience comprising of transportation, accommodation, food and beverage establishments, retail shops, entertainment business and other hospitality services provided for individuals or groups travelling away from home (UN, 2010; Ebisa and Andualem,2013). Tourism is the sum of the phenomena and relationship arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors (Macintosh and Goeldner, 1986).

Tourism sector is the cluster of production units in different industries that provide consumable goods and services demanded by visitors. Such industries are called tourism industries because, visitor acquisition represents such a significant share of their supply that

in the absence of visitors, the production and supply of these would cease to exist in meaningful quantity.

Tourism industries, also referred to as tourism activities, are the activities that typically produce tourism characteristic products; and tourism characteristic products are those that satisfy one or both of the following criteria:

- ❖ Tourism expenditure on the product (either good or service) should represent a significant share of tourism expenditures-the demand condition, and
- ❖ Tourism expenditure on the product should represent a significant share of the supply of the product in the economy-the supply condition (UNWTO and ILO, 2014).

As a demand-side phenomenon, the economic contribution of tourism has to be approached from the activities of visitors and their impact on the acquisition of goods and services. However, it can also be viewed from the supply side, and tourism will then be understood as a set of productive activities that cater mainly to visitors or for which an important share of their main output is consumed by visitors (UN, 2010). The ongoing interaction between demand and supply side of tourism activities gives the tourism industry an enormous potential to generate employment and income.

According to UNWTO, tourism comprises activities of persons travelling to and staying in places outside of their usual environment for not more than one consecutive year for leisure, business and other purposes. Thus, there are three criteria for tourism to happen:

- ❖ It involves displacement outside the usual environment;
- ❖ The type of purpose should be different from being remunerated from within the place visited, and
- ❖ Duration of stay should not exceed one year (Luvanga and Shitundu, 2003).

The other important point which the readers should bear in mind is that three essential elements make tourism happen, and without these components tourism would not exist. The list of the basic components of tourism are: attractions, accommodations and amenities. Among the industry practitioners, the basic components of tourism are commonly known as the three A's.

Attraction: In a wider sense attraction includes: climate, scenery, beaches, flora and fauna, events, visitor attractions, excursions, local foods and drinks.

Accommodation: Is part of the hospitality sector of the travel and tourism industry. It includes all types of serviced and non-serviced, catered and self-catering providers of lodgings.

Amenity: The term amenity refers to a tourist destination. Amenities include: shopping, entertainment, sports facilities... etc (UN, 2010).

As the concept of tourism is closely related with travel and visit, it is essential to understand what the terms traveller and visitor refers to. A traveller is someone who moves between different geographic locations, for any purpose and any duration. A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for holiday, leisure and recreation, business, health, education or personal purpose, other than to be employed by a resident entity in the country or place visited (UN, 2010). These trips taken by visitors qualify as tourism trips. In a similar fashion, a tourist can be defined as a temporary visitor staying at least twenty-four hours and not exceeding one year in the country visited for a purpose classified as either holiday (recreation and leisure, sport, visit to family, friends or relatives), business, official mission, convention, or health reasons (UNWTO, 2014).

2.2. Tourism: Global Trend and Economic Contribution

Tourism is one of the economic and social sectors registering rapid growth in the world, and nowadays it has been found to be making its contribution in supporting and accelerating national developments. Tourism makes a tremendous contribution serving as a source of foreign exchange, promoting micro and small-scale enterprises, creating employment opportunities, and ensuring sustainable development (WB and MoCT, 2012).

Globally, the tourism industry is now days identified as a key driver for socio-economic development. In the words of David Scowsill, the president and CEO of the World Travel and Tourism Council (WTTC), the global authority on the social and economic impact of Travel and Tourism; “Travel and Tourism is a key engine for continued global growth, which governments cannot afford to ignore” (WTTC,2013, P.8). In 2014, tourism contributed \$7.6

trillion an equivalent of 9.8 % economic activity to the global GDP (direct, indirect and induced impact), generating over US\$ 1.5 trillion from tourism export or close to US\$ 4 billion a day, supports nearly 277 million jobs and 6-7% (indirect) or one out of eleven in terms of employment opportunity. 6.5 million new jobs were created as a result of tourism activity. Its growth of 3.6% was faster than the wider economy and out-performed growth in the majority of leading economic sectors in 2014 (WTTC, 2015). According to WTTC forecast, by the end of 2015 Travel and Tourism is expected to contribute US\$7.8 trillion, 10% of global GDP, and to account for 284 million jobs, 9.5% of total employment (WTTC, 2014). The 2015 world tourism day is celebrated on September 27, enchanting the slogan “*One billion tourists, one billion opportunities*”.

The tourism industry is an important source of direct and indirect employment opportunities. In line with the volume of employment generated, the value capture per employment is crucially important. WTTC recommends that for every eight international tourist arrivals, at least one direct job should be created. Notably, one job in tourism generates 1.5 jobs elsewhere (WTTC, 2014; ILO, 2013). The tourism industry continues to be an attraction for investors. The tourism industry has been and still continues to be a major source of foreign exchange earnings for emerging economies. Interestingly, with the positive growth trend of tourist arrivals and receipts in Africa for countries including Ethiopia, the contribution of tourism for foreign exchange earnings has grown tremendously (WTTC, 2015).

Travel and Tourism has become the world’s largest and fastest growing industry and its growth shows a consistent year to year increase. With over 1 billion of international tourist arrivals in 2014, countries are increasingly developing tourism as part of their national development strategies, as an effective driver of economic growth and inclusive development, and creating jobs and well beings for communities (UNWTO, 2015). The UNWTO, in its statistical publication, Tourism Barometer of April, 2015, reported that international arrivals and receipts had reached by the year 2014, 1.135 billion and US\$1.245 billion respectively. According to the same source, the figure in the year 2014 compared to year 2013 showed an annual growth of 4.4 % up from 1.087 billion in arrivals and an increase of 3.7 % (US\$48 billion) in absolute terms in receipts. The market share of emerging economies has been steadily increasing to reach 47 % of the global market share in 2013. Africa maintained a 5 % share (56 million) in the world arrivals, and 3 % share (US\$36 billion) in receipts in 2013. Arrivals growth in Sub-Saharan Africa is estimated at 5 %

average though the available data of individual countries shows a mixed picture. Although tourism ranks fourth as a worldwide export category, it is ranking first in many developing countries (UNWTO, 2015).

According to UNWTO (2014), international tourist arrivals will increase much in line with its long-term forecast Tourism Towards 2030: +3.3 % a year on average between 2010 and 2030 to reach 1.8 billion by 2030. UNWTO projection indicates that international tourist arrivals in the emerging destinations will grow at double rate of 4.4 % a year. As a result, arrivals in emerging economies are expected to exceed those in advanced economies before 2020. In 2030, 57 % of international arrivals will be in the emerging economy destinations. African countries too are expected to double their arrivals from the present 56 to 134 million and the same forecast will boost Africa's share in global market from the current 5 % to 7 % (UNWTO,2014).

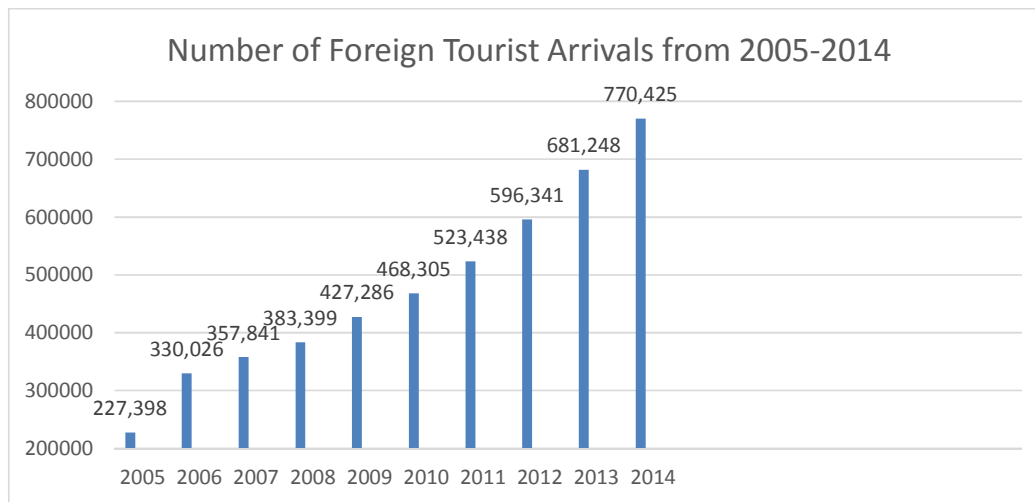
The tourism sector in Africa has been the fastest growing sector in the recent terms, contributing to the diversification of many African economies. Tourism growth and its total contribution to GDP in Africa have mainly been driven by tourism's induced and indirect economic impacts. The total contribution of tourism to GDP in Africa is twice as large as its direct contribution, reflecting the important role of induced and indirect tourism's economic impacts (WTTC, 2015). This also underscores how critical it is to facilitate strong linkages along the tourism value chain and between the tourism value chain and other economic sectors in order to fully realize all potential.

On the basis of the above backdrop, the main aim of tourism development strategy in Africa is to ensure sustainable tourism development with a view to contribute to socio-economic development and enhancing the livelihood of the community at tourist destinations. The African Union (AU), through the New Partnership for Africa's Development (NEPAD), 2004 Tourism Action Plan, recognises the important role that tourism can play in socio-economic development and in improving community livelihood. African Tourism Ministers agreed to and endorsed the AU/NEPAD Tourism Action Plan in 2004 (United Nations Economic Commission for Africa, 2013).

2.3. The Tourism Sector in Ethiopia

Ethiopia has great and largely unexploited tourism potential. Its tourist attractions are many and varied. Ethiopia has much to offer to international tourists. It has a unique historical and cultural heritage, magnificent scenery, a surprisingly cool climate, rich flora and fauna and important archaeological sites. In fact, Ethiopia has nine-world heritage sites, the highest number than any African country (WB and MoCT, 2012). Addis Ababa, serving as a diplomatic capital and regional hub for air transport hosts a number of international events which can be leveraged for tourism purposes (USAID and Precise Consult International, 2013).

In recent years, Ethiopia's tourism sector has been showing a positive trend and steady growth in tourism arrivals and receipts. As the country appeals to diverse interests of tourists, the number of foreign tourists that visited the country have unfailingly been increasing from year to year for the last one decade or so. Just if we see the number of foreign tourist arrivals for some selected years, the figure has been increasing significantly from 227,398 in 2005 to 427,286 in 2009 and then to 523,438 in 2011, and more importantly the recent figure for the year 2014 indicates 770,425 foreign tourist arrivals (MoCT Report, 2014/2015). From 2005 to 2014, the number of foreign tourist arrivals have shown a dramatic progress, from its low base of 227,398 in 2005 to 770,425 in 2014, on a consistent average annual growth rate of 14% (this is well exhibited in the chart 2.1 below); the minimum yearly registered growth rate is 7.1% (for the year 2007 to 2008) while the highest annual foreign tourist arrivals growth level had been 45.1 % (for the year 2005 to 2006). A lot of tourists are growingly paying their attention towards Ethiopia in recent years. To this end the organization named European Council on Tourism and Trade (ECTT) has chosen Ethiopia as a favorite world cultural destination of 2015. The recognition of ECTT is expected to increase tourist flows to Ethiopia and boost the sector in the years to come. Generally speaking the growing number of foreign tourist arrivals to Ethiopia is the reflection of the robust economic growth registered in a row in the country for more than a decade.

Chart 2.1: In-bound Tourist Arrivals to Ethiopia

Source: Ministry of Culture and Tourism report, 2014/2015

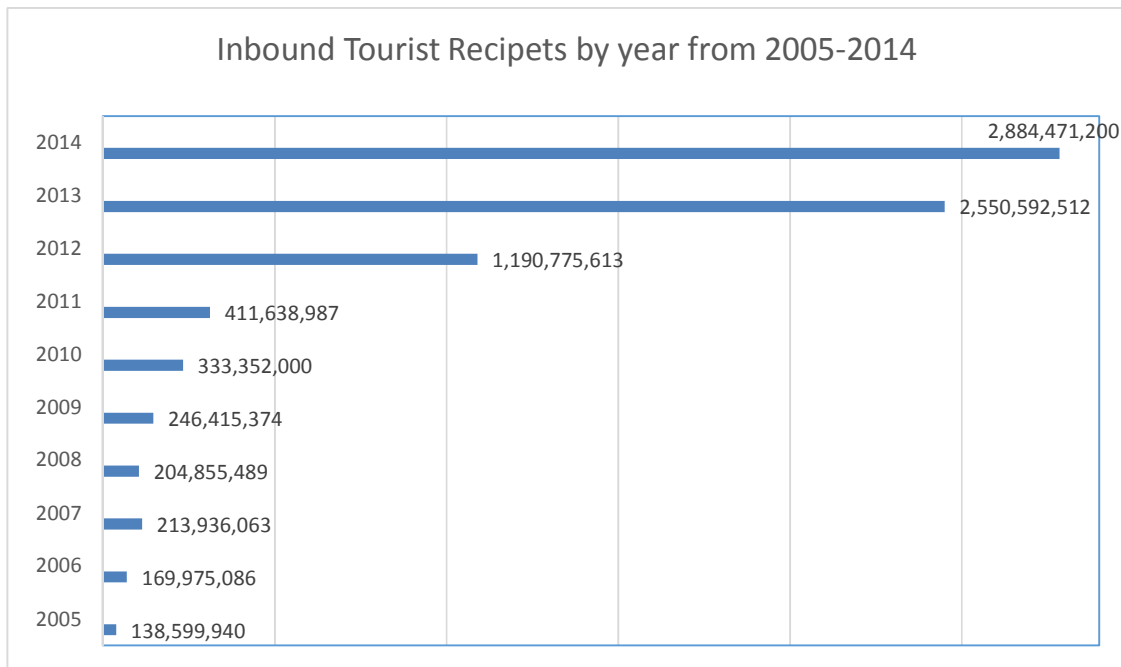
Another important factor which helps us to understand the performance of the sector is to assess how much income/revenue is generated from the tourism sector. Measuring the amount of income from tourism depends on a number of factors; such as purpose of visit, average days spent in the country, prices in the country, the competitiveness in the sector, and variety of tourist supplies that motivate them to expend more (Yabibal,2010). Receipts data obtained from the Ministry of Culture and Tourism for the year 2005-2014 and presented in the chart 2.2 below gives a clear understanding on the amount of income generated from tourism. As it is well represented on the chart, receipts from tourism has been consistently increasing in line with the growth of the tourist arrivals for the periods mentioned. The growth rate in receipts has been huge when we compare the 2005 data with the year 2014. Receipts has increased from ETB 138,599,940 in 2005 to ETB 2,884,471,200 in 2014.¹ According to the Ministry of Culture and Tourism's report on receipt, the upward change in income had exhibited a slow increase from ETB 138, 599, 940 in 2005 to 411,638,987 in 2011; an annual increase of 20.5% on average. The only exception during the period under discussion is the decrease in receipt recorded between the year 2007 and 2008 by -4.2% (from ETB 213,936,063 in 2007 to 204,855,489 in 2008 for which the Ministry did not give any explanation). The revenue figure struck more than a billion ETB record i.e. ETB

¹ Birr is the Ethiopian national currency (the exchange rate of birr to US\$ varies, and in 2014 the exchange rate of US\$1 was about 19 ETB)

1,190,775,613 in 2012 and then a record high revenue of ETB, 2,884,471,200 in 2014 which is 142% higher than the receipt of 2012, as the report of the Ministry attests.

According to the data obtained from the Ministry of Culture and Tourism by the researcher, recently (after 2011) the average expenditure of a tourist in Ethiopia is computed on \$234 a day, and the average length of stay of a tourist is considered to be 16 days. Based on this assumption the total average expenditure of a tourist is US\$3744 (MoCT Report, 2014/2015).

Chart 2.2: Receipts from Foreign Tourists



Source: Ministry of Culture and Tourism report, 2014/2015

Nonetheless, by global and African standards, Ethiopia is one of the underperforming countries despite its potential both in terms of tourist arrivals and receipts. With 770, 425 total tourist arrivals at the end of 2014, Ethiopia's share of the African tourism market is still a minimal of 1.2 % (WTTC, 2015). The Ethiopian Government has set ambitious growth targets for the tourism sector during the first phase of the Growth and Transformation Plan (GTP I) which covers the period from 2010/11 to 2014/15. The target on the number of tourist arrivals by the end of the GTP I period was set at 1 million in-bound tourist arrivals and to increase tourists' expenditures to US\$3 billion (MoFED, 2012; Ebisa and Andualem, 2013). Although the expenditure target has nearly been achieved, the target of inbound tourist arrivals was not attained (MoCT Report, 2014/15).

Ethiopia has well-diversified source markets and tourism segments. This is a critical foundation for a resilient position with respect to international volatilities. Ethiopia's comparative advantage as a tourism destination is based on offering a safe, unspoiled and relatively unexplored experiences (Yabibal, 2010). Ethiopia's source markets are also well-diversified and less dependent on international leisure tourist flows. The top source market overall is Africa, driven in part by a growing number of business and conference tourists (MoCT, 2009). Domestic tourism helps to create a more sustainable foundation for tourism development because it helps to diversify tourism segments and to counterbalance seasonality, volatilities, and the dependency on international tourism flows. Previous studies estimated that domestic tourism in Ethiopia may account for roughly 20 % of total arrivals. As Ethiopia is expected to be one of the African countries, which will have the largest middle class by the year 2030 the potential for future domestic tourism development is promising. Ethiopia has a considerable upper-middle class, and the upper-middle sub class which is especially important for domestic tourism development because it is supposed to be the most likely both to save and to consume non-essential goods and services, such as tourism (WB and MoCT, 2012).

2.3.1. Institutional Framework

The Ministry of Culture and Tourism (MoCT) was established by the Proclamation Number 471/2005, and is the leading public entity in charge of supporting the development of tourism in Ethiopia (MoCT, 2009). Its responsibilities includes; policy planning, collection and dissemination of culture and tourism data, supervision of tourism public enterprises, promotion and marketing, and standardization. At regional and district levels, there are Regional, Zonal and Woreda (District) Culture and Tourism Bureaus and Offices, with different arrangements in each of the regions (Ibid).

The regions and the private sector are essential for the delivery of quality tourism products at the destination level, and the direct involvement of destination custodians is critical in order for cultural and natural assets to serve as a source of local economic growth. Ethiopia's tourism private sector is characterized by a dual structure, comprised of a few large businesses and a majority of Micro and Small Scale Enterprises (MSEs). It is weak on collective action, is dominated by domestic businesses with limited foreign direct investment (FDI) participation, and is still characterized by an important, though declining government presence in certain large tourism companies (WB and MoCT,2012).

The prevailing policy, rules and regulatory framework can either be an obstacle or a catalyst for tourism development in any given destination. Such a framework could, for instance, promote or dampen both FDI, domestic investment and relevant skills development in the tourism industry. The tourism industry is fairly liberalized and open for all investors (with the exception of travel services) and 100% foreign ownership is allowed. Tax holidays and 100% duty exemptions on all imports of investment capital goods are available (USAID and Precise Consult International, 2013). Particular opportunities for private investment are opening up in the hotel sector, and this enabled significant number of newly established hotels to operate at relatively high capacity near major tourist attraction sites. The Ethiopian Government has removed constraints relating to visa and customs regulations, with the objective of positioning Ethiopia as a top-ten African tourist destination (WB and MoCT, 2012).

2.3.2. The Contribution of Travel and Tourism to Ethiopian Economy

Travel and Tourism has an impact on the economy, on the local population and the environment. Likewise, travel and tourism has direct, indirect and induced impact on the Ethiopian economy. In 2014, the direct contribution of travel and tourism to Ethiopian GDP was US\$ 2,057.8 million (4.1% of total GDP), and this contribution is forecasted to rise by 1.2 % in 2015 to reach US\$3,287.4 million. This primarily reflects the economic activity generated by industries such as hotels, restaurants, travel agents, airlines, transportation services, and leisure industries that deal directly with tourists. The current direct contribution of travel and tourism to Ethiopian GDP (4.1%) is standing fairly above both African average of 3.4 % and the world average of 3.1% (WTTC, 2015).

On the other hand, the total contribution of travel and tourism to GDP was US\$4,712.3 million (9.3% of GDP) in 2014, and is forecasted to rise by 1.6% in 2015, to reach US\$7,729.4 million (7.7% of GDP). In terms of ranking, the current total contribution of travel and tourism (9.3%) to Ethiopian GDP stays above the African average of 8.1% while it is slightly falls below the world average of 9.8% (WTTC, 2015).

The direct (4.1%) and the total contribution (9.3%) of travel and tourism to Ethiopian Economy indicates how extensive the travel and tourism sector is, and its huge importance for the overall economic growth attained in the country. Cognizant of the vital role that the sector plays in energizing the national economic growth, the Government of Ethiopia

included tourism in the list of priority economic sectors in the first growth and transformation plan GTP I (MoUDC, 2011; MoFED, 2012). In fact, looking in to the future growth prospective plan of the country, the Government of Ethiopia is attempting to focus on industrialization, and as industry is expected to assume a lead, the contribution of travel and tourism is projected to marginally reduce in proportion from its current size of 9.3% to 7.7% (UNDP, 2014).

The direct contribution of travel and tourism to GDP reflects the ‘internal’ spending on tourism services such as on accommodation, transportation, attractions and entertainments, and recreational amenities. It is the total spending within a particular country on travel and tourism by residents and non-residents for business and leisure purposes, exports from visitor as well as government 'individual' spending; spending by government on travel and tourism services directly linked to visitors, such as cultural (e.g. museums) or recreational (e.g. national parks). The direct contribution of travel and tourism to GDP is calculated from total internal spending by ‘netting out’ the purchases made by the different tourism industries (WTTC, 2015; citing OECD et al., 2008).

On the other hand the total contribution of travel and tourism to GDP includes its ‘wider impacts’ (i.e. the indirect and induced impacts) on the economy. The ‘indirect’ contribution includes the GDP and jobs supported by: travel and tourism investment spending, an important aspect of both current and future activity that includes investment activity such as the construction of new hotels and purchase of new aircraft; government 'collective' spending, which helps travel and tourism activity in many different ways as it is made on behalf of the ‘community at large’ e.g. tourism marketing and promotion, aviation, administration, security services, resort area security services, resort area sanitation services, etc; domestic purchases of goods and services by the sectors dealing directly with tourists; including, for example, purchases of food and cleaning services by hotels, of fuel and catering services by airlines, and information technology services by travel agents. The ‘induced’ contribution measures the GDP and jobs supported by the spending of those who are directly or indirectly employed by the travel and tourism sector (WTTC, 2015 citing OECD et al., 2008). The total contribution of travel and tourism to GDP is twice as large as its direct contribution.

Measuring visitor exports and investment opportunities are other important aspects through which tourism’s impact on a national economy can be identified. Consequently, visitor exports in the tourism generated US\$ 2,352.2 million (34.3% of total exports) in Ethiopia in

2014. The current travel and tourism's total exports (34.3%) is situated far higher than the African average share of 8.0% as well as the world average share of 5.7% (WTTC, 2015). In general visitors export tells us how much foreign currency is generated by travel and tourism. In other words travel and tourism is an important source of foreign currency to Ethiopia.

From investment perspective, travel and tourism also generated US\$ 643.7 million in 2014, or 3.7% of total investment in Ethiopia. The investment contribution of travel and tourism is projected to rise from its current level by 4.6% in 2015, and in the long run, it is expected to grow at the rate of 4.6 % in 2015 to reach US\$1,057.3 million in (WTTC, 2014). The current travel and tourism's contribution to total capital investment (3.7%) is characterized below the African and world investment average share which are set at 5.9 % and 4.3 % respectively.

2.3.3. The Major Problems in Ethiopian Tourism Sector

The success of any tourism destination is dependent, to a large degree, on the nature of the facilities, services, and infrastructure that are available to the tourists. Tourism requires a wide range of supporting services, engages a wide range of other services as part of the delivery of the tourism product, and diverse activity in a wide range of downstream and ancillary industries. These can be categorised as: primary tourist facilities and services (accommodation/hotels, restaurants, and travel and tour services); secondary tourist facilities and services (shopping, recreation, entertainment and visitor information services) and tertiary tourist facilities and services (health services and care, emergency and safety services, financial services and personal services). Generally, these are not well developed in Ethiopia where available, these services and facilities are not very competitive globally (United Nations Economic Commission for Africa, 2013).

Tourism faces a combination of hard and soft infrastructure bottlenecks. Some of the bottlenecks hindering the tourism potential in Ethiopia are infrastructure inadequacies and related high transport costs, limited access to credit, poor ancillary services, lack of comprehensive and timely tourism data, ineffective marketing and development strategies, unavailability of e-commerce, limited availability of alternative payment systems such as automated teller machine (ATM), point of sale (POS) and the limited supply and poor quality of training services (WB and MoCT, 2012).

2.4. Tourism and the Millennium Development Goals

Tourism has been recognised as an important industry that can contribute in improving community livelihood and facilitating development in less developed and emerging economies. The significant role that tourism sector has been exhibiting in generating enormous employment opportunities would serve as a tool in promoting the attainment of especially the poverty reduction goal (Goal 1) set under MDGs (Spenceley, Ashley and de Kock, 2009 cited in ILO,2013). The Millennium Declaration set a target of halving the proportion of people living under extreme poverty and hunger by 2015, at the top list of MDG goals. The MDGs are eight universal goals with global regional and national applications. Reducing the proportion of people whose quality of life falls below some critical limit is the central objectives to which all MDGs must contribute in one way or another. By far and large, the reduction of poverty and hunger are central to MDG. At the same time the realization of other Goals will benefit importantly from the achievement of Target 1 (UNWTO and ILO, 2014).

Among other things, tourism can have direct impact on the poor mainly through generating employment and income as well as in the development of local/rural economies and people's livelihoods or even in the development of the natural and cultural environment in which they live (ILO, 2013). However, it is important to understand that, even though tourism creates jobs and contributes significantly to economic growth, it is not automatic panacea for poverty reduction.

2.5. Unemployment Rate in Ethiopia

Unemployment is an indicator that has been used to measure the extent of unutilized human resource in the economy. Unemployment rate is computed as percentage of the unemployed population over the total number of economically active population (for details refer to annex II and III). The rate indicates the number of persons who are ready to participate or engage in the production of goods and services (CSA, 2014). A higher rate of unemployment implies the loss of individual contribution to Growth Domestic Product (GDP) as well as the national economy, and hence a waste of human resources (Ibid). For this study purpose the definition of unemployment is based on the 1983 International Labour Organization definition standard criteria of a person being “without work” “currently available for work” and “seeking work”

(ILO,1983; cited in CSA,2014). On the other hand underemployment is defined as the proportion of workers who are "available and ready to work more hours" (CSA, 2014).

In Ethiopia, unemployment and underemployment are posing serious problems to the social and economic life of the society. The disparity between labor supply and demand in the country has been mainly created due to the rapid population and labor force growth on the one hand, and limited employment generation capacity of the economy on the other hand (Genene et al. 2001). In general sense, the labor force is growing much more rapidly than the population and this is because Ethiopian demographic profile is dominated by the young. Proportionally, many more young people over 15 years old are entering the work force each year than the old people leaving the labor force. According to UNDP (2014) 1.4 million Ethiopians are annually ready to join the labor force.

Despite some improvements in recent years, urban unemployment rate is still significantly high in Ethiopia. Urban unemployment has consistently declined from its former level of 26.2 % in 2003 to 17.4 % in 2014 (CSA, 2014). Unemployment rate has been consistently higher among females than males across the years, 35.2% in 2003 and 24.1% in 2014. The corresponding rates for males stood at 17.6% and 11.3%, respectively during the years mentioned above (Nebil, Gezahegn and Hayat, 2010; CSA, 2014).

Economically active (productive) person is the one who involves in the production of goods and/or services for sell or exchange. In addition, production of goods or services for own consumption or own use are also considered as economic activity. The majority of economically active unemployed social group falls in the age category between 15 and 29 in Ethiopia. These productive age group which is supposed to contribute highly to the economic growth of the country consists 23.5% of the unemployed ratio at a national level (CSA, 2014). This data shows fairly large size of economically productive manpower is not utilized for economic and social development purpose in the country.

Rural-urban migration is considered to be the main contributing factor to urban population growth as well as unemployment in Ethiopia. Rural-urban migration constitutes a major form of internal labor migration in Ethiopia. The push factors for rural-urban migration include pressure on land (land fragmentation), environmental degradation, and poverty which aggravate temporary and permanent migration to urban areas in search of employment and other income generation opportunities (Adamnesh, Oucho and Zeitlyn, 2014). The

profile of rural-urban migrants are characterized mostly by uneducated and low skilled individuals at their prime age for employment. Such migrants are mostly destined to informal employment activities in the urban areas and add to the problem of underemployment and competition for employment (ILO, 2013).

The current structure of the population of Ethiopia shows that the youth are the predominant social group and this will continue to be the case during medium-term (Nayak, 2014). The Ethiopian youth constitute the bulk of urban unemployment and accounts for the largest proportion of both international and internal migration particularly rural-urban migration (Genene et al. 2001). The reasons for youth unemployment includes: limited expansion of formal employment opportunities, rapid population growth, rapid rural-urban migration and inadequate school curricula and poor quality education which do not meet the requirements of the labor market (CSA, 2014).

Recently urban unemployment, particularly youth unemployment become one of the major concerns for the Ethiopian Government (CSA, 2014). The unutilized human resource as a result of unemployment and underemployment has negative social and economic implications. The importance of stimulating job creation in both the public and the private sectors has been well articulated as one of the priority areas in the first Five Years GTP I (Development Plan) adopted in 2010/11 (MoFED,2012). Creating remunerative jobs in the tourism sector has been set as one of the key channels through which youth unemployment can be substantially reduced.

As stated above, creating productive and remunerative jobs is a desirable solution to reduce unemployment and enhance economic growth in Ethiopia. A comprehensive strategy of employment creation seeks to promote job creation in the private sector, in the public sector, and also in terms of promoting self-employment and entrepreneurship in urban and rural areas. With this respect, in recent years there has been a promising start in private sector investment activities with their associated employment opportunities in Ethiopia (MoFED, 2012).

2.6. Unemployment and Tourism

Unemployment is currently a global concern. Tourism become the most viable and sustainable economic development option to overcome high unemployment rate especially in urban areas. If tourism is managed with a strong focus, it can directly benefit the poor groups through employment of local people in tourism enterprises, goods and services provided to tourists, or the running of small and community based enterprises, etc., having positive impacts on improving local livelihood of the community (UNWTO, 2010). In fact, many activities in tourism are particularly suited to women, young people and disadvantaged social groups. Many tourism jobs are potentially quite accessible to the poor as they require relatively few skills and little investment (Shaaban, Ramzy and Sharabassy, 2013).

Tourism is recognized as an industry that generates jobs and income, while also bringing beneficial socio-cultural change to the poor community. With its distinct advantages, tourism is postulated as an important industry for unemployment and hence income generation. The advantages include among others, creation of job opportunities, boosting up of sales of different goods and services such as handicrafts and agricultural product supplies, as well as cultural entertainment performed by locals, the majority of whom are poor. As such, tourism as an industry can play very important roles on community economic and socio-cultural development (UNWTO, 2010).

It is worth noting that tourism, employment and income are highly interlinked. Work, which is central to people's well-being would enable people to generate income. Often, there is a positive link between work and income, because, income obtained from work can be utilized to improve the social and economic status of employed people including their families. In other words, employment generated in the tourism enterprises would enable the poor to generate income and hence to improve one's livelihood. Therefore, creating productive and remunerative jobs had ever been promoted as an effective and sustainable solution to improve community livelihood at tourist destination areas.

For any growth to impact on job creation and help improve livelihood, it needs to be broad-based and pro-poor. Ethiopia's growth trend of last decade has proved to be broad-based and pro-poor. The fact that poverty has significantly declined in the country from 2004/05 on itself is an indication that the growth in the country has been broad-based and pro-poor (UNDP, 2014). Based on the analysis of the 2010/11 Household Income Consumption

Expenditure Survey (HICES), it is safe to say that the current growth has effectively been translated into poverty reduction. Real per capita consumption expenditure of average Ethiopians has significantly increased by 50 % on average over its level in 1995/96 (MoFED, 2012). This has resulted in a notable decline in poverty incidence from 43.1 % in 1999/00 to 26 % in 2014 in Ethiopia (IMF, 2014).

Tourism has increasingly been viewed as a promising area of economic activity that could become a structural part of sustainable development in developing countries like Ethiopia. Like the rest service sectors, travel and tourism has an immense potential in generating employment opportunities. With its capacity of employment generation, travel and tourism has been contributing a lot to poverty alleviation, in addition to its bigger role to the advancement of the Ethiopian economy (WB and MoCT, 2012). Travel and tourism is generating employment either directly or through investment and induced impact (ILO, 2013). Direct jobs in the travel and tourism sector considers employment opportunities created by hotels, restaurants, travel agents, airlines, other passenger transportation services (excluding commuter services), and leisure industries directly supported by tourists (UNWTO and ILO, 2014). On the other hand, total contribution of travel and tourism to employment is obtained through wider effects of travel and tourism activities on investment, the supply chain and induced income impacts (WTTC, 2015). Rapid growth rate in the tourism sector over the last decade in Ethiopia has led to a considerable increase in per capita GDP and an impressive drop in the unemployment rate (UNDP, 2014).

According to UNWTO and ILO (2014), the positive economic and non-economic benefits of tourism that would have impact on community livelihood includes;

- ❖ Stimulating the creation and growth of new enterprises, and SMEs business opportunities, which provide employment and earnings for the poor from the sales of goods and services;
- ❖ Bringing an export market right to the doorstep of many sectors;
- ❖ Stimulating the development and improvement of infrastructure and transport services;
- ❖ Increased sales of local crafts and associated increase in pride and self-confidence;
- ❖ Contributing to the tax base of national government, and sometimes also paying

fees or licenses to local government;

- ❖ The development of collective benefits where a community gains from concession or lease agreements with formal sector enterprises;
- ❖ Charitable donations from tourism businesses or from tourists;
- ❖ Opportunities for empowerment and capacity building, improvements in health and education, and other forms of well-being;
- ❖ Increased access to information (through improved infrastructure and communications);
- ❖ Strengthening of community institutions;
- ❖ Gaining knowledge about other societies and cultures and increasing tolerance for people from different cultures, and
- ❖ Improved socio-cultural status through community recognition.

On the contrary, the same sources pointed out the negative knock-on effects of tourism affecting particularly the poor as follows:

- ❖ Tourism can increase competition for water, land, and other natural resources and even at some worst scenarios leads to loss of access of local community to resources
- ❖ As tourism boosts demand for local/rural goods (food, land, construction), so local prices will rise, and if these goods and services are also purchased by the poor, the value of their small income goes down;
- ❖ Local traditions and ways of life are negatively impacted;
- ❖ Traditional residents are displaced;
- ❖ Increases in pollution; and
- ❖ Degradation of the environment.

While appreciating the positive changes, efforts must be directed to minimizing the negative ones.

2.7. UNWTO Recommendations to Optimize Employment and Income Generation in the Tourism Sector

UNWTO is a specialized agency of the United Nations and International organization in the field of tourism. UNWTO recommends to governments lots of strategies in connection with

tourism, employment and income generation and improvement of community livelihood at tourist destinations. UNWTO's general program of work includes a number of activities aimed at maximizing the impact of tourism for the benefit of developing countries in general and the Least Developed Countries (LDCs) in particular. To this effect, the WTO initiated and launched the Sustainable Tourism-Eliminating Poverty Initiative (ST-EP) program, at the Johannesburg Summit in 2002 (UNWTO,2005). By those initiatives, it is hoped for alleviating poverty, bringing development and jobs to people living on less than a dollar a day (Scheyvens, 2007; cited in UNWTO, 2010). Furthermore, The World Tourism Organization has identified seven different ways of addressing unemployment, and to enhance socio-economic benefits that could be ensured from tourism which it suggests can be applied in almost every country;

- (i) Employment of the poor in tourism enterprises;
- (ii) Supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor;
- (iii) Direct sales of goods and services to visitors by the poor;
- (iv) Establishment and running of tourism enterprises by the poor—for example, micro, small, and medium sized enterprises (MSMEs), or community based enterprises;
- (v) Tax or levy on tourism income or profits with proceeds benefiting the poor;
- (vi) Voluntary giving/support by tourism enterprises and tourists, and
- (vii) Investment in infrastructure stimulated by tourism also benefiting the poor in the locality, directly or through support to other sectors (Yunis, 2005 cited in UNWTO, 2005).

2.8. Promoting Tourism Sector to Create Adequate Jobs and Income for the Poor

The tourism sector is an economic engine with the potential to create business and employment opportunities for the poor through generation of many and diverse jobs at all levels (Neto, 2003). Along the tourism value chain, many businesses are Small and Medium Scale Enterprises (SMEs) contributing to the sector's valuable labour intensity. Because tourism is inherently labour intensive and creates employment opportunities especially for the poor, the young, women and the physically handicapped; it plays a significant role in improving the livelihood of the community in developing countries by creating jobs and income (MoCT, 2009; Thomas, 2013).

Travel and tourism is human-resource intensive due to the service nature of the industry. Further, one job in the core tourism industry creates about 1.5 additional (indirect) jobs in the tourism-related economy. The wider travel and tourism economy creates about 8 % (both directly and indirectly) of the global workforce. Half the workers in the industry are aged 25 or younger (UNWTO and ILO, 2014).

Women make up between 60 and 70 % of the labor force in the industry. This gender dimension can be especially important. The UNDP empirical evidence suggests that paid work by women reduces overall poverty and inequality in developing countries (UNDP, 2014). In fact, eliminating barriers to women's participation in paid work (as is typical of the tourism industry) has a much stronger effect on poverty and economic growth (Ibid). The tourism industry has almost twice as many women employers as other industries. Women make up a much higher proportion of own-account workers in tourism than in other industries. A large amount of unpaid work is being carried out by women in family tourism businesses (Ibid).

Tourism development is concentrated in regions where the incidence of poverty is higher: Tourism in Ethiopia is concentrated in urban areas and in regions such as Amhara, Oromia, Southern Nations Nationalities and Peoples' (SNNP), and Tigray where poverty rate is very high. And this can be an indication of tourism's potential to generate growth where it is most needed (ODI, 2009; cited in WB and MoCT, 2012).

Tourism is employing segments of the population among which the incidence of poverty is also higher: The concentration of females in Ethiopia is higher in urban areas (50.3 %), whereas poverty is higher among female-headed households in urban areas. Tourism is not only concentrated in urban areas especially, but it is also employing a majority of women (72 % of the tourism work force). Again this can be an indication of tourism's potential to generate growth where it is most needed (Ibid)

Tourism offers productive employment opportunities relative to other labour-intensive sectors: Poverty is found to be lower, relative to farming, in households headed by individuals who work in hotels and restaurants and in other occupations, while the same does not apply for people working in manufacturing and construction for whom the incidence of poverty is similar to those with primary occupations (Ibid). This could be an additional indication of the positive effects of tourism employment on general wellbeing.

Accommodation is a vital and integral part of the tourism market and it represents one of the pillars of tourism. In the hotel segment of the industry, globally there is an average of one employee for each hotel room. Further, there are three workers indirectly dependent on each person working in hotels, such as travel agency staffs, guides, taxi and bus drivers, food and beverage suppliers, laundry workers, textile workers, gardeners, shop staffs for souvenirs and others, as well as airport employees (UNWTO,2014).

Tourism is a powerful economic force which can provide huge employment opportunities. Countries facing high levels of unemployment could opt for tourism promotion as an effective means of absorbing the excess manpower. The impact of tourism industries on employment is measured in the following ways:

- (i) Through direct employment that the tourism industries generate,
- (ii) Through indirect employment that the tourism sector create in the supply chain sectors directly feeding inputs to the tourism industries, and
- (iii) Through induced effect on employment as a result of subsequent rounds of spending and total effect on employment which is reflected in the employment multiplier (UNWTO, 2014).

Tourism employment can be categorized at two separate levels depending on their involvement in or contribution to tourism supply-side. Front offices in hotels, restaurants, travel agencies, tourism information offices, aircrafts, boat cruise, resorts or shopping outlets provide direct employment because their employees are in contact with tourists and cater for tourist demand.

Tourism also supports indirect employment in activities like restaurant suppliers, construction companies that build and maintain tourist facilities, as well as necessary infrastructure, aircraft manufacturers, various handicrafts producers, marketing agencies, accounting services, which are more or less dependent on the companies providing direct employment for their revenues (UNWTO, 2014).

Tourism's contribution to a local economy is enhanced by a phenomenon known as the tourism income multiplier (TIM). This arises because money spent by tourists in the destination area will be re-spent by recipients augmenting the total. The multiplier is the

factor by which tourist spending is increased in the process. When firms are at the hands of the locals, TIM is higher (UNWTO, 2014).

The empirical example below demonstrates the “mechanism” of tourism employment multiplier effect. In terms of employment, tourism multiplier effect means that it stimulates job creation across all other economic sectors. For example, to provide quality service, a hotel (tertiary sector) would most probably employ more people to look after a growing number of arriving tourists. Consequently, other sectors (primary, secondary) would then also try to cater for the growing needs of the hotel. Thus, wholesalers (secondary sector) would sell more food to the hotel which will lead to engaging more staff to work as wholesalers. In turn, this would trigger demand at the food factory down the road (primary sector) who would try to produce more food for wholesaler stocks and, as a result, the factory itself would need to employ additional staff as well

Further, tourism can also generate income for a country, a region, a city or a destination area; directly from the visitors’ spending and indirectly from the tourism multiplier effect. It should be noted that inbound tourist spending is an export, while outbound tourist spending is an import (UNWTO, 2014; UN, 2010).

Income is generated from tourism in different form such as wages and salaries, rents, tax revenue and interests. In a labour intensive industry such as tourism, the greater proportion of income is likely to be derived from wages and salaries paid to those working in jobs either directly serving the needs of tourists or benefitting indirectly from tourists’ spending.

Income generated from tourism will be greater in the areas or destinations:

- a) Which receives large numbers of tourists,
- b) Where visitors tend to stay for longer periods,
- c) Where the destinations attracts an up-market or more free-spending clientele and
- d) Where there are many opportunities to spend (UNWTO, 2014).

Income is also generated from interest, rent, and tax levied on tourism businesses. This could include, for example, interest paid on loans to an airline in order to buy or lease an aircraft, or rent paid for using the property/land of owners for various purposes, or tax levied on tourism enterprises.

Tourism has a direct impact on investment which fosters development. Most of the time, the connectivity provided by tourism and travel sector is indispensable in attracting foreign direct investment. Thus, one of the essential advantages of tourism sector is its potential to attract the most needed investment opportunity to developing countries. Foreign direct investments that result from tourism and travel introduces capital, technology, skills, people, know-how, demand for local supplies to the domestic economy, and in totality leads to the improvements of local livelihood. It can also create new products and provide opportunities for local businesses further down the supply chain (Ibid).

Chapter Three: Research Methodology

3.1. Introduction

This chapter deals mainly with the methodology and procedures employed in the study. Research design and approach, target population and sampling techniques, data sources and types, data collection instruments, methods of data analyses and ethical considerations are discussed in details in this chapter.

3.2. Research Method and Design

In order to analyse the contribution of tourism sector in generating employment opportunity and enhancing house hold income in Bishoftu city, the study employed descriptive survey method. Descriptive survey method helps to carry out a rigorous study on community, institutions or a phenomena being under study (Jenning, 2001). On the other hand, cross-sectional research design was applied in this study.

The study consists of mixed quantitative and qualitative approaches. The reason for employing both quantitative and qualitative approach is that, the research questions deal with issues that require both deep understanding as well as facts on the study population. A mixed-method approach combining quantitative and qualitative approach is also useful to overcome any kind of data inadequacy. Triangulation, the use of different methods of collecting data, largely with the aim of comparing diverse aspects of the same phenomenon was also employed in the study. The importance of triangulation is that it helps in validating or verifying the accuracy of the information obtained through questionnaire and interview.

3.3. Data Sources and Types

In this study both primary and secondary data sources had been utilized. Sufficient and relevant primary data had been gathered from the research site using various data collection methods. For the analysis purpose, primary data that had been collected through questionnaire and interview were efficiently applied. In addition to the questionnaire and interview, document analysis had been carried out on available archives, reports, minutes held during meetings and working manuals obtained from Bishoftu Culture and Tourism office and Bishoftu City Investment office, and on some pay rolls accessed from tourism

enterprises. Further, secondary data had been extensively used for the literature review section. To this end, official statistics and review of earlier studies on the contribution of tourism to job creation and income generation in Ethiopia were collected from books, journals and internet. When the researcher believes that there is data gap and when a need arises to go beyond questionnaire and interview, and as some of the important information might not be officially available or revealed, an additional (own) survey in the case study area were conducted to fill in data gaps and possibly correct or improve upon existing data.

3.4. Population, Sampling Technique and Size

3.4.1. Population of the study area

The aggregation of elements from which the sample is selected is called population (Jenning, 2001). For the purpose of this study, the population is defined as people earning their livelihood in tourism activities in and around Bishoftu city. The target population in the study area are employees and owner of different tourism service giving enterprises. Those tourism enterprises are namely: hotels, restaurants, lodges and resorts, pensions, guest houses, tour guiding associations, travel agencies and tour operators, souvenir and handicraft shops and handicraft manufacturing firms. In addition to the tourism enterprise owners and employees, workers of Bishoftu Culture and Tourism office who are directly tied to the tourism enterprises, were also considered as part of the target population. The total target population of the study area are estimated to be around 2000 (two thousand).

3.4.2. Sampling Techniques

As it cited above, for the purpose of this study the population is defined as employees working in Bishoftu Culture and Tourism office and owners as well as employees attending tourism service giving enterprises in Bishoftu city. As complete coverage of the population is not possible, a sub set of population is selected. The reason why sample population was selected for this study was that: first, it was not possible to cover the list of all tourism stake holders and second, using adequate sample size is advantageous to overcome man power and fund shortage. In the sample selection process, mixed probability and non-probability sampling techniques were employed. The researcher is convinced that these techniques are

appropriate for the subject under study. The non-probability purposive sampling technique was employed for interview and qualitative analysis, whereas stratified probability sampling technique was used to distribute questionnaire and for quantitative analysis purpose.

3.4.3. Sample Size

In order to determine adequate sample size the following procedure is applied. A distinction is drawn between tourism sector participants and non-participants and the sample was again be further disaggregated based on tourism sub-sector enterprises. Local participants' attributes, as well as the nature and type of the involvement of the participants were examined. Using the sampling procedure, totally 105 tourism stakeholders or about 5 % of the 2000 estimated target population of direct participants in the tourism sector from the study area were approached to respond to questionnaires and interviews.

In order to make the sample more manageable and representative multi stage sampling design was used to gather quantitative data. At the first stage stratified sampling was used. The reason for using stratification was to incorporate populations from different tourism enterprises in Bishoftu city so that to ensure all groups were adequately sampled. To this end, the sample population were stratified in to hotels, restaurants, lodges and resorts, pensions, guest houses, tour guiding associations, travel agencies and tour operators, souvenir and handicraft shops and handicraft manufacturing firms. Then the sample units in each stratum were determined as follows with the reason to define the size of each sample units. 80 respondents working in different tourism enterprises at the case study area were selected on stratified probability sampling technique, and were approached to fill out questionnaire. Out of 80 respondents 56 (70%) were working in hotels, resorts, lodges, restaurants, guest houses and pensions; 12 (15%) were working in souvenir and handicraft shops, and manufacturing firms, 12 (15%) were working in tour guiding associations, tour operation and travel services. The questionnaire had been distributed to different occupational groups with the intention of obtaining wide range of information from various sources. When respondents are classified in their occupational status; 8 (10%) are property owners, 32 (40 %) are managers serving at different managerial positions (holding positions above supervisory level) and 40 (50%) are craft (non-management) staffs. Of the distributed 80 questionnaire 75 (93.8%) papers were properly filled and returned while 5 (6.2%) questionnaire have not been returned due to different reasons. The quantitative response were

used for generalization purpose and to answer descriptive questions. It is important to inform the readers that public sector officials and experts were approached to respond only for the interview session not for the questionnaire.

Table 3.1: Questionnaire Respondents' Business Diversification and Employment in sectors

Employment Type in the Tourism Sector	Frequency	% share
Hotels, Resorts, Lodges, Guest Houses, Pensions, Restaurants and Recreation Services	54	72
Tour Operators, Travels Agencies and Guiding Associations	9	12
Souvenirs and Handcraft Shops (Services)	12	16
Total	75	100

Source: Own Survey

Table 3.2: Interview Respondents' Business Diversification and Employment in sectors

Employment Type in the Tourism Sector	Frequency	% share
Bishoftu Culture and Tourism office	8	32
Hotels, Resorts, Lodges, Guest Houses, Pensions, Restaurants and Recreation Services	11	44
Tour Operators, Travels Agencies and Guiding Associations	3	12
Souvenirs and Handcraft Shops (Services)	3	12
Total	25	100

Source: Own Survey

On the other hand qualitative research approach had been used in this study to examine multi-dimensional views. The researcher used non probability judgmental sampling method to collect data for qualitative analysis purpose. This method is chosen because it is useful to get informants that have rich experience and knowledge about the problems under study. Through purposive sampling experienced actors and stakeholders were selected for interview.

Hence, interview was held with 25 interviewees of whom, 4 were officials and the other 4 were experts from Bishoftu Culture and Tourism office, 3 were hotel enterprise owners, 4 were hotel managers holding different positions, 4 were hotel craft staffs, 3 were from tour and guiding services, and 3 were from souvenir and handicraft services.

3.5. Data Collection Instruments

The following instruments were used for data collection:

- (i) **Document Analysis:** Available documents dealing with the subject matter were reviewed to extract reliable information. These involves collecting information and data from periodic reports (such as monthly, quarterly, biannually and annually) of Bishoftu Culture and Tourism office, from available archives, pay rolls of some tourism enterprises, minuet held during meetings, working manuals and tourism policy and investment guidelines. Information extracted from these documents were used for quantitative analysis purpose.
- (ii) **Questionnaires:** This is used so as to generate information and data, which subsequently had been used for both qualitative and quantitative analysis. The same type of questionnaires were administered for enterprise owners and all employees across the board (top down from managers to craft staffs). By the way, owner managers were treated as owners during data collection period of this study. The questionnaire were prepared in English and then later translated to Amharic. The questionnaire were mainly classified in to close ended and open ended categories. The close ended part was sub divided in to four sub-sections. The theme of the questionnaire was focused on obtaining information on work and income, household status, food, social capital and dwelling condition of the respondents. To check the validity and reliability of the tools used, a pre-test of instrument conducted before actual data collection using 8 representative sample respondents in the study area to find out whether the questions are measuring what is intended to be measured. Clarity of wordings in view of respondents' level of understanding was checked on the pre-test to avoid research bias. It was proved that respondents have good understanding of questions presented in the questionnaire.

Besides the researcher, one voluntary enumerator (the researcher's son) has taken part in distributing the questionnaire. The researcher has given proper orientation to the enumerator before he was assigned for the task in order to minimize any possible error and vagueness on the data to be collected. Once the willingness of the respondent was secured, the researcher and the enumerator had distributed the questionnaire at the work place of the respondents. English or Amharic version questionnaire were handed over to respondents according to their preference. The researcher has thoroughly checked as each question had been attempted and then the papers were collected from the respondents. Error and vague data were cleaned and verified before the field work was completed. Additionally, the researcher checked all completed questionnaires every day to get meaningful and sensible data.

(iii) **Interviews:** Interview questions were designed in such a way that participants (respondents) can easily understand and respond to the questions. This instrument was used to capture specific changes in tourism trend, tourism job opportunities, income status change of households and community livelihood status in the last five years. Key informant interview allowed the researcher to grasp multi-dimensional views of professionals and experts. Structured interview guides were used during interview session. Information extracted through interview enriched data collected through questionnaire and was essentially used for qualitative analysis purpose. The interview was held either in English or Amharic as per the interest of the respondents.

(iv) **Observations:** Observations during the fieldwork was used mainly to probe on issues beyond those which were covered in the questionnaire and interview checklist.

3.6. Methods of Data Analysis

Data gathered through questionnaire and interview were analyzed by using statistical package for social science (SPSS) V 20. The researcher believes that using SPSS is reliable and convenient than the manual system. The collected data was edited, organized and coded through standardized procedure to make it suitable for analysis. Once the analysis was undertaken, the result of the analysis was presented in descriptive statistics formats including frequency, tables, chart, graphs, percentages and ratios.

3.7. Ethical Considerations

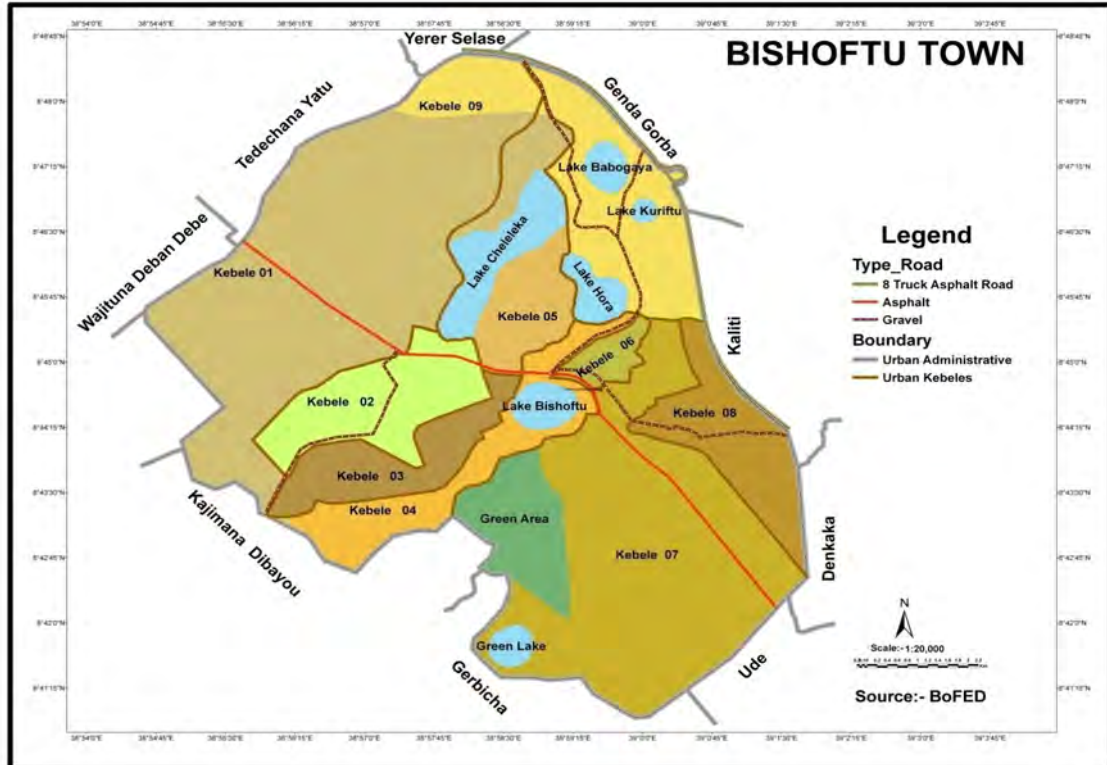
In this research permission was obtained from all respondent after the necessary explanation about the objective of the study had been given to each of them. Respondents were treated with dignity and were informed about the purpose of the questionnaire and interview, and assured of anonymity and confidentiality of the information that they supplied. They were also informed verbally as well as in writing that any information obtained through questionnaire and interview will be purely used for academic purpose and will be handled with the highest order of confidentiality and does not affect their life in any way and anytime.

Chapter Four: Data Presentation, Analysis and Discussion

4.1. An Overview of the Bishoftu City

Bishoftu city is found in Oromia National Regional State, and it is located 47 Km South East of Addis Ababa and 52 Km North West of Adama, half way on the main high way connecting Ethiopian biggest cities. In terms of Latitude and Longitude grid, Bishoftu city is situated between $8^{\circ}43'1''$ - $8^{\circ}45'1''$ N and $38^{\circ}05'6''$ - $39^{\circ}1'39''$ 01E. As Bishoftu had been one of the major terminal points serving Ethio-Djibouti railway route, its establishment and subsequent expansion is directly related with the completion of Ethio-Djibouti railway line connecting Dire Dawa to Addis Ababa in 1917. The name Bishoftu is derived from the Oromiffa language “*BISHANOFTU*” referring to “the land of excess water body”. Literally speaking, the word Bishoftu is given to the city based on the locally available many crater lakes such as Bishotu, Hora Arsadi, Cheleleka (seasonal lake), Kuriftu, Kilole, Green lake and Babugaya (Bishoftu city profile,2013).

Map 4.1: Bishoftu City Map



Source: Bishoftu city profile, 2013

On the basis of the 2013 census, Bishoftu city has a total population of 154,310 with fast annual growth rate of 2.9% which shares a characteristics of most of Ethiopian urban centres. Of the above total population figure, 73,736 (48%) are Male and 80,574 (52%) are Female. The altitude of the city ranges from 1900-1995 Meter above mean sea level, thus Bishoftu belongs to woina dega (moderate) climate zone. Its average temperature and annual rain fall are 26.08°C and 735 mm respectively. Since 2002, Bishoftu is labelled as first rank city administration and it has been ruled by a Mayor (Bishoftu City Profile, 2013).

The official motto of the City Administration claims that “we will make Bishoftu number one tourist destination in Ethiopia” (Bishoftu city profile, 2013). Alongside the ambitious motto, a combination of factors made Bishoftu one of the highest tourist destination in Ethiopia. First of all, Bishoftu is exceptionally endowed by the presence of several crater lakes, which are cited above, and other natural attractions such as, abundant bird life and beautiful landscape. The town and its surroundings harbours the highest concentration of crater lakes within few kilometre radius. Second, the availability of numerous high end resorts and hotels in Bishoftu make the city a preferred destination for both leisure and business tourism; particularly, the city become prominent centre for Meeting, Incentive, Convention and Events (MICE) tourism. Currently, the resorts and hotels found in Bishoftu town earned a fame in hosting quite a lot of regional, national, continental and international MICE (Bishoftu city profile, 2013). Third, the natural attractions of Bishoftu do attract due to its proximity to the capital, large number of domestic tourists mainly from Addis Ababa, who prefers the town to spend their week end and leisure time relaxing on the lake side and enjoying nature. The proximity and accessibility of Bishoftu (it is located at 47km east of Addis Ababa, and is an hour drive from the capital city) accounts a lot in attracting visitors. The busiest high way connecting Ethiopia to Djibouti, Somalia and Kenya (the three neighbouring countries of Ethiopia) also bisects the city. Travellers who cross by the city usually pauses on their way and relax in the city. Fourth, Bishoftu also serves as a religious and cultural centre for the Oromo community. The followers of *WAKEFETA* religion conduct their yearly thanks giving prayer at Hora Arsadi. The yearly ceremony of thanks giving held often at the end of September, usually a week after the Maskel (finding of true cross), is known as Irecha (Bishoftu city profile, 2013). Millions of Wakefeta Oromos, the largest single ethnic group in Ethiopia, and numerous tourists are attending the ceremony. Wakefeta is a spiritual belief adhering to One Creator God (the Almighty God). Generally, the tourism activity of Bishoftu is characterized by a diversified set of tourism segments, to mention few; MICE, business,

leisure, domestic, cultural and religious tourism. By contrast the MICE, leisure and religious tourists are bigger in number in relative terms than other tourist segments.

4.2. Tourist Arrivals and Receipts at Bishoftu Level

4.2.1. International Tourist Arrivals

Bishoftu is listed as one of the top few high end Ethiopian major tourist destinations. Bishoftu is recently becoming a preferred choice for many domestic, resident foreigner and international tourists who would like to spend their leisure time in convenience (Bishoftu city profile, 2013). A lot of tourists visit Bishoftu as the city's attraction appeals to tourists with diversified interest. Nature lovers, birdwatchers, trekkers, pilgrims, researchers, meeting and conference attendants, and leisure and holidaymakers are frequently visiting and spending their time in the city. Bishoftu city administration being cognizant of the city's prominence of becoming one of the best tourist destination, adopted the official motto of 'making Bishoftu number one tourist destination in Ethiopia' (Bishoftu city profile, 2013). The motto aligns with Bishoftu's immense tourism potential and the prospect of developing and capitalizing on the advantage of the tourism sector in the future. On top of that, the motto justifies the crucial contribution of tourism to the economic activity of the city. Currently tourism provides the much needed livelihood for large number of people, and is one of the leading employment generator for the local community (Bishoftu city profile, 2013). Tourism is generating very substantial amount of income for people who are directly or indirectly engaged in the sector, especially for the youth and women who are organized in micro and small enterprises, for entrepreneurs in the private sector, and above all, the public is getting benefit from the income generated in the form of tax levied on tourism enterprises.

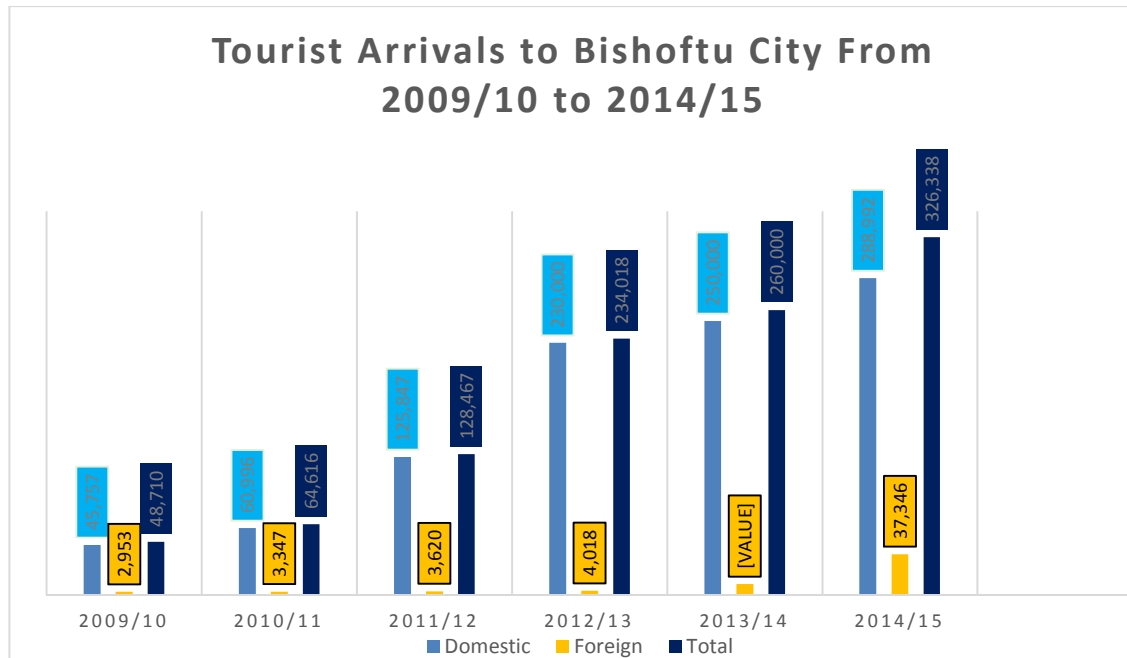
As the data obtained from Bishoftu City Culture and Tourism office in the chart 4.1 below exhibits, the number of tourist arrivals (both domestic and international) to Bishoftu have been increasing over the recent years. In fact, the office started registering tourist arrivals somehow properly after the year 2007/08. For that matter, a tourist arrival data is unavailable in the office for the years before 2007/08. In spite of the tourist arrivals data inadequacy, the data obtained from Bishoftu Culture and Tourism office is well decomposed revealing separately the domestic and international tourist arrivals. At least, such kind of proper classification does help to comprehend the data easily, and makes further analysis work relatively simple. Due to data insufficiency the researcher is obliged to be very selective and

to use the six years recent data which appears reliable. Bearing the above cited constraint in mind, we will try to discuss the growth rate of tourists visiting Bishoftu in the last six years.

In relative terms, the number of international tourists who had visited Bishoftu in the last six years were not quite high when it is compared to domestic tourists. In 2009/10, 2,953; in 2010/11, 3,347; in 2012/13, 4,018; in 2013/14, 10,000 and in 2014/15, 37,346 international tourists had visited the area (Bishoftu Culture and Tourism office report, 2014/2015). The cumulative average increase per year in the number of international tourist arrivals in the last six consecutive years is roughly 91%; the maximum growth rate is registered between the year 2013/14 and 2014/15 which is 273.5%, and the minimum growth rate is recorded between the year 2010/11 and 2011/12 with 8.2% annual growth rate.

As per the data obtained from Bishoftu Culture and Tourism office (2014/15), the number of international tourists' growth rate shows a big disparity and discrepancy. Nevertheless, as the researcher tried to triangulate the data accuracy during the field survey from other available sources (approaching mainly hotels and few available tour operators who are recording tourist data for different purposes), the recent year's international tourist data seems more dependable than the data provided before the year 2011/12. For that matter, the experts of Bishoftu Culture and Tourism office themselves obtained tourist arrival data using random sampling method from hotels and some frequently visited tourist attraction sites such as Lake Babogaya. For the reasons stated below, the best technique that the experts at the tourism office can apply to collect tourist arrival data is using random sampling method.

Chart 4.1: Domestic and International Tourist Arrivals to Bishoftu City



Source: Bishoftu City Administration Culture and Tourism office, 2014/2015

Remark: Bishoftu City Culture and Tourism office is preparing the report using Ethiopian national calendar. The Ethiopian calendar lags behind the Gregorian calendar with seven years and eight months. The Ethiopian new year starts in September and ends in Pagume (the 13th month that follows the month of August). The report covers tourist arrivals (and receipt) from the beginning of the month of July to the end of June. The researcher would like to bring to the attention of the readers as the data presented herein are converted from Ethiopian calendar into Gregorian calendar using simple date conversion method.

The basic reason is that all tourists arrive to Bishoftu using only surface transport through different gates of the city. The reason why the Culture and Tourism office had problem to obtain reliable data are: there is no official designated entry point (like airport terminal) where tourists are formally registered up on arrival, the natural attractions visited by the tourists are dispersed over wide area and further, most tourists access the attractions including crater lakes free of entrance ticket (unlike the case for example in Lalibela churches or Wonchi crater lake where tourists are by no means allowed to access the sites without purchasing ticket). The factors discussed above are possibly hindering the experts at the Culture and Tourism office from gathering reliable and consistent data on tourist arrivals.

With regard to achieving the target set for the first phase of GTP (GTP I) for international tourist arrivals at Bishoftu city level, the Bishoftu Culture and Tourism office has reported attaining beyond the number set as a target. The target projected at the city level for the five subsequent years from 2010/11 to 2014/15 had been to attract aggregately 44,650 international tourists (starting with 6,000 in 2010/11 and then to increase the number yearly at a rate of 20% and reaching 12,442) (Bishoftu Culture and Tourism Office report, 2014/2015). Whereas the sum total of international tourists that had visited the city's attractions during the five years covered by GTP I were 58,331. Although the figure shows uneven distribution on yearly basis, the overall achievement shows 30.6% in excess than the target set.

The contributing factors for drastic increase in tourist flows are: the opening of new fancy tourist lodges, resorts and hotels in the last 5 years; the successful and focused marketing activities carried out by both the public and the private sector actors in promoting the destination to domestic and international target tourists; diversification in tourism products, improvement in service provision standard which is the outcome of an inherent behaviour in the private sector competition, improvement in infrastructure; investment on destination development which led to up grading the standard and carrying capacity of the sites; and the attention given by the city administration in attracting investors to the tourism sector. The combination of all these factors have a positive impact in developing Bishoftu's potential capacity in attracting and accommodating tourists.

Bishoftu Culture and Tourism office is regularly undertaking the registration of all facilities which provide service to the tourists. Accordingly, in 2015 the number of accommodation enterprises which are currently providing service to both tourists and the local community in Bishoftu city are: 44 hotels, 22 guest houses and pensions, 3 lodges and 7 resorts (Bishoftu Culture and Tourism office report, 2014/2015).

It is important to bear in mind that although few in number, the economically well to do local people who are found at the upper and middle level strata, owing to their advantage of disposable income, they use or consume tourist facilities and products. The above properties avail totally 1672 rooms for guests. The average room occupancy rate is > 65 %, and as tourism business fluctuates based on seasons, the average occupancy rate cited above is indicating the mean average of high and low tourism activity seasons. The occupancy rate obtained from Bishoftu Culture and Tourism office is confirmed by the researcher from the

primary data obtained through questionnaire, and interview conducted with hotel managers and staffs during the field survey. The occupancy rate basically refers to the average rooms occupied from the total available rooms in the accommodation properties by the overnight staying guests. It also justifies, though it could be for different activities and purposes, as how many tourists are staying overnight in Bishoftu. According to the data obtained through questionnaire, and an interview conducted with senior management members of some selected lodge, resort and hotel properties during the field survey, the room occupancy rate of the accommodation enterprises shows substantial variation during the week days (Monday through Thursday) and the weekends (Friday through Sunday).

As tourism is susceptible to seasonality, hotel managers and staffs who were interviewed confirmed that, for most of the hotels, September to February is the peak season when hotel business is booming, while March to August is considered as slack time for hotel business. During the week days, the average room occupancy rate for hotel establishments in Bishoftu is about 36%, while the average room occupancy rate of the accommodation properties for the weekends are nearly 95%. The hotel occupancy variation for the high and low seasons of the year are roughly from 45% to 85%. The average rate indicated above are cross-cutting, and the percentage should not over shadow the discrepancy in room occupancy rate among different properties.

A case in point is that, a comparison has been drawn by the researcher between the room occupancy rate of Pyramid hotel and resort in the one hand, and Asham Africa hotel and resort on the other hand. Both properties are built at ideal location on the shore of Lake Bishoftu and they both avail 32 guest rooms for rent. Asham Africa was opened in 2011 while Pyramid hotel and resort has been in operation since 2013, regardless of service quality, there is so much untold similarity between these properties. The average room occupancy rate of Asham Africa is about 2% and 31% for week days and weekends respectively. In contrast, the average room occupancy rate for Pyramid hotel and resort is 53% for the week days and 100% for the week ends. As both properties share a lot of similarity, the wide gap on room occupancy rate observed between the two testifies that several factors come in to play to lease rooms efficiently besides the commanding location and good facilities that hotels and resorts possess. Some of the major determining variables identified by the researcher are: marketing activity, service standard and quality, and the

motivation of the employees' matter highly on the room occupancy rate and the subsequent sales of related hospitality products.

4.2.2. Domestic Tourist Arrivals

Another important issue which needs in-depth discussion in this paper is the number of domestic tourist arrivals. The data obtained from Bishoftu Culture and Tourism office indicates that 1,001,592 domestic tourists (excluding *irrecha* ceremony participants) had visited Bishoftu in the last six consecutive years up until 2014/15. In their respective descending chronological order, the number of domestic tourists that had visited Bishoftu are: 288,992 in 2014/15; 250,000 in 2013/14; 230,000 in 2012/13; 125,847 in 2011/12; 60,996 in 2010/11, and 45,757 in 2009/10 (Bishoftu Culture and Tourism Office report, 2014/2015).

In absolute terms, the number of domestic tourists that visited Bishoftu for the last six years are higher in 943,261 than international tourists. Another important point with regard to domestic tourists is that the challenges for gathering reliable and consistent data described under sub topic 4.2.1 holds equally true for the domestic tourists. Further, it is worth noting that the number of domestic tourists described above fully disregards millions of tourists flocking yearly to Bishoftu to attend the *irrecha* religious ceremony. The number of people attending the *irrecha* ceremony yearly are approximately estimated to be between 3 to 5 million by the City Culture and Tourism office. The researcher's repeated attempt to get scientific evidence for the basis of the estimation used by Bishoftu Culture and Tourism office and to get to the figure cited above has been unsuccessful. Although there is a general consensus concerning the number of people taking part on the *irrecha* could fairly be in millions range, as the data gathering technique of Bishoftu Culture and Tourism office would raise a methodological issue, the researcher decided not to incorporate the data in this paper.

Bishoftu Culture and Tourism office has proudly reported achieving more than what the office had originally planned regarding domestic tourist arrival for the first phase of the GTP (GTP I). The target projected at city level for the five subsequent years from 2010/11 to 2014/15 had been to attract totally 669,774 domestic tourists (starting with 90,000 in 2010/11 and then to increase the number yearly at a rate of 20% and reaching 186,624) (Bishoftu Culture and Tourism office report, 2014/2015). Whereas the sum total of domestic tourists that visited the city's attractions during the five years of the GTP I were 1,001,592. Although the figure shows uneven distribution on yearly basis, the overall achievement shows 49.3% in

excess than the target set. As a matter of fact a drastic increase on domestic tourist arrival has been recorded after year 2012/13. The contributing factors for drastic increase in domestic tourist arrivals are:

- ❖ The successive economic growth in the country creates an affluent local middle class who can spend their disposable incomes and leisure time by visiting tourist destinations like Bishoftu;
- ❖ Bishoftu's prime location and easy accessibility to Addis Ababa, and other major Ethiopian cities like Adama, Hawassa, Shashamene, Harar and Dire Dawa become irresistible advantage to attract local tourists originating or heading to or/and from these and other cities;
- ❖ The ever increasing capacity of the newly opened resorts and hotels in accommodating local, regional and national conferences and meetings. Fairly large proportion of the domestic tourists who are staying in Bishoftu are MICE participants. At this time in point it is important to inform readers almost all tourist standard hotels have the least one big meeting halls while the high end hotels and resorts have on average two or in some cases more meeting halls. For example Kuriftu and Adulala, each has three meeting halls which can entertain 100 to 400 participants. Government offices, Non-Government Organization and Private companies opt to organize training programs, workshops, conferences and meetings in these properties. MICE become a well know motivation for domestic tourism in addition to serving as dependable revenue source for hotels in Bishoftu;
- ❖ Most Ethiopian diasporas are usually connected home and they make frequent visit to their families and relatives. During their stay in Ethiopia they spend their holidays in leisure with their families and relative in places like Bishoftu;
- ❖ Tourism products that fit the budget and interest of school clubs, labour unions and community association member become recently available as an option. In order to substantiate my argument I wish to bring to light the success story of Bishoftu Gudo Recreational and Boat Service Association. This association was established by 10 youth members with a capital of 1,000 ETB as micro and small enterprise.

Interestingly during the interview session in June 2015, the members told me that their capital has reached 3.4 million ETB. The incredible growth in their capital by itself is a good witness how much the enterprise had been successful in achieving its objective. The city administration granted them initially 6,000 m² land (though later reduced to 3,741 m²) on the eastern shore of Lake Babogaya. With their rigorous work, the members completely transformed the site to the best budget recreation centre where hundreds of resident visitors relax and spend their vacation. Through time the site become one of the busiest destination which is overcrowded by domestic tourists especially on the weekends. Therefore, the availability of such public recreation centres which can arrange different tailor tourism products that fits the budget, time and interest of the visitors appeals to the lower social class of domestic tourists who can travel and relax without being worried about budget constraints;

- ❖ Continuous advertisements placed on local media outlets such as FM radios, TV stations, newspapers and magazines by hotels and resorts based in Bishoftu has strong influence in motivating people to organize individual and/or family outings to Bishoftu. To this effect, the frequent advertisement placed using local language on various FM radio stations by Adulala, Liesak, Asham Africa, Kuriftu and Pyramid, all of them are high end hotels and resorts operating in Bishoftu, played a great positive role in raising public awareness and positioning Bishoftu as best tourist destination in the mind of the public, and hence encouraging local tourist to flow to Bishoftu;
- ❖ Improvement in service provision standard which is the outcome of an inherent behaviour in the private sector competition, and
- ❖ Improvement in infrastructure, and the City Administration's investment on destination development with the objective of up grading the service standard and carrying capacity of the sites had a consequential impact in boosting the capacity of Bishoftu in attracting and accommodating local tourists. Consequently, all the above factors are responsible in one way or the other in increasing the number of local tourists who had visited Bishoftu in recent years.

As it is demonstrated in the chart 4.1 above, the number of domestic tourists has shown consistent increase from year to year. The cumulative average increase in the number of domestic tourists for the last six years had been 49.3% the highest yearly increase in domestic tourists flow appeared from the year 2010/11 to 2011/12, with 106.3% growth in percent, while the least growth change of 8.7% is registered from the year 2012/13 to 2013/14. It is indispensable to flash on the readers' mind that in the country where domestic tourism is quite known to have been underdeveloped in all given standards, how and why quite enormous local tourists are visiting Bishoftu requires thorough discussion.

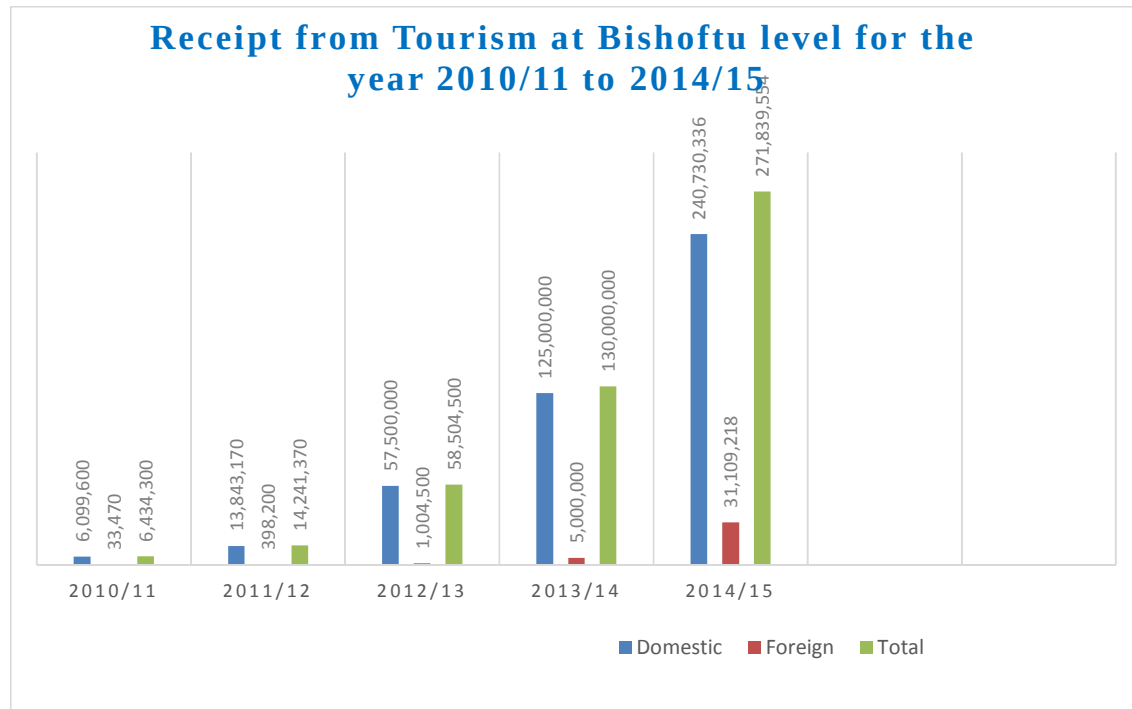
Domestic tourists are people who travel from their usual place of residence to other places within their own country for a variety of reasons. The purpose of the travel could be; vacation, visiting friends and relatives (VFR), business, performing pilgrimage, undertaking meetings, incentives, conferences and events (MICE), and possibly some more other reasons. The fundamental difference between international tourism and domestic tourism is that international tourism generates foreign exchange while the domestic tourism does not. It is obvious that foreign exchange generation is one of the prominent benefits of tourism internationally, but this does not mean that it is the only benefit of tourism as other socio-cultural, economic and environmental advantages could be obtained from the tourism industry. Domestic tourism does not of course involve foreign exchange activities due to the fact that people travel within their countries' boundaries. Nevertheless, domestic tourism has numerous other benefits. Strong domestic tourism lays solid foundation for broad-based and sustainable tourism development in a country. Promoting and developing viable domestic tourism ensures to reap the socio-economic, cultural and environmental benefits that can be derived from tourism. Domestic tourism endures the fluctuations caused by seasonality of international tourism in revenues, and allows private and public organizations which are engaged in the tourism industry to operate all year round. This strategy can potentially lead to a more stable and also sustainable level of employment and revenue generation in domestic destinations. Domestic tourism is a potential contributor to the quality of life of resident populations, if it is carefully planned and properly delivered (Yabibal,2010).

4.2.3. Receipts from Tourists

Since tourism is widely recognized as a lucrative economic activity, always there is a good deal of money transaction in the sector (WB and MoCT, 2012). One of the indicators of the contribution of the sector to the economy has been the direct revenue which is generated by the activity of the tourists. In tourism industry the revenue generated by the activity of the tourists is termed as receipt (UN, 2010). This sub-topic deals only with the direct income generated from tourism. Tax levied on tourism enterprises and the public revenue obtained from tourism is not the purpose of this topic and at large this study.

The receipt data provided by Bishoftu Culture and Tourism office and presented in the chart 4.2 below shows the amount of revenue generated from tourists who are visiting Bishoftu in the last five years, from 2010/11 to 2014/15. As it is exhibited on the chart, receipts from tourism has been consistently increasing in line with the growth of the tourist arrivals for the periods mentioned. The growth rate in receipts has been huge when we compare the 2010/11 data with the year 2014/15. Receipts for domestic tourists increased from 6,009,600 ETB in 2010/11 to 240,730,336 ETB in 2014/15 (Bishoftu City Culture and Tourism Office report, 2014/2015). During the last five years for which I have presented data in chart 4.2 below receipt from domestic tourists increased with a cumulative average of 163.1%. Revenue from domestic tourism is covering the lion's share of direct income obtained from tourist activities in Bishoftu city. Similarly receipt from international tourists has increased from 334,700 ETB in 2010/11 to 31,109,218 in 2014/15 (Bishoftu City Culture and Tourism Office report, 2014/15). The revenue obtained from international tourists in the last five years has grown at the average rate of 272.8%. In fact although it appears at face value as the growth in revenue from international tourists accelerated more with 272.8% compared to 163% growth rate from domestic tourists, the income generated by domestic tourism is by far broad based and large in volume. The revenue from domestic tourism had been consistently in millions bracket while the income generated from international tourists sprung to millions only as of 2012/13, three years ago.

Chart 4.2: Receipt from Domestic and International Tourists at Bishoftu level



Source: Bishoftu City Culture and Tourism Office, 2014/15

In order to determine the amount of income from tourism we need to look at pertinent factors which are influencing the tourists spending willingness and capability. The factors that are exerting influence on tourist spending are; purpose of visit, average days spent in the destination, prices in the country, the competitiveness in the sector, and variety of tourist supplies that motivate them to expend more (Yabibal,2010).

For the last six years Bishoftu Culture and Tourism office considers the average length of stay of tourists (for both domestic and international tourists) to be 3 days. Compared to the average length of stay that the Ministry of Culture and Tourism is considering for international tourists at a national level i.e. 16 days, the average length of days for Bishoftu appears very short. However, in order to justify the average 3 days length of tourist stay in Bishoftu one should look at the nature of tourists who are frequently visiting Bishoftu.

In the researcher's observation and assessment during the field work, the 3 days average stay of tourists which is the basis of revenue calculation is fair and acceptable. The reasons given for endorsing the 3 days average stay used by Bishoftu Culture and Tourism office are: most of the tourists staying in Bishoftu are either MICE participants or Ethiopian Diaspora

members who would like to relax with their families, friends and relative, and the rest of the tourists are people who would like to spend their weekends and/or holidays (religious or national). When we look at the preference of such kind of tourists, they usually travel to stay in a destination for short period of time. It is important to note that, the 16 days length of stay that the Ministry is considering for the international tourists obviously includes the number of days that the tourist is spending in each destination like Bishoftu. How diverse the tourism product which will be consumed by the tourists, and how much time the tourist is engaged in activity matters the length of international tourist. We should bear in mind that particularly international tourists do not like to spend their time being idle, without engaging themselves in an activity. To be frank, the type of tourism products and activities in which tourists supposed to consume or exercise in Bishoftu are narrow to tempt tourists to stay for longer time.

In the interview conducted with Ato Ayalew Tedla who is the owner of Salayish Lodge, an Ethiopian Diaspora who used to live in the USA and returned to his country, and since then engage in eco-lodge development in Bishoftu, reiterated the importance of expanding tourism product options to persuade tourists to stay longer time in Bishoftu, and he has informed me his plan to organize a new golf course and game reserve, to this effect. The researcher believes this plan is one of the feasible strategies which could help to retain tourists in Bishoftu for extra days and would encourage them to spend more money.

With regard to the daily tourist expenditure, Bishoftu Culture and Tourism office had been considering 100 ETB for the preceding four years until 2011/12 (Bishoftu Culture and Tourism office report, 2011/2012). ETB 100 multiplied by 3 days i.e. the average time a tourist spends gives 300 ETB. Three hundred ETB had been assumed to cover accommodation, meal and beverage, laundry, telephone, recreational and other personal expenses of a tourist. Given the average service price figure and the general living condition standard in the country, the total tourist expenditure mentioned above is very minimal to the extent that none of the experts could manage to justify the reason why they are using such a tiny income figure to calculate receipt from tourists. Anyhow, the daily expenditure of a tourist increased subsequently to 110 ETB in 2011/12, then to 250 ETB in 2012/13, and recently it is revised to be 500 ETB in 2013/14 and 833 ETB in 2014/15 (Bishoftu Culture and Tourism Office report, 2014/2015).

The current receipt data is computed on the basis $833 \times 3 = 2,499$ ETB (daily tourist expenditure multiplied by average length of stay) which is equivalent to US\$ 120 when converted to US\$ at the current exchange rate. To say the least, the revision made in the preceding years did not take into consideration the price condition and the living standard in the country. From the random interview conducted with some hotel managers and staffs, the average room rate in tourist standard hotels in Bishoftu costs US\$60 for single occupancy while for twin/double occupancy, the rate is US\$80 per night. Based on this data, let us make a simple calculation, the average room rate for single occupancy costs about US\$ 60 (for both the domestic and international tourists). The tourist is expected to spend for meal, beverage, laundry, telephone, recreation and other personal expenses. Suppose if the tourist stays for two nights, nearly corresponding to the average standard length of tourist stay for Bishoftu, the tourist merely pays about US\$120 for his/her room cost only. A logical question that follows here is that what about the other expenses which is supposed to be paid for personal consumption and recreation?

Therefore, based on the rationale described above, the researcher vows its reservation on the ETB 833 daily tourist expenditure and believes such assumption leads to underestimation of the direct revenue generated from tourism. As it is appeared on the 2014/15 annual report of Bishoftu Culture and Tourism office, the receipt obtained from domestic and international tourists exceeds the target set for the GTP I period (Bishoftu Culture and Tourism office report, 2014/2015). Be it as it may, there are two fundamental issues which has to be addressed in connection with receipt amount reported by Bishoftu Culture and Tourism office. The first one is that most of the time, one can observe a clear variation on the willingness and capability of domestic and international tourist spending. Regardless of the personal attitude and behavior, international tourists tend to spend more than local tourists. Whereas Bishoftu Culture and Tourism office apply a uniform daily expenditure rate for both international and domestic tourists. This shades doubt on the data collection technique applied and hence on the reliability of the receipt data reported by Bishoftu Culture and Tourism office. The second most important case is that, given the living standard condition of the country and recent general increase in service and commodity price at global level, the daily tourist expenditure of ETB 833 (US\$40 at current exchange rate) seems understated. Finally, the researcher disagrees on the validity of Bishoftu Culture and Tourism office receipt data and hence forward his academic comment to the concerned Bishoftu public sector offices to investigate the issue and take relevant corrective action.

4.3. Employment Generation Potential of Tourism

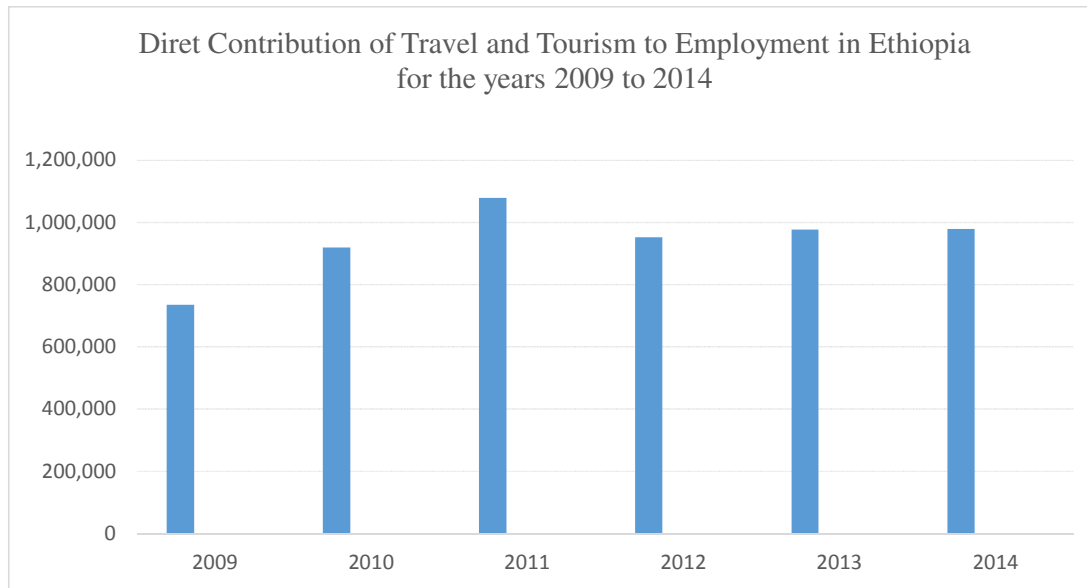
4.3.1. Direct and Total Contribution of Travel and Tourism to Employment in Ethiopia

The service sector, particularly travel and tourism has been attaining considerable significance in Ethiopian GDP in recent years. In terms of employment generation also, the sector is gaining more prominence time to time. About half of the people employed in urban areas are absorbed in the service sectors (Admit, Haile and Wakiaga, 2014; citing CSA, 2012). In addition, the informal sector, which is mainly concerned with services, makes up 31.7% of urban employment (CSA, 2014).

The direct jobs generated by travel and tourism sector for the period 2009 to 2014 in Ethiopia is exhibited in the chart 4.3 below. Although the jobs created in the sector is somehow oscillating from year to year, the data obtained from WTTC clearly demonstrates that the direct employment generated by travel and tourism for the period under discussion is enormous. As it is represented in the chart 4.3, the highest direct employment had been created in 2011 (1,079,100) while the lowest direct job was created in 2009 (735,900). If we look at the six years successive data, the cumulative average in job opportunity growth rate is about 4.9 %. In Ethiopia, in 2014 alone, 979,000 direct jobs which accounts for 3.6% of total employment in the economy was generated by travel and tourism. It is essential to inform readers that the world average figure of travel and tourism's contribution to direct job in 2014 was 827,000 while African average was 184,000 in the same year (WTTC, 2015).

It is worth noting that most of the direct employment in the travel and tourism sector is generated in the private sector. In reference to WTTC (2015) forecast, in the medium term, the growth rate of direct jobs created in the travel and tourism may be decelerating. This is largely owing to the limited opportunities for the private sector to leverage large public investment, which is constrained by limited credit from the banking system, to further growth. As of 2012/13, only 21% of total credit from the banking system went to the private sector in Ethiopia (Admit, Haile and Wakiaga, 2014).

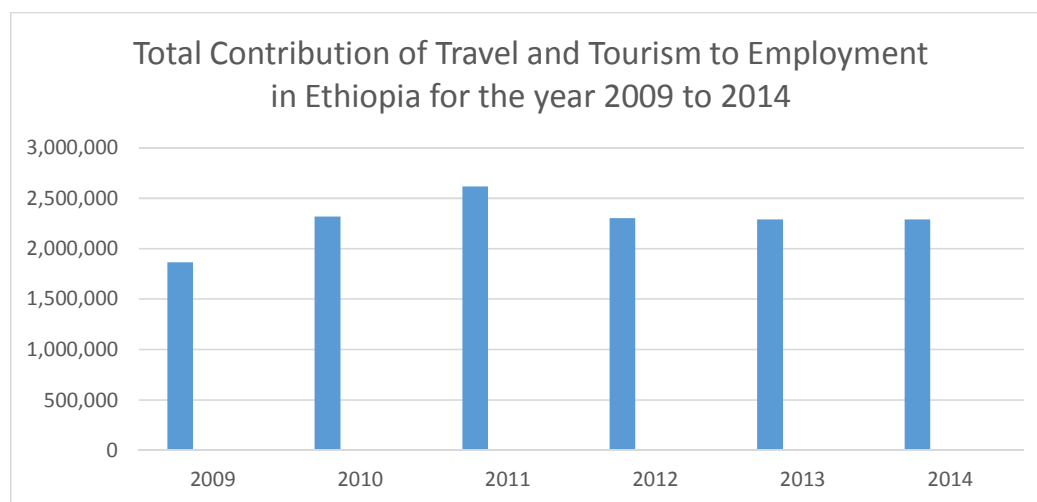
Chart 4.3: Direct Contribution of Travel and Tourism to Employment at National level



Source: World Travel and Tourism Council, 2015

The total contribution of travel and tourism to employment (including wider effects from investment, the supply chain and induced income impacts) is by far greater than the direct jobs generated in the sector. The total employment generated in the travel and tourism is more than double when compared to the direct employment generated in the travel and tourism. This reality could easily be grasped from the chart 4.4 depicted below. For the last five successive years, the total employment generated in the sector stands consistently more than 2 million. The highest total employment figure was recorded in 2011 (2,317,900) while the lowest has been recorded in 2014 (2,291,700). In 2014, the total employment generated in Ethiopia by travel and tourism stands above the world average of 2,076,600 and far higher than African average of 435,800 (WTTC,2015). The percentage share of total jobs generated in Ethiopia in 2014 is 8.5% from the total employment generated in the country in all economy. The preceding six years data shows that the average growth rate of the sectors contribution to total employment generation stands at 7.5%.

Chart 4.4: Total contribution of Travel and Tourism to Employment at National level



Source: World Travel and Tourism Council, 2015

From the employment data presented in the chart 4.3 and 4.4, one can clearly comprehend the contribution of travel and tourism in curbing unemployment in Ethiopia. Therefore, the employment opportunities provided either through direct or induced impact of travel and tourism is indispensable in helping the poor to rise out of poverty in Ethiopia.

4.3.2. Employment Generation Potential of Tourism at Bishoftu Level

In Bishoftu city, four tourism enterprises i.e, hotels, restaurants, souvenir and handicraft shops, and tour guiding, which provide direct employment opportunities are identified in the area. In the case of Bishoftu, unlike the rest tourist destinations in Ethiopia, transfer, boat and horse riding services are included in the package service the hotels and recreational establishments are offering. In fact, tourists are supposed to pay extra fee when they request boat, horse and transfer services. Therefore, at the time of the field survey, the researcher did not come across an independent boat, horse and transport rental enterprises in Bishoftu. Boat rental, horse riding and tourist transport service providers are therefore treated for this research purpose as integral part of hotels and recreation services.

Bishoftu Culture and Tourism office is making periodic assessment on hotels, restaurants, guiding associations, souvenir and handicraft shops, and other tourist facilities to collect data on the direct jobs created by the enterprises. I obtained the most recent years data for the

period from 2011/12 to 2014/15 (four years) regarding direct jobs generated by tourism activity in Bishoftu city. Unfortunately, employment data for the years before 2011/12 is unavailable in the office. According to Bishoftu Culture and Tourism office data (2014/15) on employment, 5,499 people were getting the opportunity to be employed in tourism in the last four years. In 2011/12; 1,566, in 2012/13; 1,112, in 2013/14; 862 and in 2014/15 1,959 people were directly absorbed into the tourism sector (Bishoftu Culture and Tourism office report, 2014/2015). Of these employed people, the males have got 50.8 % share, and females took the remaining 49.2%. With regard to the ratio of male to female, most of my respondents suggested that about (it is an estimation) 70 % employees working in tourism are female. Given that hotel is a dominant enterprise in tourism, and most of the employees in the hotel are female, the researcher cannot rule out the position of the respondents. In fact, the opinion of the respondents align with the CSA (2014) data for male versus female ratio, for the accommodation and food service employment of Bishoftu. The CSA data and pertinent analysis is presented under this sub-topic.

Table 4.1: Employment Opportunities Created in the Tourism Sector in Bishoftu City

Year	Gender		Year Total
	Male	Female	
2011/12	726	840	1,566
2012/13	472	640	1,112
2013/14	384	478	862
2014/15	1214	745	1,959
Total	2,796	2,703	5,499

Source: Bishoftu City Culture and Tourism office, 2014/15

In terms of age distribution the data extracted from questionnaires and presented in table 4.2 indicates that 89.4 % of the employees in tourism are less than 45 years of age. If we decompose the age ratio, 46.7 % workers fall between age 18 and 25, while 42.7 % are in the range of 25-45. With the respect to age, as the sample obtained from the questionnaire is helpful to make a proper projection, it is safe to conclude that the proportion of young employees are tremendously dominant in the tourism sector. Since tourism is prone to seasonality, additional temporary workers get job in tourism during high seasons. The overall performance of tourism in generating employment shows some kind of ups and downs from year to year, basically depending on new investment and tourist flow. The highest number of

fresh job seekers joined the sector in 2014/15 when 1,959 people were being absorbed to tourism. Readers can comprehend the details of direct employment generated in Bishoftu in the tourism sector from the data presented in the table 4.1.

Table 4.2: Age Distribution of Respondents

Age Distribution of respondents	Frequency	% share
< 18	None	0
18-25	35	46.7
25-45	32	42.7
45-60	6	8
> 60	2	2.6
Total	75	100

Source: Own survey

Table 4.3: Gender Distribution of Respondents

Gender Distribution of Respondents	Frequency	% share
Male	36	48
Female	39	52
Total	75	100

Source: Own survey

Hotel services play a major role in the tourism industry, and hotel is one of the major enterprises that employs large number of people (Ebisa and Andualem, 2013). In Bishoftu, as of 2015 there are: 54 hotels with different categories, 22 guest houses and pensions, and 202 restaurants, and all of them are providing service to domestic and/or international tourists. The hotels provide totally about 1672 rooms for guests. If we further classify the hotels: 7 of them are Resorts, 3 are lodges and the remaining 44 are hotels with different standard ratings. So far, the hotels in Bishoftu did not yet officially receive star ratings from the Ministry of Culture and Tourism. As the Ministry of Culture and Tourism is currently engaging in evaluation process to assign standard for the hotels, hopefully they will get the star rating soon.

UNWTO (2014) recommends that at a global standard, one direct and three induced employments are generated for each hotel room. If we apply this standard straight forward to Bishoftu, 1,672 direct employment (one for each room) and $1,672 \times 3 = 5,016$ induced employment, had been generated only in the hotel sector, which means the sum total of direct and induced job created in the tourism is 6,688 (1,672 direct + 5,016 induced). UNWTO recommendation of employment opportunity for the hotel services shows some variation with the four years employment data from Bishoftu Culture and Tourism office. The variation between the actual employment data of Bishoftu Culture and Tourism office i.e. 5,499 and the projection of 6,688 jobs derived using UNWTO recommendation for hotel services shows about 17.7% difference. To be frank, as UNWTO is using the performance of internationally leading tourist receiving countries like France, the USA and Spain as bench mark, the variation is not exaggerated. The CSA survey is indicating that the average house hold size in Oromia region is 3.6 person per house hold unit (which is equivalent to the national average) (CSA, 2014). Considering the family ties and social interdependence in Ethiopia, one can easily understand the number of people who are dependent on the income generated from the direct and induced employment created in the hotel sector alone. In fact, hotel is the largest, but not the only employment generator in the tourism sector. It is worth noting that the other enterprises: restaurants, souvenir and handicraft shops, guiding activity, tour operation and travel agencies, all are generating job opportunity in the tourism industry. The simple computation made for direct and induced jobs generated in the tourism can give a hint about the employment potentiality of the tourism sector and how many people (social group) is benefiting from the multiplier income effect of tourism.

According to CSA, (2014) survey 925 (29.3%) male; 2,230 (70.7%) female, a total of 3,155 people were employed in the accommodation and food services in Bishoftu. The same source also reiterates, the private sector has employed totally 22,254 people in Bishoftu. Of the total people who are employed in the private sector 9,175 (41.2%) job is occupied by females and 13,079 (58.8%) job is taken by males (Ibid). In contrast, the number of jobs generated by the public sector is by far less in number than the private sector. The total number of employees who are working in the public sector in Bishoftu were 5,584; of these figure, the number and percent share of male and female were 3,181(57%) and 2,403 (43%) respectively (Ibid). As tourism enterprises are privately owned, it is essential to bear in mind that the CSA (2014) survey report on private sector employment data also incorporates the job opportunity generated by the tourism enterprise in Bishoftu. As it is cited above, the survey report also

come up with the job opportunity created by the accommodation and food services. Accordingly, accommodation and food services accounts for 14.2 % the total employment opportunity generated in all private sectors in Bishoftu. As per the CSA (2014) report, even a single employee in the accommodation and food service does not work in the public sector in Bishoftu. For that matter, accommodation and food service does not fully represent the whole tourism sector. Therefore, if we put together the employment number generated from other tourism enterprises also, the contribution of tourism to the private sector employment generation would have been by far greater. Anyhow, the employment data released by CSA (2014) is important mainly in two aspects. One, it clearly shows in terms of gender dimension, females are predominantly employed in the accommodation and food services, from which we can make a better projection for the whole tourism sector. The other point is that in Bishoftu, the private sector is generating huge employment opportunity compared to the public sector.

Table 4.4: Employment Opportunities Created in Different Sectors in Bishoftu in 2014

Sector	Gender		Sector Total
	Male	Female	
Accommodation and food services	925	2,230	3,155
Private Sector	13,181	9,175	22,254
Public Sector	3,181	2,403	5,584

Source: Central Statistical Agency, 2014

Hitherto, we have discussed the direct and induced employment opportunities in the context of the hotel services. As tourism enterprises are wider than the hotel services, it is important to make analysis and proper projection for the direct and induced employment opportunities generated by the rest tourism enterprises in Bishoftu. In order to make proper projection for the employment opportunities generated in the tourism enterprises, let us consider the employment generated in hotel services, guest houses and pensions, restaurants, souvenir and handicraft shops, and guiding enterprises. In Bishoftu there are 54 hotels, in fact with different categories and capacities, 22, guest houses and pensions, 202 restaurants, 3 tour guiding associations and 42 souvenir and handicraft shops. Readers should bear in mind that for the purpose of calculating and projecting employment generation of tourist enterprises, guest houses and pensions, and hotels are treated differently. As guest houses and pensions provide only room and breakfast service, their employment capacity is by far less compared

to hotels. Using a formula adopted from (Ajala, 2008) and making simple calculation, by considering the employment generated in these five enterprises, we can make a proper projection for the total direct employment generated in the tourism in Bishoftu.

For Direct Employment Generation purpose let us use this formula:

$$\text{TDE} = f(a \times n(H) + b \times n(GPs) + c \times n(R) + d \times n(SHs) + T_g + \dots + n)$$

Where:

TDE - is Total Direct Employment in tourism industry;

a- is a measure of average number of employees per hotel;

n (H) - is number of hotel;

b-is a measure of average number of employees per guest house and pensions;

n (GPs) - is number of guest house and pensions;

c-is a measure of average number of employees per restaurant;

n (R) - is number of restaurant;

d-is a measure of average number of employees per souvenir and handicraft shop;

n (SHs) -is number of souvenir and handicraft shops;

T_g – number of tour guides;

+..... +n - allows for additional tourism services that generate direct employment in the industry which are not considered in our case for computation are (boat, horse, bicycle, transport services etc).

Then, in the case of Bishoftu the four tourism enterprises are projected to have generated about **3,564** direct employment {i.e. $\text{TDE} = (30 \times 54 + 10 \times 22 + 8 \times 202 + 2 \times 42 + 24) = 1620 + 220 + 1616 + 84 + 24 = 3,564$ }. The total employment contribution in tourism is usually as high as two fold i.e. $3,564 \times 2 = \mathbf{7,128}$ compared to direct contribution. This simple calculation does help to make appropriate projection of direct and total employment opportunity generated in tourism in Bishoftu.

Bishoftu Micro and Small Scale Enterprises office is organizing and supervising some tourist enterprises which are requesting low kills and investment in their nature. Therefore, the office has organized: tour guiding, handicraft manufacturing, souvenir and handicraft outlets (basically selling traditional fabric) etc. in the form of associations so that they could provide service and products to tourists. People who were organized in micro and small scale enterprises to work in the tourism sector are; first and for most they were generating employment opportunity for themselves and others, and through time even the successful ones' are generating wealth. With this regard the researcher believes that it is crucial to reflect on the success stories of two Micro and Small Scale Enterprises.

The first one is called Bishoftu Gudo Recreational and Boat Service Association. The enterprise was established by 10 youth members in 2008 with the initial working capital of 1000 ETB. They were developing an ideal site located in the eastern shore of Lake Babogaya and turned it to one of the best budget tourist destination. They are engaged in organizing sightseeing, selling food and beverage, and renting boat to tourists. In fact most of their clients are domestic tourists although some foreign tourists seldom visit the site. At the time of the field work, in June 2015, the association employed additional 34 permanent workers (besides the founders) and its capital reached 3.4 million ETB.

The second association is known as MHT (Misrak, Hiskael and Tsehay) weaving partnership and it is established in 2011 by three family members to manufacture and supply handicraft mainly to hotels. This association started its operation with one traditional weaving machine, and currently the enterprise has got 6 traditional and 5 modern weaving machines, and 7 sewing machines. It is manufacturing beautiful traditional cartels, bed sheets, table and pillow covers and supplying them to the resorts and hotels. According to my informant ato Hiskael, all major resorts in Bishoftu namely: Adulala, Kuriftu, Liesak, Asham Africa, Pyramid, Bishoftu Afaf, Etalem and others are his customers. At the time of the survey 25 workers were seen undertaking their daily business duty. The work shop is lying on 457 m² area and the association has a working capital of 500, 000 ETB in 2015. The case presented above is a good indication of the employment and income which had been generated in the value chain of the tourism sector.

It is essential to look at the unemployment rate of Bishoftu to understand the importance of jobs generated in the tourism sector. Unemployment measure the extent of unutilized human resource in the economy. Based on 2014 CSA report the average unemployment rate of

Bishoftu level is 16.2%, the ratio for unemployed male and female is 10.3% and 22.8% respectively (for details see annex II). As it is usually the case female unemployment ratio is bigger than the male. The majority of economically active unemployed social group falls in the age category between 15 and 29. These productive age group which is supposed to contribute highly to the economic growth of the region consists 22.0% of the unemployed ratio at Bishoftu level. This data shows fairly large size of economically productive manpower is not utilized for economic and social development purpose in the region. Across all age categories the unemployment figure for Bishoftu is slightly lower compared to the national average (see annex I and II). This show that a better employment opportunity prevails in Bishoftu. From the employment data presented in the table 4.1 and 4.4 above, it is easy to comprehend the contribution of tourism in curbing unemployment in Bishoftu. As unemployment and poverty are interlinked, the employment opportunities provided either through direct or induced impact of tourism is indispensable in helping the poor to emerge out of poverty line.

4.4. Income Generation Potential of Tourism at Bishoftu Level

Income generation potential of tourism enterprises is another mechanism through which tourism industry has an impact on: employees, the community and local economy where it is developed. This mechanism is a bit wide and complex as it cut across several sector of the economy through which income exchange hands in the process. Due to wide and complex nature of tourism income, the researcher attempts to focus only on the direct income that employees earn, and the socio-economic benefit that the employees and their families reap from tourism. The income data used for the analysis is collected through questionnaire, interview and from some pay rolls of enterprises accessed as well as from the direct observation of the researcher during the field work.

Table 4.5: Respondents' Monthly Income Before and After Joining Tourism Sector

Average monthly income Range	Before Joining Tourism		After Joining Tourism	
	Frequency	% Share	Frequency	% Share
Not Employed	32	42.7	-	-
(<) 500	3	4	Nil	Nil
500-1,000	8	10.7	12	16
1,000-2,000	21	28	28	37.3
2,000-5,000	9	12	20	26.7
(>) 5,000	2	2.7	15	20
Total	75	100	75	100

Source: Own Survey

The monthly income figure presented in table 4.5 shows the pattern of employee's income before and after the respondents joined the tourism sector. All income is expressed in terms of gross salary and any additional income the employees (incentives, bonuses and benefits) are not included in the above income table. As it is observed in the income table 4.5, 42.7% employees had never been employed in the formal sector before they joined the tourism sector. Their reason varies from person to person. However, plausible reasons given by the majority can be summarized as, either they used to be school or college attendee or they did not get the opportunity to be employed in any formal sector after completing their education.

The range observed in salary bracket among tourism employees who were approached by the researcher is incredibly wide; the minimum monthly salary is 500, while the maximum is 29,000 ETB. The income data presented above shows that generally there is an improvement in the income of the employees, and most of the employees are moving up the salary hierarchy, and hence their earning is getting better and better gradually after they joined the tourism sector.

Employees recently moved from less than 2,000 ETB income bracket along the salary ladder to more than 2,000 are 14.7%, and the other 17.3 % even moved farther up the salary hierarchy to the higher salary category bracket of earning above 5,000 after they joined tourism.

As income issue is considered secret and sensitive among most Ethiopians, respondents were not willing to release information for the improvement in their income. So in this case the researcher is obliged to give his own opinion on the subject matter.

The following factors are possible reasons for the increase in the income of employees in the tourism sector. Competition among hotels, and high mobility of professionals tempted hotels to pay more to retain their existing staffs, and the recent general increase in the price of commodities could be another factor why employers are forced to make an adjustment on employees' salary. What so ever the case, the salary improvement issue discussed earlier are good evidences as either existing or new employees are getting better income in tourism.

During the interview secession unanimously all my respondents confirmed that payment and benefits in the tourism sector are generally better than other sectors. Due to the industry specific factors, particularly hotel and restaurant workers are getting complimentary food and non-alcoholic beverage, and transport allowance on top of their regular salaries. Further, as some middle and top managements members are required to stay in the hotel premises for extended hours for supervision purpose, duty managers, food and beverage managers, and general managers are in most cases provided with free housing. In some hotels, depending on the position they hold, staffs are granted free access to gymnasium, swimming pool, and other sport facilities.

Also it has to be remembered that most hotels are equally redistributing the service charge they collect from clients to their management and employees. The service charge rate is ranging from 5 to 10 %. Monthly income employees are obtaining from the service charge fluctuates depending on the monthly sales volume. Some hotels are giving bonus to employees in the form of gratitude during major holidays or at the end of the fiscal year.

Generally speaking, employees working in the tourism, especially those who are working in the hotel enterprises are getting better income and other benefits. It is worth noting that the gross annual salary of all people working in tourism including those who are found at the bottom salary hierarchy stands above the poverty line income set by MoFED. The minimum gross annual salary of people working in the tourism sector in Bishoftu is 6,000 ETB, while MoFED nationally applies an annual income level of 3,781 ETB as income threshold to identify people who should be included/excluded in poverty list (MoFED, 2012).

Table 4.6: Respondents' Literacy Level Before and After Joining Tourism Sector

[Literacy Level]	Before Joining Tourism		After Joining Tourism	
	Frequency	% Share	Frequency	% Share
Grade 9-12	24	32	12	16
TVT (Level I-IV)	11	14.7	18	24
Diploma	19	25.3	17	22.7
Above Diploma	21	28	28	37.3
Total	75	100	75	100

Source: Own Survey**Table 4.7:** Respondents' Status of Promotion Before and After Joining Tourism Sector

[Positions held and promotions]	Before Joining Tourism		After Joining Tourism	
	Frequency	% Share	Frequency	% Share
Managerial Positions	14	18.7	33	44
Supervision and Officers	16	21.3	14	18.7
Service Staffs	45	60	28	37.3
Total	75	100	75	100

Source: Own Survey

The educational level of employees working in the tourism is exhibited in table 4.6. The education level of the majority of service staffs whose ratio is 37.3 % of the total employees are joining tourism from high school and Technical and Vocational Training (TVT), either as graduates or attendees. Among the respondents, 40 % of the employees are currently found at high school and TVT education level. Even among TVT graduates, some employees particularly those who are working in the hotel enterprises are assigned on supervisory positions.

Table 4.7 demonstrates the position held by employees and their status of promotion. All diploma and degree holders are serving either as line or senior managers in Bishoftu tourism enterprises. With the exception of the General Manager of Dream Land hotel and resort (she is a lady) who has second degree, all the rest hotels General Managers are first degree holders. All service staffs and supervisors, and even some top managers are recruited from within the local community in Bishoftu.

Therefore, the discussion presented above is yet another proof as tourism enterprises are widely generating direct employment opportunity for the residents of Bishoftu. In turn,

employment is paving the way for people to generate income. A better income from employment is invested to improve one's living standard. Since individuals are part of the community, the positive effect of tourism is spreading through the whole community. Through this chain of interconnection impacts, the whole community is getting benefit from tourism.

Table 4.8: Respondents' Level of Satisfaction Before and After Joining Tourism Sector

Level of Satisfaction	Before Joining Tourism		After Joining Tourism	
	Frequency	% Share	Frequency	% Share
High	19	25.3	39	52
Medium	40	53.3	35	46.7
Low	16	21.4	1	0.3
Total	75	100	75	100

Source: Own Survey

With the purpose of measuring the employees' current income and job satisfaction level, the researcher distributed close ended questions to the respondents. As it is exhibited in table 4.8 among the respondents, with the exception of one person which accounts for 1.3 % of the total respondents, all the rest confirmed that they have either high or medium satisfaction level with their current job and income in tourism.

Accordingly, 52 % of the respondents answered that they have high level of job satisfaction, while 46.7 % confirmed that they have medium satisfaction in the tourism job. Also all the respondents approached during the survey indicated that in one way or the other they are supporting their families, 75 % respondents revealed that they provide material and financial support to their families, while 25 % indicated as their support to family is rather irregular and limited to holiday contribution.

Looking at the respondents' family size which is exhibited in table 4.9 will help the readers to get a clear understanding how many people are economically benefiting from income raised in the tourism sector. Although the degree could vary from person to person, employees in the tourism sector are virtually supporting financially and/or materially on average 3 to 4 family members.

Another instrument used to measure the income level of employees working in the tourism sector is checking respondents' choice of schools for children. 52 % respondents (presumably

they are parents or guardians) indicated that they managed to send children to private schools by covering their school fee.

Again one more important question forwarded to respondents to measure whether professionals are migrating to or out of the tourism sector. Among the respondents, 40 % of them acknowledged that they switched their job to tourism mainly to hotel enterprise being attracted by the incentive and better payment of the sector in order to improve their livelihood.

Table 4.9: Respondents' Family Status Before and After Joining Tourism Sector

Number of Persons Living together and eating from the same basket with the respondents	Before Joining Tourism		After Joining Tourism	
	Frequency	% Share	Frequency	% Share
2-3	44	58.7	41	54.7
4-5	20	26.7	20	26.7
Above 5	11	14.6	14	18.6
Total	75	100	75	100

Source: Own Survey

The data presented in table 4.10 indicates the respondents' source of house hold energy for cooking and lightening. As most of the employees are working and living in Bishoftu city, an overwhelming majority i.e. 90.7 % indicated that they are using electricity for lightening purposes. The rest 9.3 % are using candle/ wax or kerosene. It is important to bear in mind that some of the resorts such as Adulala and Kuriftu are located in the outlying part of the city, and hence they employed non skilled workers from the nearby suburb rural districts. Some of these workers are included in my respondents list. As including heterogonous group will help the researcher to see things from different angles, employees working at different levels and departments are addressed to answer my questionnaire, and later some are approached for interview purpose. That is why we get some respondents who are using candle/wax or kerosene for lightening.

A case in point is that during my field work the researcher managed to interview Abebe Biru and Dibaba Megersa who were working as assistant's helping tourists to ride horse in Adulala Resort and Spa. Both of them were daily walking back and forth from home to work for an hour. As they live in countryside, it is not unusual that their village do not have electricity and they are using other options for lightening. As ato Eskinder Getachew the General

Manager of Kurift Resort and Spa has informed me, there are more similar cases like Abebe and Dibaba who were coming from distance locality to work in his resort.

Table 4.10: Respondents' House Hold Energy Before and After Joining Tourism Sector
(Some respondents have given multiple response)

Source of Cooking Energy	Before Joining Tourism		After Joining Tourism	
	Frequency	% Share	Frequency	% Share
Biomass, dung and charcoal	24	28.6	12	14.2
Kerosene and butane gas	23	27.4	14	16.7
Electricity	37	44	58	69.1
Total	84	100	84	100
Source of Lightening Energy				
Electricity	69	80.2	76	90.7
Kerosene, candle/wax	17	19.8	8	9.3
Total	86	100	86	100

Source: Own Survey

Briefly, this indicates that although employees in the tourism sector are better paid, still some are not entitled to get basic facility such as electricity in their home. Also given the recurrent power cut in Ethiopia, some of the respondents were perhaps forced to use other lightening sources such as candle. According to the researcher's opinion that is why some respondents had given multiple answer for this question. The incessant power cut is also severely interrupting the operation of the hotels. Ato Eskinder is bitterly complaining that Kuriftu is incurring up to 100,000 ETB additional cost monthly to run diesel generator. Respondents' answer for the source of cooking energy shows the normal practice in most urban settings in Ethiopia. Fairly large number viz. 25.1 % started using electricity after they joined tourism. This is another but slight indicator of the improvement of the employees' living condition. With regard to housing condition of the respondents, there is clear positive change in quantity and quality of the respondents dwelling standard. As it is indicated in table 4.11, 10.7 % respondents indicated as they have increased the number of the rooms in their dwelling from two to three and similarly 5.3 % of them increased from one room to two.

Table 4.11: Respondents' Housing Condition Before and After Joining Tourism Sector

Number of Rooms of the Dwelling Unit	Before Joining Tourism		After Joining Tourism	
	Frequency	% Share	Frequency	% Share
One	33	44	21	28
Two	18	24	22	29.3
Three	24	32	32	42.7
Total	75	100	75	100
Construction materials of the Wall and the Roof				
Wood, mud and Iron Sheet	52	69.3	15	20
Cement and stone	21	28	33	44
Hallow Blocks and Bricks	2	2.7	27	36
Total	75	100	75	100

Source: Own Survey

The questionnaire did not address whether the respondents were living in rented or their own house. Anyhow, in the current housing condition in urban centres in Ethiopia, be it a rented or owned house, affording to increase the number of dwelling rooms could only be attained with proportional high increase in income level to the ever increasing housing cost. In terms of housing quality also the respondents are showing a big progress. 49.3% of the respondents disclosed as they moved from mud to houses either built from hallow blocks and cement and stone.

Table 4.12 demonstrates improvement in respondents' toilet and sanitation facility. There is no wonder, as this issue is directly related to the housing standard improvement. The housing quality of tourism employees had been changing thanks to a better income they are earning from tourism.

Table 4.12: Sanitation Facility of Respondents Before and After Joining Tourism Sector

Toilet and Sanitation Facilities	Before Joining Tourism		After Joining Tourism	
	Frequency	% Share	Frequency	% Share
Field/ Forest/ utilities	9	12	4	5.3
Pit Latrine (shared)	29	38.7	15	20
Pit Latrine (private)	11	14.7	20	26.7
Flush toilet (private and shared)	26	34.7	36	48
Total	75	100	75	100

Source: Own Survey**Table 4.13:** Respondents' Source of Drinking Water Before and After Joining Tourism Sector

Source of Drinking Water	Before Joining Tourism		After Joining Tourism	
	Frequency	% Share	Frequency	% Share
Tap	65	86.7	67	89.3
Pond and well	10	13.3	8	10.7
Total	75	100	75	100

Source: Own Survey

With regard to drinking water the change is insignificant. Rather one important point which needs attention is that there is critical shortage of the supply of running water in Bishoftu. There is huge gap between the current demand and supply capacity of Bishoftu City Water and Sewerage office. The responsible office is incapable of supplying running water to the resorts and lodges which are located in the outlying part of the city. Therefore, all the resorts are using water from their own wells. During the field work the researcher has observed that Asham Africa, Dreamland and Kuriftu are distributing water from their walls on daily basis to the neighbourhoods. We know how water is vital for the smooth operation of the hotels. Unless the problem will be solved it might discourage investors in the future to construct hotel in Bishoftu. That would have an impact in the long run on employment and income generating capacity of tourism.

Table 4.14: Respondents' Current Food and Social Capital Status

Did the Family Experience Food Shortage for Three Months	Frequency	% Share
Yes	4	5.3
No	71	94.7
Total	75	100
Credit, Cash Gift, Remittance Received for food purchase		
Yes	18	24
No	57	76
Total	75	100
Participation in edir and equb		
Yes	65	86.7
No	10	13.3
Total	75	100

Source: Own Survey

The food status and social capital issue displayed in table 3.14 also shows that the majority of tourism employees were not worried about food issue. 94.7 % confirmed that they did not experience recently, when the survey was conducted, any kind of food shortage. Further, 76 % did not get any kind of external fund in the form of credit or remittance and 86.6% were making deposit from their income through equb (a traditional revolving fund raising mechanism) and they were fulfilling their social commitment through their participation in edir (a social association basically established to help each other during mourning and funeral)

4.5. Major Constraints for the Development of Tourism Sector

Nonetheless, keeping in mind the positive progress such as increase in tourist flows, employment generated and income obtained from the tourism sector, one should admit that the tourism sector is facing a lot of constraints which are hampering its potential for development. The major problems that are undermining the performance of tourism sector at both national and Bishoftu level are:

- ❖ The vast and varied tourist attractions that Ethiopia has not been so far adequately protected, developed and marketed as destination;

- ❖ There is a serious shortage in number and type of tourist facilities at existing and potential tourist destinations and vicinities. Moreover, the quality of service is poor and unsatisfactory to tourists;
- ❖ Infrastructure inadequacies and related high transport costs;
- ❖ Lack of comprehensive and timely tourism data;
- ❖ Limited availability of alternative payment systems such as automated teller machine (ATM), point of sales (POS);
- ❖ Handicrafts, other local creative products, performing arts and entertainment services, which could have helped to lengthen the stay and increase visitors spend at destinations are not offered in sufficient variety, quantity and quality;
- ❖ Human resources already deployed in the sector and those needed for new deployment are limited in terms of type, number and quality. There is a shortage of highly trained and moderately trained manpower that is crucial to the development of the sector ;
- ❖ There are capacity limitations among tourism stakeholders, and mutual support and coordination of efforts among them have not been strengthened;
- ❖ Ethiopia's persistent negative image on international scene is not yet fully changed, and
- ❖ The Horn of Africa, the region to which Ethiopia belongs, is seen as a region of instability and terrorism

Chapter Five: Conclusion and Recommendations

5.1 Conclusion

Tourism enterprises draw its consumer both from within the country as domestic tourists and from different parts of the world as international. The findings of the research has revealed that the number of tourist flow at national and Bishoftu level has been growing year by year. The recent figure of 2014 shows that 770,425 international tourists had visited Ethiopia, whereas 326,338 tourists from domestic and international sources had chosen to visit Bishoftu.

The spending from tourists, and the contribution of tourism to the economy has also been increasing correspondingly with the flow of tourists. In 2014, at national level 2,884,471,200 ETB receipt was generated from tourism activity, while 271,839,554 ETB was generated from tourism in Bishoftu in the form of direct income. Generally, the direct contribution of travel and tourism to Ethiopian GDP accounts for 4.1 % (US\$2,057.8 million) while the total contribution of travel and tourism to the national GDP accounts for 9.3 % (US\$4,712.3 million) in 2014.

Bishoftu is known in receiving large number of domestic tourists. In 2014/15; 288,992 domestic tourists had visited Bishoftu. From the direct activity of domestic tourists, 240,730,336 ETB was generated for the corresponding year. Bishoftu could set the best example as domestic tourism can boom in Ethiopia with all its advantages.

The positive change in tourism sector in Ethiopia has led to generating more and more direct and total employment opportunities over the years. At the national level, in 2014 alone, 979,000 direct jobs which accounts for 3.6% of total employment in the economy, and 2,291,700 jobs, 8.5% of the total employment in the economy, were created from tourism's investment, value chain activity and induced impact. At Bishoftu level, the City Culture and Tourism office report (2014/15) indicates that 1,959 direct jobs were created in the tourism enterprises. On the other hand, the CSA (2014) survey report shows that 3,155 people are employed in the accommodation and food service enterprises in Bishoftu in 2014. Whereas, according to the projection made by the researcher taking into consideration the employment generating capacity of five enterprises, 3,564 direct employments were supposed to be generated. What so ever the data from different sources on employment are yielding, tourism

is one of the leading employment generator in Bishoftu. The CSA (2014) survey report on the employment status confirms that, as female got the highest job opportunity in tourism, and the private sector is generating huge employment opportunity compared to the public sector in Bishoftu.

Tourism is contributing a lot in reducing unemployment by generating enormous employment opportunities. Unemployment in short, implies unproductive human resource rate in the economy. According to CSA (2014), at a country level the average unemployment rate is 17.4%. Of these, 24.1% are female and 11.3% are male. The total unemployment rate for Bishoftu is 16.2%, and of these 10.3% are male and 22.8% are female. The majority of economically active unemployed social group (23.5% for national and 22% for Bishoftu) falls in the age category between 15 and 29. Comparatively, the unemployment rate for Bishoftu is slightly less than the national ratios across all age categories and dimensions. The unemployment data revealed fairly large size of economically productive manpower is not utilized for economic and social development purpose both at national and Bishoftu level. With this regard tourism plays a leading role in solving the unemployment problem as the sector is mainly employing the productive young age group.

The average family size for Oromia is 3.6 people per house hold. The family members and possibly other relatives are benefiting from the income generated from tourism employment. In fact, all employed people who were approached for questionnaire and interview indicated that they are supporting their families either financially and/or materially. It is worth noting that the gross annual salary of all people working in tourism including those who are found at the bottom salary hierarchy stands above the poverty line income set by MoFED. The minimum gross annual salary of people working in the tourism sector in Bishoftu is 6,000 ETB, while MoFED nationally applies an annual income level of 3781 ETB as income threshold to identify people who should be included/excluded in poverty list (MoFED, 2012).

Tourism is human-resource intensive due to the service nature of the industry. Tourism benefit the poor groups through employment of local people in tourism enterprises or through induced impact. Many tourism jobs are potentially quite accessible to the poor as they require relatively few skills and little investment. As some tourism enterprises, such as, tour guiding, handicraft and manufacturing are requesting low investment, a lot of people who were organized in micro and small scale enterprises are getting an employment opportunity, and thereby generating wealth. Good examples with this regard are; the Bishoftu Gudo

Recreational and Boat Service Association, and MHT (Misrak, Hiskael and Tsehay) weaving partnership Association, the latter is engaged in handicraft manufacturing and supply to hotels. Therefore, the employment opportunities provided either through direct or induced impact of tourism is indispensable in helping the urban poor to rise out of poverty as the result of the research carried out on Bishoftu is proofing.

The result of the research assessment on the socio-economic status of people employed in the tourism sector shows that the majority of people who are working in the tourism sector are using better cooking and lightening sources of energies, they live in good housing condition, they are using running water from tap, they are using good sanitation facilities, they could cover private school fees and managed to send their children to private schools, and they did not face food shortage recently and they managed to make deposit through *equb* and fulfilled their social commitment in participating in *eder*.

In spite of positive trends in tourism, however, some constraints are hampering the development of tourism sector in Ethiopia and as well as in Bishoftu. Ethiopia's market share from total African market is currently low. Low market share in the tourism sector reflects that its tourism sector is constrained with several challenges.

5.2. Recommendations

The overall observation on the tourism activity at National and Bishoftu indicates that the potential of tourism is not yet fully exploited to its highest limit. Therefore, the private and public sector actors need to collaborate in many ways to expand this potential beyond its present situation. In light of this the following recommendations are put forward.

- ❖ The stakeholders in the industry should work in harmony in expanding the employment and income generation potential of tourism. To this end, policy makers are expected to revise and update the existing tourism policy and working manuals so as to fit the interest and demand of the private sector, while the private sector actors should be encouraged in all possible means to invest in the productive tourism activity, and utilize from the opportunity offered from ever developing tourism sector.
- ❖ The public and private actors should collaborate on packaging and promotion of tourism attractions and destinations in the region at international forum.

- ❖ Design and implement tight regulation for supporting environmental conservation, especially around Bishoftu crater lakes.
- ❖ Regulatory agencies and investors should work together in the area of standardization of services and products as well as pricing of some services to the benefit of the economy.
- ❖ Design, promote and implement a strategy that creates linkage between tourism, micro and small scale enterprise and agriculture for a better positive impact of tourism.
- ❖ The concerned local government agencies should have to design and implement a regulation in which the community will benefit from the direct and tax revenue obtained from tourism in order to enhance the community sense of ownership over the tourist attraction.
- ❖ Designing a mechanism for boosting the local craft, tourist shopping, local tourism enterprises, direct sales outlet for tourism product of local community and building the capacity of local community for running tourism business.
- ❖ Designing a proper tool that will help to measure in a better way the direct income generated from tourism and to collect accurate data.
- ❖ Research and training is still required in the sector for further development in the sector if its full potential to regional development is to be realised.

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Annex-I

Definition of Operational Terms of Tourism

Given its multidimensional nature in terms of the total sum of activities when tourists move from one place to another and global priorities of multinational companies, geo-political forces, global economic manifestations and local complexities at the destinations, the tourism industry can be regarded as an intricate phenomenon. This, therefore, implies that in the endeavour to effectively plan and manage the industry, a robust understanding of the industry's terminology is necessary. Hence, for purposes of standardisation and conformity, the researcher adopts United Nations World Tourism Organisation's (UNWTO, 2010a) definition of key operational terms as below.

1. Business visitor: A business visitor is a visitor whose main purpose for a tourism trip corresponds to the business and professional category.

2. Country of residence: The country of residence of a household is determined according to the centre of predominant economic interest of its members. If a person resides (or intends to reside) for more than one year in a given country and has there his/her centre of economic interest (for Example, where the predominant amount of time is spent), he/she is considered as a resident of this country.

3. Destination (main destination) of a trip: The main destination of a tourism trip is defined as the place visited that is central to the decision to take the trip.

4. Domestic tourism: It comprises the activities of a resident visitor within the country of reference, either as part of a domestic tourism trip or part of an outbound tourism trip.

5. Employment in tourism industries: Employment in tourism industries may be measured as a count of the persons employed in tourism industries in any of their jobs, as a count of the persons employed in tourism industries in their main job, as a count of the jobs in tourism industries, or as full-time equivalent figures.

6. Excursionist (or same-day visitor): A visitor (domestic, inbound or outbound) is classified as a same-day visitor (or excursionist) if his/her trip does not include an overnight stay.

7. Forms of tourism: There are three basic forms of tourism: domestic tourism, inbound tourism, and outbound tourism. These can be combined in various ways to derive the following additional forms of tourism: internal tourism, national tourism and international tourism.

8. Inbound tourism: Comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip.

9. Internal tourism: Internal tourism comprises domestic tourism plus inbound tourism, that is to say, the activities of resident and non-resident visitors within the country of reference as part of domestic or international tourism.

10. International tourism: International tourism comprises inbound tourism plus outbound tourism, that is to say, the activities of resident visitors outside the country of reference, either as part of domestic or outbound tourism trips and the activities of non-resident visitors within the country of reference on inbound tourism trips.

11. Meetings industry: To highlight purposes relevant to the meetings industry, if a trip's main purpose is business/ professional, it can be further subdivided into “attending meetings, conferences or congresses, trade fairs and exhibitions” and “other business and professional purposes”.

12. National tourism: National tourism comprises domestic tourism plus outbound tourism, that is to say, the activities of resident visitors within and outside the country of reference, either as part of domestic or outbound tourism trips.

13. Outbound tourism: Comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.

14. Place of usual residence: The place of usual residence is the geographical place where the enumerated person usually resides, and is defined by the location of his/her principal dwelling (Principles and recommendations for population and housing censuses of the United Nations).

15. Purpose of a tourism trip (main): The main purpose of a tourism trip is defined as the purpose in the absence of which the trip would not have taken place. Classification of tourism trips according to the main purpose refers to nine categories: this typology allows the identification of different subsets of visitors (business visitors, transit visitors, etc).

16. Tourism expenditure: Tourism expenditure refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips.

17. Tourism industries: Tourism industries (also referred to as tourism activities) are the activities that typically produce tourism characteristic products.

18. Tourism Satellite Account (TSA): TSA can be seen as a set of 10 summary tables, each with their underlying data and representing a different aspect of the economic data relative to tourism: inbound, domestic tourism and outbound tourism expenditure, internal tourism expenditure, production accounts of tourism industries, the Gross Value Added (GVA) and Gross Domestic Product (GDP) attributable to tourism demand, employment, investment, government consumption and non-monetary indicators.

19. Tourism sector: The tourism sector, as contemplated in the TSA, is the cluster of production units in different industries that provide consumption goods and services demanded by visitors. Such industries are called tourism industries because visitor acquisition represents such a significant share of their supply that, in the absence of visitors, their production of these would cease to exist in meaningful quantity.

20. Tourist (or overnight visitor): A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay.

21. Travel / tourism: Travel refers to the activity of travellers. A traveller is someone who moves between different geographic locations, for any purpose and any duration. The visitor is a particular type of traveller and consequently tourism is a subset of travel.

22. Trip: A trip refers to the travel by a person from the time of departure from his/her usual residence until he/she returns: it thus refers to a round trip. Trips taken by visitors are tourism trips.

23. Visit: A trip is made up of visits to different places. The term tourism visit refers to a stay in a place visited during a tourism trip.

24. Visitor: A visitor is a traveller taking a trip to a main destination outside his/ her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. A

visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/her trip includes an overnight stay; otherwise, he is referred to as a same-day visitor (or excursionist).

Annex-II

Unemployment Population and Ratio at National Level

Age Category	Economically Active Population			Unemployed population			Unemployment Ratio		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
10-14	222,833	105,471	121,361	21,620	11,971	9,650	9.5	11.3	8.0
15-19	736,027	302,220	433,807	184,912	69,828	115,084	25.1	23.1	26.5
20-24	1,463,257	650,227	813,030	402,869	139,532	263,337	27.5	21.5	32.4
25-29	1,756,964	926,634	830,330	315,665	96,165	219,500	18.0	10.4	26.4
30-34	1,038,830	587,493	451,337	154,604	51,821	102,783	14.9	8.8	22.8
35-39	1,007,983	531,181	476,802	123,159	30,145	93,015	12.2	5.7	19.5
40-44	609,262	343,063	266,200	73,122	22,471	50,650	12.0	6.6	19.0
45-49	460,331	257,424	202,907	51,217	12,189	39,028	11.1	4.7	19.2
50-54	341,157	196,778	144,379	36,815	12,081	24,734	10.8	6.1	17.1
55-59	240,082	146,948	93,133	27,657	10,549	17,108	11.5	7.2	18.4
60-64	156,012	95,769	60,243	23,953	12,986	10,967	15.4	13.6	18.2
65+	185,623	126,879	58,744	16,774	11,477	5,297	9.0	9.0	9.0
All Ages	8,222,359	4,270,087	3,952,272	1,432,368	481,213	951,154	17.4	11.3	24.1

Source: CSA Urban Employment and Unemployment Survey, 2014

Annex-III

Unemployment Population and Ratio at Bishoftu Level

Age Category	Economically Active Population			Unemployed population			Unemployment Ratio		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
10-14	500	282	218	109	-	109	21.8	-	50.0
15-19	4,113	1,819	2,294	1,077	475	602	26.2	26.1	26.2
20-24	14,680	6,538	8,143	3,830	1,424	2,406	26.1	21.8	29.5
25-29	16,511	9,227	7,284	2,274	550	1,724	13.8	6.0	23.7
30-34	9,306	5,205	4,102	1,756	749	1,007	18.9	14.4	24.5
35-39	8,803	5,289	3,514	929	218	712	10.6	4.1	20.2
40-44	4,423	1,932	2,491	514	162	352	11.6	8.4	14.1
45-49	3,566	1,635	1,931	217	-	217	6.1	-	11.2
50-54	3,717	2,097	1,619	381	109	272	10.3	5.2	16.8
55-59	1,743	928	816	163	109	54	9.3	11.7	6.6
60-64	1,958	1,618	339	54	54	-	2.8	3.4	-
65+	2,132	1,204	928	272	54	218	12.8	4.5	23.5
All Ages	71,453	37,774	33,678	11,577	3,905	7,672	16.2	10.3	22.8

Source: CSA Urban Employment and Unemployment Survey, 2014

Addis Ababa University
College of Business and Economics
Department of Public Administration and Development
Management

To _____

I would like to thank you in advance for your kind cooperation and take part in my research entitled

“The Role of Tourism Sector in Generating Employment Opportunity and Augmenting Household Income in the Case of Bishoftu City of Oromia Regional State of Ethiopia.”

Dear Sir/Madam

Your participation is absolutely voluntary and anonymous. Further, the data gathered through this research will be used only for academic purpose and will be kept confidential. In the enclosed document you will find both close and open ended questions. You are kindly requested to answer all questions.

Thank you for your positive contribution for the success of my research.

If you have any inquiry or would like to obtain the result of the research, you are cordially advised to communicate the researcher using the below address

Assefa Batu Bedane

Cell phone: +251-911-630779/923-213567/913-894535/911-164518

E-mail account: assefa2020@gmail.com/amen_assefa@yahoo.com

Sincerely yours

Assefa Batu

2. What is the type of your organization?

A. Private

B. Public

C. Association

D. Micro and small scale enterprise

E. If other please write on the space provided_____

3. In what position do you currently serve the organization? (You can give multiple responses)

Before you Joined the tourism sector	After you Joined the tourism sector
A. General/ Deputy Manager	A. General/ Deputy Manager
B. Department/Section head	B. Department/Section head
C. Supervisor	C. Supervisor
D. Expert/Officer	D. Expert/Officer
E. Service staff	E. Service staff
F. If other please write.....	F. If other please write.....

4. How many years have you worked in the position you held currently? (You can give multiple responses)

Before you Joined the tourism sector	After you Joined the tourism sector
A. Less than 1 year	A. Less than 1 year
B. 1-3 years	B. 1-3 years
C.3- 5 years	C.3- 5 years
D. 5 years and above	D. 5 years and above

5. From among the below listed tourism activities, in what kind of work are you engaged? In case if you are involved in more than one economic activity please encircle all the types of works you are involved in (You can give multiple responses)

- A. Tour Operation
- B. Travel Agent
- C. Hotel/Lodge/Resort
- D. Transportation
- E. Boat Rental
- F. Recreation
- G. Entertainment
- H. Handicraft
- I. Supplying inputs to the hotel/Lodge/Resort
- J. Supplying inputs to Handicraft
- K. Supplying inputs to Entertainment
- L. If other please mention on the space provided_____

6. In which work type have you got better incentives and why? (You can give multiple responses)

- A. Tour Operation
- B. Travel Agent
- C. Hotel/Lodge/Resort
- D. Transportation
- E. Boat Rental
- F. Recreation
- G. Entertainment
- H. Handicraft

I. Supplying inputs to the hotel/Lodge/Resort

J. Supplying inputs to Handicraft

K. Supplying inputs to Entertainment

L. Please write if you got any better incentive in the type of work you are doing in the tourism sector as compared to your previous work experience

7. What is your monthly income/salary in Birr? (You can give multiple responses)

The salary you got at the beginning (as newly hired)	Last salary you got before joining the tourism sector business	At the beginning in the tourism sector	In the current position you are working at the tourism sector

8. **Do you support** your family members with your income/salary?

A. Yes, I do support

B. No, I don't support

9. If your answer for question 8 is “yes”, please compare the value and type of support you gave for your family;

Before you joined tourism sector	After your joined the tourism sector

Part III:

The following questions are prepared to gather information about household information of the respondent

Instruction:-Dear respondent, you are kindly requested to encircle or write your answers on the given blank space

1. How many people live with you and eat from same food basket in your house hold

A. One

B. Two

C. Three

D. Four

E. Five

G. Six and above

11. Before you earn income from the tourism sector, in what type of school did the children in the household attend their education?

A. Public

B. Private

12. After you earn income from the tourism sector do the children move from Public to private school?

A. Yes

B. No

Part IV:

The following questions are prepared to gather information about the characteristics of residence and utilities

Instruction:-Dear respondent, you are kindly requested to encircle or write your answers on the given blank space

1. Excluding Kitchen and toilets how many rooms did the dwelling unit had before you started earning income from the tourism sector?

A. One

B. Two

C. Three or more

2. Does the number of rooms in dwelling unit change after you earn income from the tourism sector? if “yes”, excluding kitchen and toilets how many rooms does the current dwelling unit have?

A. One

B. Two

C. Three or more

3. What type of toilet facility did the household use before you started earning income from the tourism sector?

A. Field/forest,

B. Container (household utensils)

C. Pit latrine (shared)

D. Pit latrine (private)

E. Flush toilet (private or shared)

F. If other please write on the space provided_____

4. Does the type of the toilet facility change after you earn income from the tourism sector? if “yes”, tell us the current toilet facility type

A. Field/forest,

B. Container (household utensils)

C. Pit latrine (shared)

D. Pit latrine (private)

E. Flush toilet (private or shared)

F. If other please write on the space provided_____

5. What was the source of drinking water of the house hold before you started earning income from the tourism sector?

A. Tap

B. Pond

C. Well

D. River

E. If other please write on the space provided_____

6. Does the source of drinking water of the house hold changed after you earn income from the tourism sector? if “yes”, tell us the current drinking water source of the house hold

A. Tap

B. Pond

C. Well

D. River

E. If other please write on the space provided_____

7. What was the main source of lighting of the house hold before you started earning income from the tourism sector?

A. Electricity

B. Kerosene

C. Candle/wax

D. Wood

E. If other please write on the space provided_____

8. Does the main **source of lighting** changed **after** you earn income from the tourism sector? if “yes”, tell us the current house hold lightening source

A. Electricity

B. Kerosene

C. Candle/wax

D. Wood

E. If other please write on the space provided_____

9. What was the main source of cooking fuel before you started earning income from the tourism sector?

A. Mainly firewood or animal dung or charcoal (purchased or collected)

B. Crop residue

C. Kerosene

D. Butane gas

E. Electricity

F. Does not use fuel

G. If other please write on the space provided_____

10. Does the main source of cooking fuel changed after you start earning income from the tourism sector? if “yes”, tell us the current main cooking fuel source of the house hold

A. Mainly firewood or animal dung or charcoal (purchased or collected)

B. Crop residue

C. Kerosene

D. Butane gas

E. Electricity

F. Does not use fuel

G. If other please write on the space provided_____

Part V:

The following questions are prepared to gather information about the food status and social capital of the respondent

Instruction:-Dear respondent, you are kindly requested to encircle your answers for the following questions

1. Did you experience food shortage for three or more consecutive months in the past year in the household?

A. Yes

B. No

2. Do the household receives formal or informal credit in cash

A. Yes, we receive

B. No, we don't receive

3. Do the household receives any cash gifts or remittance
 - A. Yes, we receive
 - B. No, we don't receive
4. Do the household has social support networks that offer help
 - A. Yes
 - B. No
5. Do the household participates in any social institutions such as in *eder* or *equb*
 - A. Yes
 - B. No

OPEN ENDED QUESTIONNAIRE

1. Does tourism sector create job opportunity for local needy women and the youth people in Bishoftu?
2. Does the tourism activity bring positive economic impact on the income of households who are engaged in the tourism service provision? How and why?
3. What major challenges that the Bishoftu's tourism sector faces?
4. Will tourism be a sustainable economic activity for the community? Why and how?
5. Briefly describe what do you expect from the following stakeholders to realize rapid and sustainable tourism growth in Bishoftu and make the city "***Number one Tourist Destination in Ethiopia***"?
 - From the Community
 - From the City Administration/the public sector
 - From the Private Sector

"Thank you so much for allocating your precious time to make happen my research"

INTERVIEW GUIDE FOR BUSINESS MANAGERS/STAFFS (KEY INFORMANTS)

1. In what type of business are you engaged?
2. For how many years have you been operating this business?
3. What is the current total land area in m² you have owned?
4. What is your total investment?
5. Did the property make any expansion after the first establishment?

How many times?

Reason for expansion?

6. Currently how many permanent employees do you have?

A. Male

B. Female

7. Currently how many temporary employees do you have? For how long do the temporary workers are staying on their work?

A. Male

B. Female

8. Did the number of permanent employees increase or decrease in the last 3 years? Why changed

9. Do employees migrate into/out of the tourism sector? Why?

10. What is the average age range of the permanent employees?

11. What is the current educational level of the permanent employees?

A. Least

B. Average

C. Highest

12. What is the gross monthly salary range of the permanent employees? For skilled and unskilled

A. For Non-skilled

i) Minimum

ii) Maximum

iii) Average

B. For Skilled

i) Minimum

ii) Maximum

iii) Average

13. Do employees get other benefits from the organization in kind and/or Cash?

If “yes” tell us the type of benefit

A. Food and drinks

B. Transport service

C. Full residence

D. Partial residence

E. Any other kind of benefits/ incentives in kind and/ or cash such as service charge, holiday bonus, yearend profit sharing bonus

14. Currently how many total rooms do you have? (Only for hotels)

15. What is the average occupancy rate? (Only for hotels)

A. During the week days?

B. During the week ends?

C. Monthly?

D. Annually?

16. What is the average stay of tourists in your property/ Bishoftu?

17. Is there high and low seasons for tourism business? When is the lowest and the highest business times for your organization

18. Who are your major customers and where are they coming from?

A. Ethiopians

B. Foreigners

19. If your answer for No.18 is “Ethiopians” which of these group of visitors are large in number?

A. The Diaspora

B. The locals

20. How often do you organize Meetings, Conference, Incentive and Events in your hotel/ lodge/resort? (Only for hotels)

A. Meetings

B. Conference

C. Incentive

D. Events such as wedding/ birthday party/ school retreat

21. What are the major activities that the tourists are engaged in when they stay in Bishoftu? Which attractions do tourists prefer to visit?

22. What was the trend of tourists’ flow in the last five years? Why changed

23. How do you support the local community?

24. What does the infrastructure look like and who is building it?

25. What type of support do you get from the gov't/ city administration?
26. Did you get tax holiday such as duty free privilege or other incentives?
27. How do people engaged in the tourism sector protect the environment?
28. Why have you chosen to establish your business in Bishoftu?
29. What major challenges you have faced to run your business?
30. Are you successful in your business and do you like to stay for long time in the business you are engaged with now? Why?
31. What is your immediate/intermediate/long term future business plan?

INTERVIEW GUIDE FOR EMPLOYEES OF BISHOFTU CITY CULTURE AND TOURISM OFFICE (KEY INFORMANTS)

1. Full name and current position?
2. For how many years have you served in this office/ in the current position?
3. What is the major tourist attractions in and around Bishoftu City?
4. Please describe the characteristics of the attractions (for instance the number, the depth and the total area each lakes)
5. What are the major activities that the tourists are doing in Bishoftu? Which attractions do tourists prefer to visit in Bishoftu?
6. Who is building the infrastructure and what does it look like around tourist destinations?
7. According to the official record/ the report you have compiled, what is the annually number of tourist arrivals visiting Bishoftu in the last 5 years?
8. What was the trend of tourists' flow in the last five years? Why changed
9. Do you compile monthly tourist arrivals data? What does it look like?
10. What are the highest and lowest tourist flow seasons of the year? When do high number of tourists visit Bishoftu? Why?
11. Based on your observation/record what type of tourists are mainly visiting Bishoftu?
 - A. Excursion
 - B. Leisure
 - C. MICE
 - D. Of MICE which tourist category are the highest in number (people engaged in Meeting, Incentive, Conference or Events)?
12. What is the nationality of the majority of tourists visiting Bishoftu?
 - A. Ethiopians
 - B. Foreigners
13. If your answer for No.11 is "Ethiopians" which of these group of visitors are large in group?
 - A. The Diaspora
 - B. The locals
14. Where are the majority of visitors coming/originating from?
15. What is the average stay of tourists in Bishoftu?

16. What is the total annual receipts from tourism? What is the basis of the calculation?

17. What was the trend in total annual receipts in the last five years? Why changed

18. Currently, how many tourist service providing facilities are registered in your office?

A. Hotels

B. Lodges/ Resorts

C. Guest Houses/ Pensions

D. Tour operators

E. Travel Agents

F. Transport Operators (only tourist affiliated)

G. Boat Service/ Rental

H. Recreation

I. Entertainment

J. Gift Article/Souvenir shops

K. Suppliers in the tourism product value chain such as (vegetables, fruits, weaving, wood work, gardening and land scape, bee farm etc)

L. MSEs

19. Is there any effective back ward or forward linkage created between tourism and other economic sectors?

20. How many people are currently employed in the tourism sector in Bishoftu city? From where do you get the data?

A. Male

B. Female

21. What was the employment rate in the tourism sector in last five years? Why changed

Year	Employment Status	Male	Female	Total
2002	Permanent			
	Temporary			
2003	Permanent			
	Temporary			
2003	Permanent			
	Temporary			
2005	Permanent			

	Temporary			
2006	Permanent			
	Temporary			
2007	Permanent			
	Temporary			

22. How many of them are permanent and how many of them are temporary? For how long do the temporary workers are employed?

23. What is the average age range of the permanent employees?

24. Does tourism create job opportunity for youth and women? Why and how?

25. What is your assessment in meeting your annual plan of creating job opportunity in the tourism sector?

26. Did you your office meet its plan of creating job opportunity in the tourism sector during the 1st GTP period?

27. How many new tourism jobs have you planned to create in the 2nd GTP period?

28. What is the educational level of the employees working in the tourism sector?

A. Least

B. Average

C. Highest

29. Do people employed in the tourism sector get better pay and incentive? If “yes” describe what type of incentive do they get in kind and/or cash

30. What is average gross monthly salary of the permanent employees?

A. For non-skilled

B. For skilled

i) Minimum

i) Minimum

ii) Maximum

ii) Maximum

iii) Average

iii) Average

31. Do employees migrate into/out of the tourism sector? Why?

32. Do the hotels/ lodges /resorts/ guest houses request for expansion after their first establishment? Reason for requesting expansion?

33. What is the sum total of the rooms that all the hotels in Bishoftu city have? (I need 5 years data)

34. How many of the hotels/lodges/resorts in Bishoftu are rated/registered as tourist standard properties?

35. What is the average occupancy rate of hotels/lodges/resorts?

A. During the week days?

B. During the week end

C. Monthly?

D. Yearly?

36. What type of support does your office give to the tourism businesses operators?

37. Is tax holiday or duty free privilege or other incentive guaranteed for tourism operators/ private businesses? If “yes” mention the type of incentives

38. What does the financing arrangement/ credit facility look like for tourism operators? Do they get special support or priority?

39. What type of support does tourism operators’ give to the community?

40. How do people engaged in the tourism sector protect the environment?

41. Why the tourism operators/ owners choose to establish their business in Bishoftu?

42. What are the major challenges of tourism sector in Bishoftu?

43. Are tourism operators successful in their business and do they like to stay for long time in the business they are currently engaged? Why?

44. What are your office’s immediate/intermediate/long term future plans?